



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.

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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.



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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,

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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



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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>.

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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



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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

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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



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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:

Financial Year	Total Amount Spent for the		Amount Unspent (in ₹) – NIL	
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).	
	Amount	Date of transfer	Name of the Fund	Amount
₹ 13.54 Crores	NA	NA	NA	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
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
				State	District		Name. CSR registration number
1	Supporting communities during Covid19	(i)	Yes	Maharashtra	Mumbai	No	Taj Public Welfare Trust CSR00000540
2	Promoting healthcare activities	(i)	Yes	Kerala	Kerala	No	Citizens India Foundation CSR000012261
3	Promoting vocational skills for differently-abled	(ii)	Yes	Kerala	Munnar, Idukki District,	No	TGBL Foundation CSR000007356
4	Rural Development	(i)(iii)(iv)	Yes	Gujarat	Mithapur	No	Tata Chemical Society CSR000002564
5	Affordable Healthcare for all	(i)	Yes	Assam	Chubwa, Dibrugarh	No	APPL Foundation CSR000006630
6	Supporting Cancer-affected Children	(i)	Yes	West Bengal	Kolkata	No	St. Jude's Child Care CSR000001026
7	Welfare for people of Coorg.	(i)(ii)	Yes	Karnataka	Kodagu	No	Coorg Foundation CSR000005504
8	Supporting vulnerable communities during Covid19	(i)	Yes	All India	All India	No	Tata Community Initiatives Trust CSR000002739
9	Project Jalodari – Water and Sanitation	(iv)	Yes	Assam	Jorhat & Golaghat,	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, Ganshmuell, Orana for the development of water plus and fruit- based beverages.

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

iii) Community of Experts:

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

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

Annexure 5 to Board's Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On behalf of the Board of Directors

N. Chandrasekaran

Chairman

(DIN 00121863)

Mumbai
May 4, 2022



MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC REVIEW

1.1 Global

Global growth is estimated at 6.1% in 2021 as per the International Monetary Fund compared to the contraction of 3.1% in 2020 mainly owing to the pandemic (World Economic outlook April 2022). The year 2021 saw economic recovery aided by supportive fiscal policy globally; however, the momentum slowed due to various factors, including subsequent Covid-19 waves (Delta and Omicron variant in Q2 and Q4, respectively), lower vaccine access in developing economies (leading to divergence in rate of recovery) and inflation with the increase in demand, supply disruptions and increase in prices (energy, freight and food).

Outlook

In its April 2022 outlook, the IMF estimates global economic growth to moderate to 3.6% in 2022 – marginally higher than the historical average of around 3.4% (2015-19). The recovery is expected to be supported by a consumption boost from pent-up household savings, an increase in vaccinations, and inventory restocking partly offset by headwinds of broad-based inflation continuing to impact near-term growth. We will also see the tightening of monetary policies by various central banks to stabilise inflation, with the US Federal Reserve announcing its intentions to further raise rates and taper asset purchases at a faster pace in 2022.

Geopolitical tensions as a result of the Ukraine-Russia war and economic sanctions imposed on Russia are expected to dampen the above outlook (Russia supplies ~10% of the world's energy). These developments have further elevated inflation and are likely to result in aggressive tightening policies by banks and a decline in private demand. There is a higher risk to growth with prolonged conflict.

1.2 India

India's economic growth is estimated at 9% in 2021, the highest among large economies, reflecting a strong recovery led by favourable monetary and fiscal policy, mass vaccinations and significant progress on structural reforms. The year witnessed strong growth momentum in exports and improvement in credit uptake driven by agricultural and industrial sectors. Banks and Non-Banking Financial Companies have healthier balance sheet positions compared to 2018 levels. However, India has also been witnessing significant inflationary pressures similar to the global economy.

Outlook

Indian economy is expected to benefit from the recovery in consumption supported by increasing normalisation of activity, higher rural income, and the boost from pent-up household savings in addition to continued emphasis on infrastructure spending by the government. Government CAPEX is budgeted to grow to 2.9% of GDP in FY 2022-23 the highest in nearly two decades. Private corporate investment is also expected to pick up in the second half of the year with improvement in demand leading to increased manufacturing sector capacity utilisation and roll-out of the Production-Linked Incentive Scheme.

The outlook stands to be impacted given sustained inflation pressures in the next few quarters including the impact of Russia - Ukraine conflict, quicker tightening of financial conditions with RBI's rate hikes, high oil prices impacting current account balance and fiscal deficit and subsequent Covid-19 outbreaks.

2. STRATEGIC PRIORITIES

2.1 Overall strategy

Tata Consumer Products Limited (referred to as 'Tata Consumer' or 'the Company') is among the top 10 FMCG companies in India with a portfolio of offerings in foods and beverages. The Company owns iconic brands with a strong heritage like Tata Tea, Tata Salt, Tetley, and Eight O'Clock Coffee as well as new-age brands like Tata Sampann, Teapigs, Good Earth, Himalayan Water, Tata Gluco Plus, Tata Soufull and Tata Q. It is the second-largest branded tea player globally, houses the largest salt brand in India, and is expanding its portfolio into other product categories like staples, snacks, ready-to-eat, ready-to-cook, and coffee. The Company is committed to delivering 'Better for You' products with quality, nutritious ingredients that are innovative, delightful and convenient for consumption.

The business continued to strengthen its capabilities as a focused consumer products company with a wide portfolio of products aspiring for a larger share of the consumer basket. Despite an inflationary and volatile environment, we continued to increase distribution reach to 38 lakh retail outlets in India, supported growth with high investments behind brands, accelerated innovation, improved operational efficiency, and undertook strategic reorganisation. We completed our brand integration

Management Discussion and Analysis

with Tata Soufull and acquired Tata SmartFoodz Limited (TSFL). We also continued driving the digitisation agenda, including enabling business from a digital perspective and enhancing analytical capabilities across the value chain.

We remain aligned to our six stated strategic pillars:

- **Strengthen and accelerate core business**

We continued to power our brands with higher investments in the year while driving premiumisation, distribution expansion and developing alternate channels for growth. During the year, we strengthened our share position in India while keeping it stable in our International business.

- **Drive digital and innovation**

We are embedding digital in every part of the business to stay in tune with technological advancements and drive efficiencies across the value chain. Our e-commerce channel performed well, and we plan to continue driving growth in this channel and strengthen digital marketing across markets.

Our innovation efforts are focused on understanding and pre-empting evolving consumer trends and coming up with quality and differentiated products to delight increasingly discerning consumers. We are well-positioned to tap consumer trends and offer new products by leveraging our core systems. We are on track to ramping up the contribution of innovation to overall revenues in the next few years and cross pollinate successful launches across different geographies (Good Earth sensorial blends, Tetley Super Teas). As a result of our focus on innovation, for FY 2021-22, the innovation to sales contribution almost doubled over last year.

- **Unlock synergies**

We continue to focus on improving efficiency and have implemented two major integrations with the acquisition of Tata Soufull and Tata SmartFoodz into the Tata Consumer fold. We are restructuring to combine Tata Coffee's business into Tata Consumer and its wholly-owned subsidiary and purchase a non-controlling interest in Tata Consumer UK Group through a preferential issue of equity shares. This will simplify the legal structure,

create focused business verticals, and unlock synergies. We are looking at further simplification and consolidation of operations to reduce the effective number of legal entities over a period of time.

- **Exploring new opportunities**

We aspire to be a leading player in the FMCG industry, by expanding our play in existing categories and venturing into new spaces. We have taken both organic and inorganic routes to capitalise on industry trends and tap into new consumer segments or markets. This includes piloting launches into new categories by leveraging a differentiated offering and a 'right-to-win' strategy as well as realigning capital investments to markets or businesses that have higher growth potential and the ability to generate sustainable returns. Our inorganic agenda allows us to expand into new categories and recruit new sets of consumers. With the acquisition of Tata SmartFoodz, we ventured into the ready-to-eat portfolio, which caters to consumers seeking convenient and wholesome meals.

- **Create a future-ready organisation**

We transitioned smoothly to a new and integrated organisation structure with the right capabilities and a culture that empowers our people to realise our shared vision. As part of our ongoing commitment to promote a more inclusive and diverse workplace, we extended the group health insurance policy to cover partners of employees belonging to the LGBTQ community. We remain committed to investing in building people's capabilities and creating a sustainable, high-performance work culture.

Recognised as a
Great Place to Work®

- **Embed sustainability**

Being part of the Tata Group, the ethos of responsibility and sustainability are interwoven in our corporate culture and philosophy. During the year, we signed up as a founding member of the India Plastics Pact, which is a collaboration between the Confederation of Indian Industry



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(CII) and WWF India that brings together multiple stakeholders to set time-bound, target-based commitments to transform the current linear plastics system into a circular plastics economy.

You will find more details of our efforts and progress against each of these strategic priorities in later sections of this report.

To read “Progress against strategic priorities” [click here](#).

Key strategic developments

During the year under review, we increased our investments in our brands, streamlined operations and drove synergies, including network optimisation in India and simplification of our Indian and International businesses.

- We accelerated our innovation agenda and launched several new products, foraying into new categories/geographies, including Added new products in our health and wellness segment - Care range (Tata Tea Gold Care, Chakra Gold Care, Tata Tea Care), Tata Salt Super Lite with 30% lower Sodium, Tata Soulfull Muesli (Zero Added Sugar), Tata Soulfull No Maida Choco
- Prioritised customer convenience by introducing Tata Coffee Quick Filter Coffee and Tata Tea Adrak Chai
- Built on our premiumisation agenda with a care range, new SKUs in Tata Coffee Sonnets, Tata Tea 1868, and Good Earth Sensorial Blends, among others
- Entered new segments with TGP Jelly and Tata Sampann Dry Fruits in India
- Introduced TATA Soulfull portfolio in the Middle East and took RTD liquids to the International markets with Good Earth Kombucha & Good Energy

During the year, we expanded our portfolio with the acquisition of Tata SmartFoodz Ltd, which owns the TataQ (#2 player in the RTE category in India, manufacturing products using the MATS technology in its Sri City facility in Andhra Pradesh). The RTE category provides a sizeable opportunity in both

International and Indian markets and has a strong overlap with Tata Consumer's existing footprint. We are in the process of unlocking synergies across the value chain by efficiently integrating operations and leveraging technology and manufacturing facility to create a strong pipeline of value-added products in other parts of Tata Consumer's Food business.

During the year, as part of our portfolio evaluation, we transitioned our tea café format Quick Service Restaurant business - Tata Cha - to Qmin-Shops operated by a subsidiary of Indian Hotels Company Limited (IHCL). This will enable us to better focus on our core FMCG business.

Digital integrations and organisation restructuring

We have laid out our digital strategy and vision, and are embedding digital across the value chain of the company. After the implementation of SAP S/4 HANA in the India business, we are now rolling this out across our other businesses (mainly International and Tata Coffee) and have initiated the setup of an enterprise data platform to draw insights and analysis to support the business.

We streamlined our operations further in India and International markets to drive operational efficiency. Major initiatives include network optimisation and operating model design for the foods 3P network and converting the Australian market into a distributor model.

As part of organisational restructuring and to simplify the legal structure while unlocking synergies, we announced the re-organisation plan during the year with two key steps – a) Composite Scheme of Arrangement with Tata Coffee Limited, our listed Indian subsidiary company and b) purchase of non-controlling interest held by Tata Enterprises Overseas AG (**TEO**) in Tata Consumer Products UK Group Limited (**TCP UK**), our subsidiary company in UK.

The Composite Scheme of Arrangement includes the demerger of our plantation business, Tata Coffee Limited (TCL) into TCPL Beverages & Foods Limited (TBFL), a newly formed wholly-owned subsidiary of Tata Consumer. The second part of the restructure includes the merger of the remaining business of TCL, comprising its extraction and branded coffee business, with TCPL.

Additionally, the Company proposes to purchase the non-controlling interest in TCP UK by way of

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a share swap, through a preferential issue of its equity shares. Currently, Tata Consumer (directly/through its subsidiary companies) holds 89.85% of the share capital of TCP UK, and the balance 10.15% stake is held by TEO. Through this transaction, the Company intends to purchase this non-controlling interest and the purchase consideration is to be paid through the preferential allotment of shares of Tata Consumer to TEO, based on an independent valuation by a registered valuer and subject to other regulatory approvals.

This reorganisation accelerates the Company's objective of creating a future-ready organisation and will act as a stepping-stone for further simplification. It will also result in operational efficiencies, faster decision-making and execution, creation of focused business verticals and unlocking of potential synergies. These initiatives will enable simplification of the Group structure (one listed entity instead of two previously), helping us drive synergies in the organisation, unlock market potential and increase operational control by consolidating the tea and coffee extraction businesses. We plan on significantly reducing the number of operational entities at Tata Consumer group over the period of next few years as part of our simplification agenda.

The Company was certified as a 'Great Place to Work®' and recognised for its commitment to fostering a positive company culture with an employee-first approach at the Great Place to Work® platform, which is a global authority on workplace culture.

2.2 Opportunity and strengths

The Company has leading market positions in the Tea and Salt segments, which contribute a significant share of the revenue and is projected to steadily grow over the next few years. We are continuously advancing our distribution and operational capabilities and institutionalised benchmark practices for strong customer engagement and delivery processes. This approach helps create a platform for future businesses through organic and inorganic means to flourish.

These new businesses have the potential to scale over a period and become engines of growth (including Packaged Food, Liquid Beverages, Breakfast Cereals, Healthy Snacks, Ready-to-Eat as well as newer categories being explored). The rich

heritage of the Tata brand name inspires widespread trust and allows us to play in different categories. We are rapidly digitising our processes throughout the value chain, which will further add to the maturity of the organisation.

We are the #2 branded Tea player globally and have a sizeable presence in Coffee in the US with our heritage brands - Tetley and Eight O'Clock, respectively. In the international markets, we enjoy strong brand equity built over years and a loyal customer base. Good Earth and Teapigs are brands with premium offerings targeted at serving emerging consumer needs and provide opportunities for growth in the International business.

We are strengthening the Black Tea business, which forms the largest Tea category while focusing on product innovations in the non-black segment, (a growth segment), and strategically expanding the ethnic portfolio (beverages and food). We are well positioned to address the growing consumer preference for wellness, sustainability, authenticity and premium choices with products like Tetley Super Teas, Tetley Herbals, Good Earth, Eight O'Clock Barista Blends and Teapigs, including ready-to-drink offerings like Kombucha. We continuously evaluate our portfolio and drive cost optimisation to enhance business effectiveness and profitability.

In the B2B segment, which constitutes the extraction business (Tea and Coffee), we enjoy healthy margins – though, during the year, the Tea Extraction business volumes were adversely impacted by the pandemic. At Tata Coffee Limited, our Coffee and Pepper Plantation and Extractions business performed well with improved realisations. As we consolidate and simplify the corporate structure with a demerger/merger scheme, we will work to create focused business verticals in the Extractions business and unlock potential synergies.

We operate in large and growing segments in India and the International markets. The Indian packaged foods and beverage consumption growth story remains strong with preferences tipping towards health, wellness and convenience as a result of the pandemic. The penetration of branded products continues to remain untapped and will increase due to favourable demographics, urbanisation, higher awareness and expansion of modern retailing and e-commerce.



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We are well-positioned to tap into this opportunity with our diverse and growing portfolio, focused expansion of sales and distribution system as well as improvements across our supply chain. Premium product offerings and new market models are also being developed. We are exploring opportunities to selectively introduce products from the Indian to the international markets, where we have a presence, to cater to both ethnic food aisles and the needs of the Indian diaspora.

2.3 External threats and mitigation strategies

Key threats to our business include changing consumer preferences, volatility in commodity and currency, inflation, and the concentration of retailers in developed markets. In the year gone by, we witnessed broad-based cost pressures and continue to manage the same. These include commodity prices (coffee prices reaching an 11-year high with supply volatility and adverse weather conditions, temporary disruption in salt supply during monsoons, India tea prices normalised after tumultuous 2020 but remained above 2019 levels), input cost (packaging cost inflation) and freight (container availability issues and inflation). The Company has taken strategic pricing interventions to mitigate some of the effects of input cost inflation while protecting the interests of the consumers.

We continue to closely monitor the pandemic situation across the globe and place a high priority on the health and safety of our employees. With several factories, warehouses, and other on-ground operations across the world engaging thousands of workers daily, we have taken robust steps to ensure employee safety and business continuity during the pandemic. While the pandemic situation has improved globally, any further rise in cases in our key markets could pose a challenge. However, having successfully navigated this over the last couple of years, we believe we are well-positioned to combat it.

2.4 Growth drivers

2.4.1 India

During the year, we integrated our operations across different functions (sales force, operations, procurement, and support) in Indian markets, which will enable us to drive value for the whole India business.

We continued to strengthen our leadership position, gain market share in our core Tea and Salt businesses and build a strong platform for growing scale in new categories. We remain focused on delivering profitable and sustainable growth in India.

13% growth in the overall India business

83% growth in the RTD Beverages segment

Unlocking distribution efficiencies

In the Indian market, the Company expanded its distribution footprint to increase direct distribution reach to ~2x through a structured programme led by efficient planning. We also focused on driving improvement in salesforce productivity, better visibility and servicing at the outlets, and capability building for the frontline sales force. We added 8,000+ rural/semi-urban distributors in the year to expand our presence in these markets, which presents a large opportunity for us. We also started a premium distributor sales representative programme to enable focus on the premium portfolio and newer brands like Tata Sampann, Tetley, Tata Coffee, Tata Soufull and Tata Q. The rapid expansion in distribution was enabled with digitally connected sales infrastructure and the use of data and analytics for decision-making. We engaged closely with our modern retail, e-commerce and institutional customers to improve assortment, coverage, availability and servicing metrics to drive growth during the year.

2X increase in direct distribution reach
8,000+ rural/semi-urban distributors added to network in FY 21-22

Management Discussion and Analysis

Digitising and optimising

We continue our journey of digitising and transforming all elements of our value chain, with the implementation of SAP S/4 HANA followed by integrated business planning and interventions towards optimising our network and operating model across different parts of the business.

During the year, we initiated the 3P network optimisation project to make the Company future-ready for food categories as well as realising cost synergies over the medium to long term. The key outcomes from the project are around moving packing locations closer to demand centres, cross-leveraging networks across various categories, exploring new sourcing locations and changing sourcing operating models (for a few categories). This will help drive efficiencies and reduce total delivered costs over the medium to long term.

India Business

Tea and Coffee

Tea business grew 6% by value and 3% by volume terms. The premium tea brands grew at a faster pace (1.2x) than the overall tea portfolio. Coffee business grew 48% by value and 43% by volume terms. In the packaged tea market, we improved our value market share position by ~100 basis points to 22.2% and volume share by 154 basis points to 22% driven by the increase in distribution and supported by brand investments.

We invested in brand building across our portfolio; adopted hyperlocal strategy for Tata Tea Premium and Chakra Gold with regional campaigns relaunched Tata Tea Agni with new packaging and positioning of “Josh Jagaye Har Roz”, positioned Tetley Green Tea Immune to promote internal health and wellbeing, launched a clutter-breaking Tata Coffee “Shik Shik” campaign to name a few.

Salt

Salt business grew by 17% in value terms and 8% in volume terms. Tata Salt led the portfolio performance, gaining value market share and we

further strengthened our market leadership in Salt category by gaining 400 basis points to 37% value share (source: Nielsen). We continued to expand the salt portfolio with three launches during the year:

- Tata Salt Super Lite in the premium segment (India's first specially formulated 30% low sodium salt)
- Shuddh by Tata Salt – mainstream solar salt play for the South Indian market
- Tata Salt Immuno, our value-added play fortified with Zinc to help improve immunity

Premium Salt portfolio delivered double-digit growth during the year with the increase in distribution and initiatives taken to improve awareness and accelerate trials.

Overall Salt business grew by 17% while Premium Salt grew at a faster pace

Water

The RTD beverages portfolio delivered 83% growth as the lockdown restrictions eased through the year. Tata Gluco Plus grew by 43% led by the core and new markets and supported by TV campaigns. Tata Water Plus, now rebranded to Tata Copper Water, was able to grow to 3x with new markets now contributing to almost 36% of the overall revenue. This was a record year for Himalayan as it reported break-even performance for, the first time since inception. Our new launch– Tata Gluco Plus Jelly received a positive response.

Pulses, Staples, and Spices

Tata Sampann portfolio delivered double-digit growth during the year led by higher distribution. For Tata Sampann Poha sales were 2x times of the previous year. We also entered a new and premium category with the launch of Tata Sampann Dry Fruits pre-Diwali in e-commerce channel and a pilot launch across select stores in Mumbai and Delhi.

Snacks and Breakfast Cereals

We completed the integration of Tata Soulfull into the sales and distribution network of Tata Consumer



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during the year, which resulted in a significant ramp-up of outlet reach to over 3 Lakhs by end of March 2022. Soulfull became TATA Soulfull with the new logo being integrated into all brand touchpoints. Our new launch 'No Maida Choco' garnered a positive market response. Besides traditional channels, the business scaled up in the e-commerce/D2C channels as well with consistent customer acquisition and effective performance marketing.

Ready to Eat

We made a strategic acquisition of Tata SmartFoodz Ltd (TSFL), in line with our ambition of exploring new opportunities, and forayed into the RTE category. TSFL owns the brand Tata Q and is the #2 player in the RTE category in India. It manufactures products using MATS technology in its plant in Sri City, Andhra Pradesh. The RTE category is expected to grow at a fast pace in India and presents a sizeable opportunity in the overseas markets (USA, Canada, UK, and Australia), which have a strong overlap with Tata Consumer's existing footprint. MATS technology and Tata SmartFoodz's in-house manufacturing and R&D capabilities will enable Tata Consumer to create a strong pipeline of value-added products across TCPL's Foods business. There is also a potential opportunity to unlock synergies across procurement, manufacturing, and logistics, among other functions.

TATA Starbucks JV

Tata Starbucks, our 50:50 JV with Starbucks, saw a strong recovery since re-opening following the second wave of the pandemic. It accelerated its store openings during the year with 50 new stores, the highest number of store openings in a single year so far. We are now present in 268 stores across 26 cities in the country. Delivery vertical continues to perform well even after the easing of dine-in restrictions. The business was able to deliver breakeven at the operating profit level before depreciation and amortization (EBITDA).

2.4.2 International Business

The International Branded business grew at a 2-year CAGR of 6%, excluding exits of the food service business, with most categories now returning to pre-pandemic trends. The business delivered margin improvement due to restructuring (portfolio exit from non-branded and unprofitable markets, distributor model change in Europe and Australia) and strategic price increases to offset the inflationary pressures in

input cost. As part of the digitalisation agenda, SAP S4 HANA was implemented across international markets resulting in a common global integrated system. We remained focused on structural simplification in the business, sales performance and growth through innovation. In addition, we continue to focus on cost re-engineering across the value chain and general & administration, process interventions and model optimisation to support the business.

The Company continues to focus on scaling the non-black tea portfolio and attracting new consumers. Some of the initiatives undertaken include supporting Cold Infusions range in the UK and Canada, the launch of Tetley Herbal range, Good Earth F&H rollout across markets, entry into Liquids in the UK under both Good Earth and Teapigs brand (Kombucha, Natural Energy) and continuing to build distribution for Barista Blends and Flavors of America under the Eight O'Clock brand in the USA. We also grew the ethnic food and beverages portfolio across markets.

2.4.3 Tata Coffee

During the year, Tata Coffee Limited (including Vietnam) witnessed 11% revenue growth, led by the Extractions business and Coffee and Pepper plantations. The Extractions business saw both volume and price led growth despite the challenging demand scenario in some of our markets. The plantation business was impacted by weather related issues and growth was primarily led by the increase in realisation in coffee, which more than offset lower realisations in tea, where prices tapered down from the abnormally high levels seen in 2020. Our instant coffee plants operated at near full capacity utilisation in India and Vietnam, and we undertook a slew of productivity initiatives in the business to control costs in an inflationary environment.

2.5 Road ahead

Tata Consumer Products will continue to focus on portfolio expansion and inorganic opportunities. We will drive top-line as well as bottom-line growth by working to strengthen and expand the core (in India and International markets) and rapidly scaling the new growth businesses in India supported by brand investments and an increase in breadth and depth of distribution expansion. We will focus on premiumisation and innovation to fuel growth in the business and execute cost initiatives, including unlocking synergies through legal and organisational restructuring to support the business. We will closely

Management Discussion and Analysis

evaluate and take strategic pricing interventions to manage inflationary pressures and volatility. Strengthening our commitment to sustainability, we will drive engagement with Trustea as well as execute the agenda for a circular economy in a phased manner, beginning with our International markets.

2.6. Sustainability

Sustainability continues to be core to our vision at Tata Consumer, as we stand for better products, for better nutrition, for better living, for a better community, for better sourcing, and for a better planet.

- Our Company's sustainability strategy 'For Better Living' is inspired by the Tata core values of Integrity, Responsibility, Excellence, Pioneering, and Unity and focused on our corporate identity of 'For Better'. The strategy incorporates metrics from Tata Group's Sustainability strategy around Driving Net Zero, Pioneering Circular economies, and Preserving Nature and Biodiversity. Tata Consumer supports development programmes for 1 million community members. We received the award for Best Growth Performance – F&B at India's top 500 Companies 2021 conference by Dun & Bradstreet on the theme of 'Laying foundations for an ESG ready corporate India'. We were also recognised on the CDP India leadership index.
- We are committed to sustainably sourcing our tea and encourage our supply chain partners to follow sustainable agricultural practices through Rain Forest Alliance (International markets) and Trustea programmes (India). All our Tetley blends in the international markets are Rainforest Alliance certified. Tetley in UK and USA is recognised on the Amazon website with the Climate Pledge Friendly logo that uses sustainability certifications to highlight products that support Amazon's commitment to help preserve the natural world.

The India trustea programme exceeded the verification target of 100 million kg in 2021 and has cumulatively verified over 60% of the total tea sold in Indian markets. Over 80,000 small growers were verified and 6.4 Lakh workers reached under trustea. It has facilitated a better working environment for women (maternity benefits, crèche facility), as well as market access and better prices for small tea growers. It has also enabled a structured

grievance redressal system, decent housing, portable drinking water, and uniformity in the system of wage payment for tea workers. The trustea Sustainable Tea Foundation is now an ISO 9001:2015 certified organisation and member of ISEAL under a globally recognised framework, which defines practices for effective and credible sustainability systems.

- We are dedicated to supporting a thriving, profitable and sustainable Malawi tea industry for producers, workers and smallholders. The Malawi Tea 2020 partnership brings together a coalition to achieve a competitive and profitable Malawian tea industry. The 5-year Tetley - UNICEF Project for Early Childhood Development in Malawi tea estates was launched on 20th November 2020 (World Children's Day) and aims to support young children in the tea estates with quality and integrated ECD services, including in health, nutrition, early learning, child protection, caring, nurturing, and a clean and protective environment.
- In India, we provide affordable healthcare to over 100,000 tea community members annually through our hospitals in Munnar (Kerala) and Chubwa (Assam). The hospitals are recognized for healthcare facilities, professionalism, safety, ethics, and affordability. They have the lowest infant and maternal mortality in the industry and in respective states and were equipped to manage emergencies and Covid-19 cases through infrastructure improvements and professional training. The Improving Lives programme with UNICEF-ETP is facilitating better health, nutrition, water, sanitation, education, skilling and empowerment for adolescent girls and women in over 200 tea estates in Assam.

We were acknowledged for our sustainable sourcing practices in the tea industry and conferred the CII Food Future Foundation (FFF) National Award for Sustainable Sourcing 2020. The Company also won the Outstanding Performance in the Category of 'Sectoral Value Chain on Tea' award.

- We aligned its GHG emissions targets with the larger Tata Group. Our UK factory uses offsite solar power for its operations and has also installed a biomass boiler for reducing its



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GHG emissions. Our different factories in India commissioned solar PV modules using the latest multi-crystalline technology

- We joined the India Plastics Pact, as a founding member, which focuses on creating a circular economy for plastics. We had earlier joined the UK Plastics Pact in 2018 and EU Plastics Pact in 2021. Our teams are actively engaged in the Advisory Committee and Collaborative Action Groups (CAG) to co-create a roadmap for plastics management. All TCPL beverages factories worldwide are now zero waste to landfill and all wastes are disposed of through authorised vendors who recycle or repurpose them to avoid landfills. In our International markets, there is continued rollout of biodegradable tea bags. Our tea brand Tata Tea Premium has completely changed the 500 gm SKU to recyclable packaging and the remaining packs are also in process. Tata Consumer's Extended Producer Responsibility (EPR) target in India is to collect 100% of total packaging for Beverages, Food and RTD divisions. We conducted a capacity building and awareness programmes for sanitation and waste workers in collaboration with Urban Local Bodies and the NGO, Saahas across a few South Indian states.
- Project Jalodari is the Company's flagship water management programme with the goal to provide water and sanitation solutions for communities. The project has established rainwater harvesting structures across packeting centres in India, and 98% of the rooftop area was connected for water recharge. The project received the CII National Award for Water Management 2021 in the category 'Beyond the Fence', has been extended between 2021 and 2025 and will expand to other areas.

Packaged foods and beverages segment continues to drive growth in the FMCG industry. The organised Indian food and beverage market is estimated at ₹ 5 lakh Crores and is expected to grow at 10-15% over the next 5-year period.

Industry overview and outlook

We operate in the sub-categories of Tea, with brands like Tata Tea Premium, Tata Tea Gold, Tata Tea Chakra, Tetley, KananDevan, Gemini, Lal Ghoda, Kala Ghoda and Teaveda, and in Coffee with the brand Tata Coffee Grand and Sonnets. In the water category, we play in four segments – Fortified Water or Energy Drinks (Tata Gluco Plus), Natural Mineral Water (Himalayan), Packaged Drinking Water (Tata Copper Water) and Fruit-based drinks (Tata Fruski). Our brand Himalayan was the first entrant in the naturally sourced mineral water category and continues to enjoy a leadership position in the Premium sub-segment.

Tea

The total Indian Tea market is estimated to be worth ~₹ 27,300 Crores, with the branded business constituting ~70% of the overall market (by value). The branded market grew by ~15% last year mainly driven by price inflation as a result of the unusual tea cost increase seen in 2020 due to the pandemic. Tea remains the favourite Indian beverage with a high consumer preference for boiled milk tea. We continue to see growth across all tiers through upgradation from loose to economy branded tea and movement up the chain to Premium and Super Premium Teas. Green Tea is estimated to be a niche segment (~3%). The emerging channels of modern trade and e-commerce are gaining significance. Health and wellness remain a significant trend post the pandemic as consumers are increasingly showing a preference for the functional benefits of their cup of chai.

Coffee

Branded Coffee is estimated at ~₹ 2,600 Crores and Instant Coffee is the largest sub-segment, forming ~80-85% of the category. It is growing as consumers continue to prioritise convenience. We are also seeing the emergence of artisanal and gourmet premium coffees, which are estimated to be ~5% of the organised market. In terms of at-home consumption, consumers in South India prefer to consume both instant and roast & ground (filter coffee) regularly throughout the year, while

3. INDUSTRY AND BUSINESS OVERVIEW

3.1 India business

The Food and Beverages segment continued to drive growth for the FMCG industry as the underlying drivers remain robust, including India's attractive demographic profile, rising consumer affluence, increasing penetration and organised share. Lately, the industry has been witnessing inflation, due to global supply disruption caused by the pandemic and exacerbated by the Russia-Ukraine war. This has resulted in significant price hikes in recent months.

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coffee remains an aspirational product across the rest of India with higher demand for Instant Coffee during winters.

Salt

The Indian Branded Salt market is estimated at ~₹ 6,900 Crores. We have a national presence in the category with vacuum evaporated Tata Salt, the lower-priced solar evaporated I-Shakti salt and a range of value-added premium salts (Tata Salt Lite, Tata Salt Super Lite, Black Salt, Rock Salt, among others). In addition, this year, we launched Shuddh by Tata Salt (mid-tier space) and Tata Salt Immuno (value-added zinc variant) to strengthen our portfolio play.

Our supply partners, Tata Chemicals have the largest manufacturing facility to produce vacuum evaporated salt in India.

Consumers are upgrading from loose and unbranded to packaged and branded iodised salt, and from local brands to regional and national brands. Awareness on purity and micronutrient delivery is the key growth driver for Tata Salt, even as we increasingly cater to health-conscious consumers with lower sodium alternatives like Tata Salt Lite, Tata Salt Super Lite, and mineral-rich, rock salt, and black salt. I-Shakti and crystal salt are being used to drive penetration and growth in the South Indian markets.

Water/Ready to Drink

The India packaged water market is estimated at ~₹ 18,000 Crores. The segment was adversely impacted by the pandemic but has seen recovery with the gradual normalisation of out-of-home activity.

Pulses and Spices

Structurally, the Indian packaged staples industry is under-penetrated with a significant portion of the category still remaining unbranded. The conversion from loose and unorganised to branded is aided by an emphasis on overall health and well-being considerations. Tata Sampann is the pioneer and the first national branded player in the pulses category, which enjoys a high brand affinity among its core consumer segment. India is the largest producer (~25% of global production) and consumer (27% of global consumption) of pulses. The Indian Pulses and Derivatives industry is growing at ~10% with high penetration of loose and unbranded products.

The industry is estimated to be larger than 1.5 Lakh Crores with only 1-2% of the segment being branded.

The trend towards migration from loose to packaged pulses and besan (chickpea flour) was fuelled by increasing consumer awareness and preference for better quality packaged products, the launch of differentiated products (Tata Sampann unpolished dals and organic range of pulses), and growth in the number of organised players entering the category, thereby, expanding the base.

Branded spices in India form a ₹ 23,400 Crores industry. It is a highly cluttered market, driven by regional preferences for taste. The product mix in spices needs to be tailored as per geography and market. Straight/Pures form a significant share of the market, with competition from loose players, while blended spices are mainly branded with a loyal consumer base, driven by higher convenience and certainty of taste. There is an increasing demand for branded products with consumers looking for unadulterated, hygienic and authentic straight/pure spices and convenient to use blended spices with the certainty of taste. The pandemic has reinvigorated the discussion on traditional recipes and the usage of spices to strengthen immunity. For instance, curcumin found in turmeric has anti-inflammatory properties and is known to prevent flu, and chilli is known to be a rich source of Vitamin C – which essentially supports the immune system.

Snacks/Ready to Cook

Overall Snacks (excluding confectionary) market is estimated at ₹ 81,000 Crores with a high share of branded play. Today, consumers are looking at diverse taste choices, including healthier food and convenience in multiple mini-meals (For example: Tata Sampann Chilla Mix, millet-based breakfast cereals). Work from home and higher in-home consumption led to a greater preference for healthier snacking options. Focus on health and wellness is also reflected in the increasing importance of natural ingredients and functional propositions like protein.

The Breakfast Cereals (muesli) market is estimated at ~₹ 200 Crores, mostly dominated by a single player in the branded market. In recent years, new players like Soulfull entered the category and are growing the overall base.



Management Discussion and Analysis

Outlook

We will continue to see volume-led growth in India with a favourable young demographic profile, rising affordability, and urbanisation supported by the increase in penetration and rising share of the branded market. The shift in preferences towards premium products and consumers making conscious choices to consume trusted and healthier products, especially post covid, will continue to play out within the category. With internet users multiplying and increased access to social media, we are also seeing the emergence of digital-only brands with a direct-to-consumer business model.

We will continue to focus on growing and building distribution with our combined sales infrastructure, investing in equity for our brands, and new product innovation centred on the health, convenience and premiumisation platform. Conversion to branded packaged food will continue to accelerate in the post-Covid era. Health and immunity building categories in the Food business will witness sustained growth. We will tap opportunities at the intersection of health and taste with both ready-to-eat and quick-to-cook options.

Business performance

Tea

We improved both the range and depth of our distribution in the business leading to an improvement in value market (MAT) share by ~100 bps to 22.2% [Source: Nielsen]. Tata Tea emerged as the 'Most Purposeful Brand' in the 2021 Kantar report in the FMCG category. The report showcased how the brand exhibited a clear sense of purpose from a consumer standpoint and adopted a bold social stance during the pandemic. During the last fiscal, the tea business delivered value and volume growth of 6% and 3%, respectively. Our premium brands – Tata Tea Premium and Tata Tea Gold delivered double-digit growth in sales. Tata Spice Mix (Elaichi, Masala) continues to perform well and is now the 5th largest brand in the portfolio.

There were various innovation launches in the year in the category leveraging the underlying category trends – health and wellness (extending Care range under Chakra Gold and Tata Tea brands; value-added variant in Agni with Ginger/Adrak) and premiumisation (new variants for specially curated black and green teas under Tata Tea 1868).

To strengthen our brands, we launched multiple hyperlocal campaigns in our core markets for Tata Tea Premium (#Dumdaar UP, #Kadak Haryana), Chakra Gold ('Ghanam' taste of Andhra Pradesh and Telangana), and Kanan Devan. We also launched special festive packaging for Tata Tea Gold and Tata Tea Leaf for Durga Puja and Chhath Puja alongside artistic expressions such as sand art installation on Utkal Dibas in Odisha and a 3D projection mapping show in Visakhapatnam. Chakra Gold became the co-sponsor for Big Boss Tamil Nadu, the biggest reality TV show in the state.

We supported the packaging refresh of Tata Tea Agni with a new TV campaign (Josh Jagaye Har Roz). The TVC captures 3 key players from the Indian Women's Hockey Team- Arjuna award winner, Vandana Katariya, drag-flicker and a key architect of India's success over Australia in the Tokyo Olympics, Gurjit Kaur, and Asian Games medalist, Neha Goyal. It pays an ode to their journeys, displaying the real stories of their hardship, purposefulness, 'josh', and their prevalence over challenges. Tata Tea Premium also launched a first-of-its-kind Holi party in the Metaverse, in an effort to leverage the growing power of digital storytelling and personalisation, as a means to connect with our consumers.

We ran two campaigns during the year highlighting social causes. During the first quarter of the year, we ran the Tata Tea Jaago Re campaign to sensitise and encourage people to help the underprivileged in their vaccination journey. On Independence Day, we partnered with Rare Planet – a startup that promotes the work of local Indian artisans, to unveil a 'Desh ka Kulhad' collection. The aim was to lend support to the artisan community especially as they faced a severe setback due to the ongoing pandemic. The hand-painted kulhads (earthen pots) were crafted with region-specific art forms such as Madhubani folk art from Bihar, and Warli art form from Maharashtra; and the funds collected from the sale of these kulhads were given to the artisans of Okhai.

We accelerated our health and wellness agenda and invested in brand building. Tetley launched a campaign for Tetley Immune with added Vitamin C, driving the key message of staying fit from within, beyond pursuing physical fitness. We invested in creating awareness on our Tata Tea Gold Care range, launched in FY 20-21, to support scale-up

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and expansion across different markets. We drove awareness and trials of Chakra Gold Care in Tamil Nadu with a state-specific campaign showcasing the Tamizh way of showing care. Chakra Gold Care is infused with the goodness of five natural ingredients: Adhimadhuram, Tulsi, Elaichi, Ginger and Brahmi, used traditionally in Tamil households for their health benefits,

To support the transformation journey at the front end, we made multiple interventions in the supply chain network as well. We inaugurated our new tea packaging plant in Gopalpur Industrial Park following successful trial production. It is a state-of-the-art unit and the largest tea packing plant for Tata Consumer. It will be a key hub in our supply chain network and has been built with a focus on green manufacturing, in line with our sustainability agenda. We implemented an integrated business planning solution, which will allow automated S&OP capabilities, help optimise inventory and improve service levels for the organisation.

Coffee

We were able to grow coffee volumes by 44% during the year with the increase in distribution, albeit on a small base. We built on the 'Shik Shik' campaign released last year in Tamil Nadu inspired by the spirit and sounds of Pongal. The campaign captures the excitement of the festival along with the emotions of drinking coffee. In terms of innovation, this has been one of the best years for Coffee as we launched four new products leveraging consumer trends on (i) convenience with quick filter coffee – a promising taste of filter coffee in instant coffee format and (ii) premiumisation with Eight O Clock – Roast & Ground in gourmet coffee space; Freeze Dried Coffee – Tata Coffee Gold and extending the Tata Coffee Sonnets range. Given their niche target customer group, Eight O' Clock and Tata Coffee Sonnets are only sold through direct-to-consumer and e-commerce channels.

Salt

We remain the dominant player in Salt in the packaged salt category with a value share of 37.0% (MAT), which is an increase of ~400 basis points on a year-on-year basis. The brand is distributed across 25.5 lakh outlets and 214 million households across the country making it the largest distributed brand in the country. We also doubled our direct reach

with a weighted distribution gain of 3.4% on our Salt portfolio.

While Tata Salt recorded double-digit growth (15%) during the year, we were able to ramp up our Premium Salt portfolio (Tata Salt Lite, Tata Salt Super Lite and Rock Salt) by 26% and gross sales crossed the ₹ 100 Crores benchmark during the year. We made three launches in the Salt portfolio – (i) Tata Salt Super Lite with 30% less sodium than ordinary iodised salt and formulated for the needs of the health-conscious consumer looking to reduce sodium intake and manage blood pressure (ii) Tata Salt Shuddh - the first new brand launch from the Tata Salt stable in a decade, specifically for South and other markets in the mid-tier segment (iii) Tata Salt Immuno, with the added benefit of Zinc, which increases immunity. We ran different campaigns to support our businesses, including the 360-degree campaign 'Namak Badalne ka Socho' with Supriya Pathak to increase awareness on Tata Salt Super Lite, the Navatra campaign for Rock Salt and a regional campaign for Shuddh by Tata Salt.

Water/Ready to Drink

Following our acquisition of NourischCo Beverages last year, the business witnessed exceptional growth despite recurrent lockdowns during the year. This was driven on the back of portfolio and distribution expansion in core and newer markets, led by our key brands - Tata Gluco Plus and Tata Copper Water (Tata Water Plus was rebranded during the year to underscore its differentiation of added copper). We almost doubled the sales of our Himalayan brand, albeit on a smaller base, and were able to achieve breakeven at the operating profit level for the first time since its inception. We expanded the distribution of Tata Fruski, a drink with an ethnic street twist, to newer markets such as Odisha, Bihar, Delhi-NCR, Uttar Pradesh and West Bengal to upgrade consumers from unbranded to branded.

We expanded our portfolio with two launches - Tata Nature Alive, a mass-premium mineral water brand in select markets and TGP Jelly, the first drinkable jelly in India. Tata Nature Alive will help strengthen our portfolio further since it is positioned in the mass premium segment between Himalayan and Tata Copper Water. This will enable us to address a larger market opportunity while increasing access to natural mineral water for consumers, at the premium



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end. TGP Jelly is a unique product combination of fruit-based beverage and jelly, playing at the cusp of snacking and beverages, and has received promising customer feedback.

Pulses, Staples, and Spices

The Tata Sampann portfolio continued to grow in double digits. In Spices, we crossed the ₹ 100 Crores benchmark (gross sales) and were able to double the sales of Poha. We ran several campaigns like the monsoon print campaign to build awareness on turmeric's immunity-boosting powers, a TV campaign around the benefit of unpolished pulses, #SpiceUpYourHealth in select priority markets and a consumer outreach programme on World Heart Day on the TATA 1mg platform, among others. We also launched multiple new products – Dry Fruits (new category) and a range of ready-to-cook mixes like Masala Daliya Khichdi Mix, Dhokla Mix, Supergrain Ragi Mixes, and so on.

Snacks and Breakfast cereals

After acquiring Kottaram Agro Foods (owner of Soulfull brand) in February 2021, we completed its integration with the Tata Consumer system and rebranded 'Soulfull' to 'Tata Soulfull'. We have a harmonised pan-India distribution system and this has enabled a rapid increase in reach for the brand. We launched a TV campaign for Ragi Bites (Kids range) and onboarded actress Sameera Reddy as a brand ambassador. In terms of innovation, we launched three products - No Maida Choco Ragi Bites, Muesli Zero Added Sugar and Smoothix Zero Added Sugar. No Maida Choco Ragi Bites grew to account for 24% of the overall Ragi Bites portfolio. We entered an MoU with the Indian Institute of Millet Research (IIMR) to unlock the potential of millets as a healthier and more sustainable alternative to traditional grains. As part of the agreement, we are collaborating on R&D operations and developing more value-added and contemporary formats for consumers. The next year 2023 was announced as the International Year of Millets and there is a considerable thrust on enhancing the consumption and branding of millet products nationally and internationally.

Ready to Eat

In line with our strategic priority of exploring new opportunities for growth, in November 2021, the Company acquired Tata SmartFoodz Ltd.

(TSFL), the owner of the brand Tata Q along with its manufacturing facility for food products. The acquisition will enable Tata Consumer to expand its product portfolio into more value-added and the premium Ready to Eat segment.

We continue to explore opportunities to optimise our supply chain network and realise cost synergies in the medium to long term. This includes moving packing locations closer to demand centres, cross-leveraging networks across various categories, exploring new sourcing locations and changing sourcing operating models for relevant categories.

3.2 International Business

Industry overview and outlook

Tea

According to Euromonitor, the Global Hot Tea sector is estimated at US\$ 45 billion. The largest category sub-segment globally is Black/Everyday Black Tea, followed by Non-Black segments (Green, Fruit & Herbal, Decaf, Specialty, Cold Infusions, among others). We are now seeing pre-pandemic trends being played out in the category with the decline in Everyday Black volumes. Although out-of-home consumption slowed down due to the pandemic, it is now seeing recovery. Focus on health and wellness as well as immunity became more pronounced. There is a growing interest for different formats such as fermented beverages like Kombucha, which are low in sugar and good for gut health. Sustainability is increasingly becoming a focal point for consumers in the developed world. Online channel adoption and e-commerce continue to grow and are becoming more significant (we launched our D2C sites for Tetley in the UK and Canada to strengthen our presence digitally). Disruptions in the supply chain impacted the tea segment as well leading to an inflationary impact on input costs.

Coffee

The size of the retail hot coffee market is double that of tea. The United States continues to be the world's largest coffee market, estimated at US\$ 11 billion and is spearheading the category's growth. Roast & Ground, Beans, Pods, and Instant Coffee are the four sub-categories of coffee. Affordable ground and instant versions are more common in tea-drinking regions like Asia, Africa, the United Kingdom, and the Middle East, whereas Roast & Ground and Pods are more common in countries with developed café

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cultures. We are now seeing stabilisation in category growth levels in Coffee with pods continuing to grow by 4-5%. Café styled or barista coffees for at-home consumption gained popularity during the pandemic, since many restaurants and cafes remain closed during lockdown. The segment was also impacted by supply disruptions and adverse weather in Brazil leading to coffee prices touching a historical 11-year high.

Outlook

While the industry has normalised to pre-pandemic levels, we are witnessing demand headwinds and inflation, which are expected to stabilise over the short term depending on how the Russia-Ukraine conflict unfolds. We are seeing an increase in competitive activity, including among retailers, grocery and discounter channels as well as higher promotional intensity. Innovation will play a key role in terms of growth in the segment and for us at Tata Consumer.

Business Performance

UK

We restructured our sales operations in the UK in line with the integrated three brand strategy. The business witnessed a decline in revenue led by Tetley as the black tea segment was challenged to sustain the Covid-led pantry stocking gains seen in the previous year. However, Teapigs and Good Earth revenues grew by 8% year over year. The total market share for the business remained steady, led by Tetley Everyday Black. We participated in a pilot with Tesco and Loop to explore options to eliminate single-use plastics by offering Tetley everyday tea bags in reusable tin cannisters. The new tins, containing 80 biodegradable Tetley tea bags were available at a deposit to the consumer, which could be redeemed following returning; and the cannister is washed, refilled, and returned for sale as part of the loop zero-waste system.

We strengthened the Tetley brand recall with a national TV and social campaign titled 'For the love of tea, for the love of Tetley' evoking the country's love for tea and trust in Tetley's long-standing heritage across different formats. In the summer, we also ran a campaign to drive awareness and trials for Tetley Cold Infusion with Rebecca Adlington, an Olympic medallist.

We launched Teapigs Kombucha this year (following Good Earth Kombucha range launched last year) and continued to scale up the launches by increasing reach. Leveraging the health and wellness platform – Tetley Supers, Specialty, and Herbals ranges performed well. Tetley Herbals is now formed ~1% share of the total F&H segment. Good Earth Kombucha and Good Energy (natural energy drink) are also showing encouraging results.

Teapigs celebrated its 15th anniversary by running a cross-channel campaign, #teapigsfreeteaday where free tea samples and birthday boxes were distributed by 350 stockists across 15 countries all day, creating a huge buzz on social media. Good Earth ran a geo-targeted campaign during Christmas, to generate awareness and drive trials online and offline.

Teapigs was also recognised by the Guild of Fine Food (an acknowledged benchmark for fine food and drink) and won 15 'Great Taste Awards' for its tea range, Kombucha and cold brew this year. This brings teapigs' total to an impressive 152 prizes to date. Tetley and Good Earth also won a total of 10 'Great Taste Awards.'

USA

In Coffee, we delivered 5% revenue CAGR growth over 2 years. We ran a new digital campaign for our brand, titled 'Overdelivery in every cup' for the core Eight O'Clock coffee brand and video creative for Barista blends – 'Be Your Own Barista' proposition to drive awareness. The coffee prices touched historic highs and while we had proactively covered for the majority of our requirements, we did take strategic pricing interventions during the year, in line with the competition. We continued scaling our innovations with range extensions (Flavors of America, Barista Blends) and K-cup SKUs.

In Tea, Teapigs continued to grow in double digits, albeit on a smaller base and outpaced the Specialty Tea category. Tetley and Good Earth sales were impacted as the gains led by pantry stocking with Covid-led lockdown did not get repeated. In terms of innovation, this year we had several launches, including Tetley Irish Breakfast Teas, Tetley British Blends, Good Earth Sensorial Blends, and Teapigs Cold Brew.



Management Discussion and Analysis

Canada

We continued to hold our #1 position in the Canadian Tea market and delivered a growth of 3% on a two-year CAGR basis. During the year, our sales were impacted due to the lockdown restrictions implemented in the initial months. Our e-commerce channel delivered double-digit growth and we launched a direct-to-consumer site. Tetley emerged as the 'Most Trusted Tea Brand 2022' - Reader's Digest, for the 8th consecutive year reinforcing our position in the consumer's mind, more so after the pandemic.

We continued to build on our success with Tetley Super Teas by driving distribution and share. We launched the new Super Multivitamin teas and supported the range with an integrated campaign, including TV sponsorship, and digital and social media. We also collaborated with one of Canada's most prominent health and wellness influencers, Sasha Exeter, and launched Tetley's first-ever co-created limited edition custom tea 'Be Still' Tetley, sold exclusively on our e-commerce channel. The collaboration with Sasha Exeter garnered strong social media attention and PR impressions, creating quite a buzz. We continued to market the Cold Infusions range with Canadian Olympic Swimmer, Penny Oleksiak and moved to a new ethnic distributor for our beverage and food portfolio.

Australia

Tetley continued to gain market share and firmly established itself as the second most mainstream black tea brand in the country (gained 210 bps on a MAT basis). We scaled up our e-commerce sales significantly by building product range and presence for both Tetley and Good Earth. As part of our efforts to simplify the organisation structure and realise efficiencies, we transitioned our operating model to being a distributor-led model in Australia. This will help us optimally distribute our products and utilise efficiency gains to invest in our brands for the long-term success of the business.

3.3 Non-Branded business

Non-branded portfolio performance was led by the Coffee Extractions businesses in Tata Coffee. Tea Extraction was adversely impacted by the pandemic. In the Coffee Extraction business, we delivered good growth both in our domestic operations (2nd highest sales historically) and Vietnam, despite challenging

macro-economic conditions with severe inflationary pressures on ocean freight and input costs (eg fuel). Vietnam saw an increase in premium product sales and achieved 98% capacity utilisation for the year. We implemented cost optimisation initiatives at the plants to improve profitability.

The Tea Plantations business in Tata Coffee was adversely impacted due to external factors resulting in lower crop and realisation. The crop was impacted by adverse weather conditions while prices normalised following the unusual hike in 2020 due to the pandemic. However, we continued to focus our efforts on improving the yield and made strategic interventions in field and factory operations to improve the quality of output. Coffee and Pepper plantations' revenue growth was driven by higher volumes and realisations. We continue to explore opportunities for yield enhancement, cost optimisation, and diversification for increased value addition.

Tata Coffee received multiple accolades during the year. Tata Coffee's Jumboor estate won two acclaimed awards – 'India's Best Coffee' and 'Best of the Best' – overall best coffee in the world, at the Ernesto Illy International Coffee Awards 2021. This was the first time that an estate from India won this prestigious award. Tata Coffee also won the 'Sustainable Agriculture Award' at the Federation of Indian Chamber of Commerce and Industry (FICCI) Agriculture Summit and Awards 2021 as recognition of its soil and water conservation initiatives undertaken at its plantations and instant coffee plants. The Theni extraction plant won the Gold Award from the Society of Energy Engineers and Managers for Energy (SEEM) as a recognition of its efforts in achieving sustainable energy performance at the unit.

Road ahead

Apart from the oil and related inflation impact, which was already starting to be felt, the Russia - Ukraine conflict has added more unknowns into an already uncertain environment for coffee globally, both on the cost front in terms of packaging and ocean freight, and from a demand perspective, given that Russia is a key market for Instant Coffee operations globally (with the presence of all leading global soluble coffee brands and assets). We will continue to expand markets and undertake measures to mitigate some of the risks and focus on cost optimisation initiatives

Management Discussion and Analysis

as well as yield and drive productivity improvement to improve profitability.

3.4 Others

Tata Starbucks

Despite the pandemic, we maintained momentum in increasing the store base and added 50 new stores to take the total count to 268. The stores were a mix of landmark store openings (Golden Temple complex in Amritsar, Jio World Drive in BKC, Brahmaputra Riverfront in Guwahati) and smaller footprint stores. We were also able to achieve regional milestones (crossed 100 stores in the West and 75 stores in the North) and format milestones (crossed 100 high street stores and 75 mall stores). We entered 8 new cities during the year, taking the total count to 26. We also entered 8 new Airports.

As Covid restrictions eased through the year, we saw a robust sequential recovery of sales in the business (by March – the store operation index reached 95%). The business delivered revenue growth of 77% over FY 20-21 and ~9% on a 2-year CAGR basis, led by growth across different formats. We also saw an increase in average daily transactions on our delivery channel with the restrictions, and the levels stabilised higher versus pre-Covid even as the restrictions eased. We ran targeted promotions in the channel (eg: Starbucks 190, Valentine's Day) to drive trials.

We continued investing behind the brand as we partnered with Chennai Super Kings during IPL 2021 and launched Starbucks merchandise on Tata CLiQ Luxury platform. Starbucks also collaborated with FILA for the first time to offer an exclusive, co-branded collection of sporty, street-style essentials that seamlessly combine fashion, function, and on-trend design for customers in the Asia Pacific. We pioneered store formats with the launch of the first-ever Nitro Cold Brew store in India, operated solely by women baristas and the first-ever 'bake-in store' format in Mumbai, offering a delicious menu of freshly baked items inside the store.

Tata Starbucks was awarded India's Best Workplace for Women 2021 in Large Companies Category – Top 100 by Great Place to Work®, which reaffirms our commitment to promoting an inclusive and diverse workforce by empowering women leaders.

Road ahead

We expect the post-pandemic recovery to continue across different store formats. Delivery will remain a channel of focus as work from home through a hybrid model continues in the near term. We are working on expanding the store portfolio, streamlining operations and driving new customer acquisition through product innovation and improved customer and partner experience.

4. FINANCIAL REVIEW

4.1 Consolidated performance

Key financials

- **Revenue from operations** stood at ₹ 12,425 crores, growing by 7% (6% in constant currency) mainly driven by our Branded business. On a like-to-like basis, and net of exits of food service, business growth reached 9% (8% in constant currency):
 - India Business delivered 13% revenue growth. In terms of our base business - Tea Business delivered 6% value growth while Salt grew at 17% value growth. The new businesses delivered an overall growth of 52% led by ready-to-drink and Tata Sampann,
 - International business revenues, net of exits of food service business on a like-to-like basis witnessed a decline of 2% in constant currency terms due to an elevated base with Covid-induced pantry loading
 - Non-Branded business revenue grew by 8% in constant currency driven by higher realisation in Tata Coffee and Vietnam
- **Earnings before interest, taxes and depreciation and amortisation (EBITDA)** were at ₹ 1,749 Crores, which is higher than the previous year by 11%. EBITDA margin stood at 14.1%, an improvement of 60 basis points
- **Profit before exceptional items and taxes (PBIT)** at ₹ 1,508 Crores was higher than the previous year by 12%.
 - Improvement in India Branded business led by higher revenue and growth in



Management Discussion and Analysis

- margins, driven by tapering of tea commodity cost despite input cost inflation and higher investments in brands and growth initiatives
- International business margins improved over the prior year driven by good management over spends despite a sharp increase in coffee commodity prices and input cost inflation
 - Non-Branded businesses witnessed a marginal increase in profitability in the performance of coffee extractions and pepper, offset by the adverse performance of tea plantations
 - **Exceptional items** represent re-structuring & re-organisation costs and acquisition costs
 - **Group net profit for the year stood at ₹ 1,015 Crores**, higher than the previous year by 9%, driven by improved operating performance partly offset by higher exceptional expenditure
 - **Earnings per share** were at ₹ 10.15 for the year as compared to ₹ 9.30 in the previous year.

Performance snapshot

The consolidated financial highlights for FY 2021-22 are as follows:

₹ in Crores			
Particulars	2022	2021	Change
Revenue from operations	12,425	11,602	7%
Operating profit before depreciation and amortisation (EBITDA)	1,749	1,569	11%
EBITDA %	14.1%	13.5%	60 bps
Operating profit (EBIT)	1,471	1,315	12%
EBIT %	11.8%	11.3%	50 bps
Profit before exceptional items and taxes	1,508	1,342	12%
PBT (bei)%	12.1%	11.6%	60 bps
Exceptional items (net)	(52)	(31)	(70%)
Profit before tax	1,456	1,311	11%
Profit after tax	1,079	994	9%
Share of profits/(loss) of JVs and Associates	(64)	(63)	(1%)
Group net profit	1,015	930	9%
Net Profit Margin %	8.2%	8.0%	20 bps

₹ in Crores			
Particulars	2022	2021	Change
Net worth	16,294	15,627	4%
Capital employed	4,482	3,791	18%
Goodwill	7,754	7,597	2%
Brand (indefinite life)	2,093	2,093	0%
Borrowings (excluding lease liabilities)	1,011	1,207	-16%
Cash and cash equivalents, including current investments and ICDs	3,455	3,589	-4%
Net Cash/(Debt)	2,444	2,383	3%

Management Discussion and Analysis

Key financial ratios	2022	2021	Change
Return on Capital Employed (RoCE) %	32.82%	34.68%	-186 bps
Return on Net Worth (RoNW)%	6.36%	6.09%	27 bps
Basic EPS (₹/Share)	10.15	9.30	9%
Debtors' turnover (Days)	23	26	11%
Inventory turnover (Days)	66	62	-6%
Interest coverage ratio	21.72	20.53	-6%
Current ratio	2.25	2.28	-1%
Debt equity ratio	0.09	0.10	14%

4.2 Standalone performance

Key financials

- **Revenue from operations** at ₹ 7,932 Crores, higher than the previous year by 11%, driven by higher distribution reach, investment in brands, and premiumisation. There was growth across categories, mainly led by volume growth in Tea and Tata Sampann and value increase in Tata Salt.
- **Earnings before interest, taxes and depreciation and amortisation (EBITDA)** at ₹ 1,111 Crores, higher than the previous year by 21%. EBITDA margins at 14.0% improved by 120 basis points.
- **Profit before exceptional items and taxes (PBIT)** at ₹ 1,178 Crores was higher than the previous year by 31%, with higher revenue and growth in margins, driven by tapering off of tea commodity cost in spite of input cost inflation and higher investments in brands
- **Exceptional items** represent re-structuring & reorganisation costs and acquisition costs.
- **Profit after tax** at ₹ 886 Crores was higher than the previous year by 43%

Performance snapshot

The standalone financial highlights for FY 2021-22 are as follows:

₹ in Crores

Particulars	2022	2021	Change
Revenue from operations	7,932	7,154	11%
Operating profit before depreciation and amortisation (EBITDA)	1,111	919	21%
EBITDA %	14.0%	12.8%	120 bps
Operating profit (EBIT)	969	793	22%
EBIT %	12.2%	11.1%	110 bps
Profit before exceptional items and taxes	1,178	897	31%
Exceptional items (net)	(27)	(61)	55%
Profit before tax	1,151	836	38%
Profit after tax	886	620	43%
Net Profit Margin %	11.2%	8.7%	250 bps



Management Discussion and Analysis

₹ in Crores

Particulars	2022	2021	Change
Net worth	11,762	11,224	5%
Capital employed	4,357	3,805	15%
Goodwill	3,579	3,579	0%
Brand (indefinite life)	2,093	2,093	0%
Borrowings (excluding lease liabilities)	-	-	-
Cash and cash equivalents, including current investments and ICDs	2,047	1,916	7%
Net cash/(Debt)	2,047	1,916	7%

Particulars	2022	2021	Change
Return on Operating Capital Employed (RoCE)	22.25%	20.83%	142 bps
Return on Net Worth (RoNW)%	7.71%	5.61%	210 bps
Basic EPS (₹/Share)	9.61	6.72	43%
Debtors' turnover (days)	12	15	15%
Inventory turnover (days)	62	59	-4%
Interest coverage ratio	40.57	32.90	23%
Current ratio	2.56	2.75	-7%
Debt equity ratio	0.02	0.02	8%

5. RISK MANAGEMENT

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

We have an elaborate risk charter and risk policy defining our risk management governance model, risk assessment and prioritisation process. The Risk Management Committee adopted a follow-up risk management framework – ERM4Business. As part of our evolution towards an advanced ERM practice, which would effectively embed risk management as a part of business processes, a digitised follow-up mechanism was developed. This will institutionalise the process by enabling real-time and seamless access to all key business stakeholders for the periodic update, monitoring, and reporting of respective risks, mitigation plans, and associated target KPIs. The Audit Committee has an additional oversight on financial risks and controls.

Additionally, a third-party organisation benchmarked our risk management practice with various

companies in India and globally. We were declared **'Masters of Risk' in the FMCG category**, for the third consecutive time at the eighth edition of The India Risk Management Awards 2021 by CNBC TV-18 and ICICI Lombard. This is a coveted award and winners are decided after a rigorous review of various large-cap FMCG companies by an independent panel of jury. The win is a testimony to our constant endeavor to bring thought leadership and use advanced digital enablers such as Tgo analytics (a home-grown capability) in risk management practices.

6. CYBERSECURITY

We devised a three-pronged approach to cybersecurity:

- Ensured strong safeguards that included anti-virus and malware detection and prevention, laptop hard-disk encryption, virtual private network to access our applications, and web security to block malicious sites
- Established and solidified our managed Security Operations Centre (SOC), to provide protective monitoring and speedy response and recovery to any cybersecurity incidents that might occur

Management Discussion and Analysis

- Ascertained strong operational safeguards that included end-point security, disk encryption, multi-factor authentication (MFA), secure internet access, virtual private network, and strengthened user access management. We also established and solidified our managed Security Operations Centre (SOC) that provides threat intelligence, protective monitoring and speedy response and recovery to any incidents that might occur through the use of our Security Incident and Event Management (SIEM) tools
- Implemented a proactive security assessment tool, security assessment framework for Enterprise (SAFE), which provides an enterprise-wide, objective, unified and real-time Cyber Risk Quantification (CRQ) platform. This helps us assess, analyse and score every IT asset, including but not restricted to laptops, servers, and network connectivity devices while providing advance visibility on assets at risk. This allows us to proactively take action and eliminate or mitigate it.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

We have over 3,500 full-time employees across our branded businesses. As we embark on our next growth journey with entry into a larger portfolio of the Food & Beverages segment, we have defined and communicated our people strategy as outlined:

- **High-performance culture**
We will continue to build our high-performance culture through strong cascading of goals, communication of performance expectations, building managerial capabilities, conducting frequent performance check-ins and evaluating performance on outcomes delivered rather than the effort involved. We drove common organizational goals to build a greater focus on continuous learning and enhancing employee engagement. Our sales incentive plan was sharpened to align with the larger sales strategy and our short-term incentive plan continues to reward employees on organisational, functional and individual performance. This learning-oriented, transparent and broad approach to performance management will help us create a strong and inspiring culture of performance.

- **Managing talent**

In line with our overall talent strategy to create and sustain a future-ready, high-performing talent pool, we continue to assess and develop our employees' capabilities across levels and geographies. We mapped our entire population of global graded employees on parameters such as potential, attrition risk, role criticality, succession depth, and mobility.

Towards empowering employees to take charge of their own growth, we launched an online portal called Compass, which provides visibility on roles and responsibilities, skills and indicative future career paths for all organisational roles.

Building skills and capabilities for the present and the future continues to be at the top of our learning agenda and was driven through multiple platforms (internal and external), including academy-based development opportunities, group learning programmes, e-learning platforms, and coaching programmes, among others. Career conversations, bespoke learning programmes, exposures and assignments were provided to enhance succession planning and increase internal mobility.

- **Engagement**

We completed our bi-annual engagement survey, 'Interactions' in March with an 87% response rate. To build focus on manager level actions for the sake of enhancing engagement, manager linked questions were enmeshed with people commitment goals of managers. Our overall engagement index stayed stable at previous levels, and we will be building specific action plans both at the organisational and managerial levels to improve engagement.

- **Safety**

As Covid-19 cases receded in the second half of the year, fully vaccinated employees could come back to the office in a calibrated manner. A rostering system is in place to regulate visits. We encourage employees who are in office-based roles to come back to the workplace as defined from time to time in keeping with the Covid-19 situation. At our manufacturing units, safety protocols were reinforced to ensure a



Management Discussion and Analysis

safe working environment by incorporating changes in protocols in accordance with government directives. At our offices and manufacturing units, external visitors were not entertained until recently. We continued to focus on our well-being programme, Balanced, Energetic, and Mindful (BEAM) which prioritises the physical, emotional and financial well-being of our employees. There were multiple counselling sessions and webinars conducted throughout the year on physical activities and yoga for our employees.

- **Rewards and recognition framework**

Moments of Recognising Excellence (MORE) is our overall recognition framework that has a mix of monetary and non-monetary programmes, which includes peer-to-peer recognition awards - Sparkle and Gratitude Tree; recognition from leadership for exceptional performance - Great Job café; accolades for values displayed - Shine; and rewards for providing ideas to improve business performance - Brainiacs.

~85% of management employees received peer-to-peer recognition.

~90% of management colleagues were recognized as a part of MORE

- **Industrial Relations:**

The Industrial Relations situation during the year was generally peaceful. Ensuring factory sustainability and revisiting existing practices across factories were the top priorities in the year. The focus remained on ensuring the sustenance of factories by introducing good practices and sustaining costs to ensure that factories become future-ready.

We introduced various initiatives with a focus on aligning the unionised workforce, office bearers and line managers in the long run. The initiatives include recognition of the workforce, communication forums and connect platforms, disciplinary processes, multiskilling, and building ER capability among line managers and union leadership.

8. INTERNAL CONTROLS AND INTERNAL AUDIT

Our internal financial control framework is commensurate with the size and operations of the business and is in line with the requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Unit/functional heads are responsible for ensuring compliance with the policies and procedures laid down by the management. Our internal control systems are periodically tested by the Management, Statutory Auditors and Internal Auditors.

Internal Audit (IA) at Tata Consumer is an independent and objective activity designed to provide assurance to senior management and add value by identifying opportunities to deliver business benefits and improvements to internal controls. It helps us accomplish our objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of processes, controls, and governance. The internal audit function carries out a focused and risk-based annual internal audit plan approved by the Audit Committee using a 10-factor risk approach. Our IA is differentiated by utilising better data analytics tools, like home-grown and developed analytics platform, Tgo, and its mix of in-house domain specialists. IA activities for the new business were integrated within the Tata Consumer team. The IA team is working closely to extend the good IA practices to the IA teams for JV, associates, and subsidiaries to enhance the coverage and increase efficacy.

9. FORWARD-LOOKING STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to our operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, and natural calamities over which we do not have any direct/indirect control.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective Corporate Governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company has a strong legacy of fair, transparent, and ethical governance practices.

The Company believes that Corporate Governance is not only a principle that the organisation follows but it's a way of life that is embedded in its behavior & culture. The philosophy of the Company's Corporate Governance ensures transparency in its affairs and the functioning of the Management and the Board and accountability toward its stakeholders. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's policies focus on the augmentation of long-term shareholder's value without compromising integrity, social obligations, and regulatory compliances. While dealing with its stakeholders, the Company functions within recognised standards of propriety, fair play, and justice and aims at creating a culture of openness. It has established a system that encourages all its employees to voice their concerns openly and without any fear or inhibition.

Corporate Governance of the Company has been further strengthened through the Tata Code of Conduct, the Tata Business Excellence Model, the Company's Code of Conduct for Prevention of Insider Trading, and the Code of Corporate Disclosure Policies. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

Being a Global organisation, the Corporate Governance practices followed by the Company are commensurate with international standards and best practices. As a responsible corporate citizen, the Company had established systems that encourage and recognise the employee's participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighboring community etc. These actions have become an integral part of your Company's

operating plans and are not meant for the building of image or publicity.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS AND GOVERNANCE FRAMEWORK

a. Composition & Category of Directors

The Board of the Company is formed with an optimum combination of executive and non-executive directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. The Board, while discharging its responsibilities and providing effective leadership to the business, uphold the corporate value, promote the ethical culture, endorse sustainability and leverages innovation. Independent directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

As on March 31, 2022, the Board consists of 8 Directors comprising of 4 Independent Directors, 2 Non-Executive Directors and 2 Executive Directors. 75% of the Board is represented by Non-Executive Directors and 25% by Executive Directors. Further, Independent Directors which include a Woman Director constitute 50% strength of the Board. The Chairman of the Board is Non-Executive Director and is not related to the Managing Director & Chief Executive Officer ('CEO') of the Company.

During the year under review, Dr. K. P. Krishnan has been appointed as the Non-Executive, Independent Director of the Company effective October 22, 2021, for a term of 5 years. Mr. S. Santhanakrishnan, Independent Director, ceased to be a Director of the Company w.e.f. October 12, 2021, on account of the appointment of the Firm in which he is a partner, as the Statutory Auditors of the Promoter of the Company. Mr. Santhanakrishnan had confirmed that there were no other reasons for his resignation, other than as mentioned above.



Corporate Governance Report

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The composition of the Board as on March 31, 2022, is as under:

Category	Names of Directors	No. of Directors	% of the total strength of the Board
Non-Executive, Non-Independent Directors	1) Mr. N. Chandrasekaran, Chairman DIN: 00121863 2) Mr. P.B. Balaji DIN: 02762983	2	25
Non-Executive, Independent Directors	1) Mr. Siraj Chaudhry DIN: 00161853 2) Mr. Bharat Puri DIN: 02173566 3) Ms. Shikha Sharma DIN: 00043265 4) Dr. K. P. Krishnan DIN: 01099097	4	50
Executive Directors	1) Mr. Sunil D'Souza (Managing Director & CEO) DIN: 07194259 2) Mr. L. Krishnakumar (Executive Director & Group CFO) DIN: 00423616	2	25
Total		8	100

*Mr. David Crean was appointed as an Additional Director in the capacity of Non-Executive, Independent Director by the Board on May 4, 2022.

The Board periodically evaluates the need for change in its composition and size. The profile of the Directors is available on the Company's website at <https://www.tataconsumer.com/about/leadership>

None of the directors of the Company are related to each other.

b. Board meetings

During the period under review, the Board met 7 (seven) times on May 6, 2021, August 3, 2021, October 22, 2021, November 11, 2021, February 2, 2022, March 16, 2022, and March 29, 2022, and the maximum time gap between two board meetings was less than 120 days. The agenda and other related papers were being circulated to the Directors in advance to enable them to take informed decisions. The minutes of the meetings of all the Board and Committees were circulated to all the Directors and are finalized incorporating the comments of the Directors.

c. Details of the attendance of directors and other directorship/committee positions, etc

The names and categories of the Directors on the Board, their attendance at the Board Meetings along with attendance at the Annual General Meeting ("AGM") held during FY 2021-22 (through Video-Conferencing/Other Audio-Visual Means), details of number of directorship or committee position as a member or chairperson held by the Directors of the Company in other public companies, along with the names of the listed entities where the person is a director indicating the category of such directorship as on March 31, 2022, are as under:

Corporate Governance Report

Name of the Director & Category	Number of Board meetings attended during FY 2021-22	Whether attended the last AGM held on June 25, 2021	Directorships [^] held in other Public companies as on March 31, 2022		Committee positions [#] held in other Public companies as on March 31, 2022		Directorship in other Listed Companies* (category of directorship) as on March 31, 2022
			Chairperson of the Board	Member of the Board	Chairperson	Member	
Mr. N. Chandrasekaran, Chairman (Non-Executive, Non-Independent)	5**	Yes	7	Nil	Nil	Nil	Non-Executive, Non- Independent Director of: 1) Tata Consultancy Service Limited 2) Tata Steel Limited 3) Tata Motors Limited 4) The Indian Hotels Company Limited 5) The Tata Power Company Limited 6) Tata Chemicals Limited
Dr. K. P. Krishnan (Non-Executive, Independent) [§]	4	NA	Nil	2	2	1	Independent Director of: 1) Dr. Reddy's Laboratories Limited
Mr. Siraj Chaudhry (Non-Executive, Independent)	7	Yes	Nil	6	2	3	Independent Director of: 1) Tata Coffee Limited 2) Dhanuka Agritech Limited 3) Jubilant Ingrevia Limited
Mr. Bharat Puri (Non-Executive, Independent)	7	Yes	Nil	1	Nil	Nil	Managing Director of: 1) Pidilite Industries Limited
Ms. Shikha Sharma (Non-Executive, Independent)	7	Yes	Nil	5	Nil	3	Independent Director of: 1) Ambuja Cements Limited 2) Dr. Reddy's Laboratories Limited 3) Mahindra and Mahindra Limited 4) Tech Mahindra Limited Non-Executive, Non- Independent Director of: 5) Piramal Enterprises Limited
Mr. P. B. Balaji (Non-Executive, Non-Independent)	7	Yes	Nil	6	Nil	5	Nil
Mr. Sunil D'Souza (Managing Director & CEO)	7	Yes	Nil	2	Nil	Nil	Non-Executive, Non- Independent Director 1) Tata Coffee Limited
Mr. L. Krishnakumar (Executive Director & Group CFO)	7	Yes	Nil	2	Nil	1	Nil
Mr. S. Santhanakrishnan (Non-Executive, Independent) [@]	2	Yes	@	@	@	@	@

**Mr. N. Chandrasekaran had abstained from attending meetings held on November 11, 2021 and March 29, 2022 on account of probable conflict of interest in the primary agenda items considered and approved at the said meetings

§ Dr. K.P. Krishnan was appointed as an Independent Director w.e.f. October 22, 2021, and during his tenure 4 Board meetings were held.

@ Mr. S. Santhanakrishnan ceased as a Director w.e.f close of business hours of October 12, 2021, and during his tenure 2 Board meetings were held. Since he was not Director as of March 31, 2022, details of other directorships/committee positions are not applicable, hence not provided.

[^]For the purpose of reckoning Directorship /Committees position on which a Director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, have been excluded.

*Regulation 17A of the Listing Regulations provides for the inclusion of only equity listed entities for reckoning, add for after listed entities reckoning the directorship in the listed entity, hence directorships held in debt listed entities have not been considered for reporting as above.

[#]Only Audit Committee and Stakeholders Relationship Committee are considered for reckoning committee positions.

As per declarations received from the Directors:

- None of the Directors is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director.
- None of the Directors holds directorship in more than ten public companies and in more than seven listed companies, across the directorships held including that in the Company.



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- c) The Managing Director/Executive Directors in the Company do not serve as independent director of any listed company.

Details of equity shares of the Company held by the Directors as on March 31, 2022, are given below:

Name	Designation	No. of shares
Mr. N. Chandrasekaran	Chairman (Non-Executive Director)	100,000
Mr. P. B. Balaji	Non-Executive Non-Independent Director	285
Ms. Shikha Sharma	Independent Director	50,000
Dr. K. P. Krishnan	Independent Director	Nil
Mr. Bharat Puri	Independent Director	Nil
Mr. Siraj Chaudhry	Independent Director	Nil
Mr. Sunil D'Souza	Managing Director & CEO	Nil
Mr. L. Krishnakumar	Executive Director & Group CFO	228

d. Declarations of Independence

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along

with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management.

e. Familiarisation programme for Independent Directors

The existing, as well as newly appointed Independent Directors, have been familiarized with the Company, their roles and responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc. During FY 2021-22, Independent Directors were taken through various aspects of the Company's business and operations. The details of familiarization programmes imparted to the Independent Directors are put up on the website of the Company and can be accessed at <https://www.tataconsumer.com/corporate-governance/compliances-and-filings>

f. Skills/expertise/competencies identified by the Board of Directors

During the year under review, the Board has assessed the list of core skills/ expertise/ competencies as earlier identified by the Board of Directors and enlarged the description of skills/ expertise/ competencies in the context of the Company's business and sector, for it to function effectively. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company:

Core Skill Area	Skills/expertise/competencies	Description
Leadership	Business Leadership or Entrepreneurship	Experience as Entrepreneur/ Business Leader/ CEO/Industrialist, leading the operations of a significantly large organization with an understanding of the consumer, operations, sales & marketing, business processes, strategic planning, risk management, and governance.
Strategic	Business Strategies, Planning, and M&A	Ability to provide strategic guidance to grow the FMCG business, ability to anticipate and interpret consumer trends, economic issues, macro-economic trends, and national policies. Visionary to give necessary guidance to the business with regards to key factors like market opportunities, competitive advantage, brand positioning, assessment of the Company's strengths and weaknesses, and contribute towards progressive refinement of the strategies for the fulfillment of its goals. Giving strategic guidance to the management regarding the organic and in-organic growth opportunities of business through synergies, acquisitions, corporate restructuring, and other business combinations to enhance the profitability and value for investors, competitively and in a sustainable manner.

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Core Skill Area	Skills/expertise/competencies	Description
Operational	FMCG Industry Expertise	A significant experience/expertise in FMCG and other Consumer Products businesses with an understanding of consumer, operations, procurement, supply chain, sales & marketing, business processes, strategic planning, etc.
	Global Business Exposure	Knowledge, experience, or meaningful exposure of the global business environment, economic conditions, cultures across various geographical markets, industry verticals, and regulatory jurisdictions, and a broad perspective on global market opportunities.
	Customer Insights, Marketing, and Innovation	Understanding of customers/consumer, their behaviors, their preferences, and their needs & patterns. Ability to lead the strategies to grow sales and market share, build brand awareness and equity, enhance brand reputation, and to leverage consumer insights for business benefits. Ability and experience to leverage the innovation in products and categories in consumer space for growth and profitability and understanding of Research & Development activities.
	Digital and Information Technology	Ability to evaluate the impact of Digital / Information Technology across the value chain and understanding of emerging technologies. Ability to anticipate technological-driven changes & disruptions impacting the business and ability to oversee and provide guidance for cyber security and controls across the organization.
	Supply Chain & Commodity Management	Experience in management of multifaceted/ integrated supply chain operations, knowledge of emerging technologies in the supply chain, anticipate and provide guidance to the management to face the challenges in order to minimize or prevent disruption in supply chain operations. Ability to analyse Commodity trends and to oversee and provide effective guidance for procurement and commodity risk management.
Governance	ESG Proficiency	Ability to guide in improving environmental, social and governance practices of the Company and evaluation of the Company's efforts towards social and environmental factors, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements, and driving corporate sustainability initiatives and ethics and values.
Expert Knowledge	Financial Expertise	Expert knowledge of accounting, financial management, treasury, and global financial reporting.
	Regulatory, Legal, and Risk Management	Expert knowledge of Corporate Laws, Trade, Consumer related laws, etc., and high governance standards with an understanding of changing regulatory frameworks. Ability to understand the key risks impacting the businesses and operations including regulatory risk and to contribute towards risk mitigation and deployment of enterprise risk management.
Human Resources	People Management & Capacity building	Experience of developing talent, planning succession, and driving changes toward long-term growth. Ability to understand the talent market and the Company's talent quotient so as to make changes in Company's talent strategies to attract, retain and nurture competitively superior talents.

The brief profiles of Directors forming part of this Annual Report give an insight into the education, expertise, skills, and experience of the Directors, thus bringing diversity to the Board's perspectives.



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The details of Directors of the Company who possess those skills/expertise/competencies are as given below:

Skills/expertise/competencies	Mr. N. Chandrasekaran, Chairman	Mr. Bharat Puri	Ms. Shikha Sharma	Mr. Siraj Chaudhry	Dr. K.P. Krishnan#	Mr. S. Santhana krishnan*	Mr. P. B. Balaji	Mr. Sunil D'Souza	Mr. L. Krishnakumar
Business Leadership or Entrepreneurship	✓	✓	✓	✓				✓	
Business Strategies, Planning, and M&A	✓	✓	✓	✓	✓	✓	✓	✓	✓
FMCG Industry Expertise		✓		✓			✓	✓	✓
Global Business Exposure	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Insights, Marketing and Innovation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digital and Information Technology	✓	✓	✓	✓			✓	✓	✓
Supply Chain & Commodity management	✓	✓		✓			✓	✓	✓
ESG Proficiency	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regulatory, Legal and Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
People Management & Capacity building	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: # appointed effective October 22, 2021

*resigned from the directorship on October 12, 2021

g. Compliance Framework:

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to senior management and the Board periodically. The Audit Committee and the Board of Directors periodically review the status of the compliances with the applicable laws.

h. Code of conduct

The Tata Code of Conduct ("TCoC") is a comprehensive written code that applies to all employees including the Managing Director and other Executive Directors. The TCoC is augmented by several policies that help strengthen governance practices at the Company. These policies include the Anti Bribery and Anti-Corruption Policy, Gifts and Hospitality Policy, Whistle Blower Policy and the Prevention of Sexual Harassment at Workplace Policy. The Company believes in "Zero Tolerance" for any ethical violations, in all forms or manners. The Code lays emphasis amongst other things, on integrity at the workplace and in business practices, honest and ethical personal conduct, diversity, fairness, respect etc.

A separate code of conduct applicable to the Non-Executive Directors was adopted by the Board which includes the Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Act.

Both Tata Code of Conduct and the Code of Conduct for Non-Executive Directors have been posted on the website of the Company and can be accessed at <https://www.tataconsumer.com/corporate-governance/compliances-and-filings>.

In respect of FY 2021-22, all Board members and Senior Management personnel of the Company have affirmed the compliance with the code as applicable to them and a declaration to this effect signed by the Managing Director and CEO is provided as **Annexure 1** and form part of the Annual Report.

i. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (which includes Policy on Determination of Legitimate Purpose). All the Directors, employees and third

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parties such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by the said Code. The trading window is closed during the time of declaration of results and on the occurrence of any material events as per the code. Mr. John Jacob, Chief Financial Officer of the Company, is the Compliance Officer under the Code and is responsible for setting forth procedures and implementation of the Code for trading in the Company's securities. The Code of Corporate Disclosure Practices is hosted on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/policies>.

j. Terms and conditions of appointment to the Independent Directors

The Company had issued formal letters of appointment to all the Independent Directors on their appointment explaining *inter-alia*, their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors have been hosted on the website of the Company and can be accessed at <https://www.tataconsumer.com/corporate-governance/compliances-and-filings>.

k. Meetings of Independent Directors

During the year under review, 3 (three) meetings of Independent Directors were held on October 21, 2021, March 16, 2022, and March 29, 2022.

In compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors were held on March 16, 2022 for FY 2021-22, without the presence of Non-Independent Directors and members of the management. At the said meeting, the Independent Directors, *inter-alia*, considered the following:

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

The meeting of the Independent Directors was held without the participation of the management representatives to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors.

3. AUDIT COMMITTEE

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

a. Brief description of terms of reference

The Audit Committee shall *inter-alia* discharge the following responsibilities:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient, and creditable
- Evaluation of internal financial controls and risk management systems
- Ensuring the continued independence of the External Audit and Internal Audit
- Oversee the statutory audit process and the internal audit function
- Oversight of function of Whistleblowing/vigil mechanism:
- Review compliance with regulatory requirements and policies
- Approving Related Party Transactions (RPTs) and material modifications to the RPTs
- Monitoring compliance with Insider Trading Regulations
- Oversee financial reporting controls and processes for material subsidiaries
- Oversee compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") and other policies on Business Ethics for the Company and its material subsidiaries



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- Recommendation of the Policy on Related Party Transactions
- Performing such other duties and responsibilities as may be consistent with the provisions of the Audit Committee charter.

b. Composition of the Committee, attendance of members at the meetings, and other details

As of March 31, 2022, the Committee consisted of 4 (four) Independent Directors. The members of the Audit Committee have relevant experience in financial matters as well as have accounting or related financial management expertise and are considered financially literate as defined in Regulation 18(1)(c) of the Listing Regulations. The Chairman (present and erstwhile) of the Audit Committee has expert knowledge in accounts & finance, banking, corporate laws, and governance matters. Mr. S. Santhanakrishnan who was then the Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Audit Committee met 8 (eight) times on May 5, 2021, August 2, 2021, October 6, 2021, October 21, 2021, November 11, 2021, February 2, 2022, March 16, 2022, and March 29, 2022. Audit Committee Meetings are attended by invitation by the Managing Director & CEO, Executive Director & Group CFO, Chief Operating Officer, Chief Financial Officer, Chief Internal Auditor and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Dr. K. P. Krishnan (Chairman) ^{\$}	Non-Executive, Independent	4	4
Ms. Shikha Sharma	Non-Executive, Independent	8	8
Mr. Bharat Puri	Non-Executive, Independent	8	8
Mr. Siraj Chaudhry	Non-Executive, Independent	8	8
Mr. S. Santhanakrishnan [@]	Non-Executive, Independent	3	3
Mr. P.B. Balaji*	Non-Executive, Non-Independent	1	1

Number of meetings held during the tenure of respective directors

\$ Inducted as a member and the Chairman of the Committee w.e.f. October 22, 2021

* Stepped down as a member of the Committee w.e.f. August 3, 2021.

@ Ceased to be a member & Chairman of the Committee w.e.f. October 12, 2021.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Audit Committee, as mandatorily required, were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee (NRC), composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

a. Brief description of terms of reference

The Nomination and Remuneration Committee shall inter-alia discharge the following responsibilities:

- Periodical review and refresh of the composition of the Board with the objective of ensuring that there is an optimum balance of size, skills, independence, knowledge, diversity, and experience.
- Support the Board in the identification, selection, appointment/ reappointment, induction, and development of Directors (including Independent Directors) to meet the needs of the Company.
- Devise a policy on Board Diversity.
- Support the Board in the appointment of Senior Management and key managerial personnel of the Company including the terms of appointment.
- Periodic review and recommendation of the remuneration of the Senior Management and key managerial personnel of the Company
- Oversight of the HR philosophy, HR budget, HR strategy, talent management, and succession

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planning for the Board, Senior Management, and key managerial personnel.

- Support the Board in setting, reviewing, and monitoring the performance standards and targets for the MD & CEO, ED, and Senior Management/ key managerial personnel of the Company.
- Support the Board in the evaluation of the performance of the Board, its Committees, and Directors.
- Recommendation of the remuneration policy for Directors, Senior Management/ key managerial personnel as well as the rest of the employees.
- Oversee the implementation of the share-based employee benefits Scheme by whatever named called as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and perform the function of overall administration and superintendence of the schemes.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Nomination and Remuneration Committee Charter.

b. Composition of the Committee, attendance of members at the meetings and other details

As on March 31, 2022, the Nomination and Remuneration Committee consisted of 3 (three) Non-Executive Directors, of which 2 (two) Directors are Independent Directors. Ms. Shikha Sharma, Independent Director is the Chairperson of the Committee and was present at the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Nomination and Remuneration Committee met 4 (four) times on May 6, 2021, August 3, 2021, October 22, 2021, and March 16, 2022.

The composition of the Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Ms. Shikha Sharma (Chairperson)	Non-Executive, Independent	4	4
Mr. N. Chandrasekaran	Non-Executive, Non- Independent	4	4
Mr. Bharat Puri	Non-Executive, Independent	4	4
Mr. P.B. Balaji*	Non-Executive, Non- Independent	3	3

Number of meetings held during the tenure of respective directors

* Stepped down as a member of the Committee w.e.f. October 22, 2021.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

c. Performance Evaluation

Pursuant to the provisions of the Act and the applicable provisions of the Listing Regulations, the Annual performance evaluation was carried out for FY 2021-22 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility & Sustainability and Risk Management Committees. A structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared which is broadly based on the Guidance Note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated January 5, 2017.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as guidance/support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, the effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and they expressed their satisfaction with the evaluation process.



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d. Remuneration Policy

The summary of the Remuneration Policy for Directors, Key Managerial Personnel, and other employees is mentioned in the Board's Report. The Remuneration Policy of the Company is available at: <http://www.tataconsumer.com/investors/policies>

The remuneration policy followed by the Company takes into consideration the performance of the Company during the year and of the Managing and Executive Directors on certain parameters, such as the condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, the performance of the directors at meetings of the Board and of the Board Committees, etc.

Director is related to his attendance at meetings, role and responsibility as Chairman/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company at the Annual General Meeting held on July 5, 2018, had approved payment of commission to the Non-Executive Directors of the Company for all subsequent financial years commencing from April 1, 2019. No Stock option has been granted to the Non-Executive Directors. During the year under review, based on the approval of shareholders, the Nomination and Remuneration Committee has granted performance shares units to Employees of the Company and its subsidiaries. A detail of performance shares units granted to whole-time directors is given herein.

The details of the Commission and sitting fees paid/payable to Non-Executive Directors for FY 2021-22 are given below:

5. REMUNERATION OF DIRECTORS

a. Pecuniary relationships or transactions

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees, commission (if any), and reimbursement of expenses incurred by them to attend the meetings of the Company.

b. Non-Executive Directors' compensation and disclosures.

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board. During the year under review, the Company paid the sitting fee of ₹ 30,000 per meeting per Non-Executive Directors for attending meetings of the Board, Audit, Nomination and Remuneration, and Executive Committees and ₹ 20,000 per meeting per Non-Executive Directors for attending the meeting of Risk Management, Stakeholder's Relationship, Corporate Social Responsibility & Sustainability Committees, and other special Board committees. The Company also paid sitting fees of ₹ 30,000 per meeting to the Independent Directors for attending the Independent Directors' meeting.

Within the prescribed ceiling under the Act, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The basis of determining the specific amount of commission payable to a Non-Executive

Non-Executive Directors' Remuneration

Name of Director	Category of Director	₹ in Lakhs	
		Commission# (Relating to FY 2021-22)	Sitting Fees
Mr. N. Chandrasekaran, (Chairman)	Non-Executive, Non-Independent Director	Nil [^]	2.70
Mr. Siraj Chaudhry	Non-Executive, Independent Director	70	7.30
Mr. Bharat Puri	Non-Executive, Independent Director	75	7.20
Ms. Shikha Sharma	Non-Executive, Independent Director	75	7.60
Dr. K. P. Krishnan*	Non-Executive, Independent Director	35	3.40
Mr. P. B. Balaji	Non-Executive, Non-Independent Director	Nil [§]	3.30
Mr. S. Santhanakrishnan [@]	Non-Executive, Independent Director	25	1.90

[#]Payable in FY 2022-23. The Commission to the Non-Executive Directors relating to FY 2020-21 was paid in FY 2021-22.

[@]Ceased as a Director w.e.f. October 12, 2021

^{*}Appointed as a Director w.e.f. October 22, 2021

[^]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 Company. Accordingly, no commission is paid to Mr. P.B. Balaji being Non-Executive Non-Independent Director.

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c. The Remuneration details of Managing / Executive Directors are mentioned below:

Component	₹ in Lakhs	
	Mr. Sunil D'Souza, Managing Director & CEO*	Mr. L. Krishnakumar, Executive Director & Group CFO
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	597.90	272.86
Allowances and perquisites	140.64	101.68
Contribution to Retiral Funds	24.27	33.62
Total	762.81	408.16
Performance Share units (PSUs)- Granted (Nos)	25,280	-
Term of Service Contract	5 years from April 4, 2020	5 years from April 1, 2018
Notice period	6 months	6 months

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

In addition, Mr. L. Krishnakumar drew remuneration (as a part of his Salary and Benefits) of ₹ 37.97 Lakhs during FY 2021-22 from an overseas subsidiary of the Company. The said remuneration was drawn in GBP and has been converted into INR at the average exchange rate.

- d. Mr. Bharat Puri appointed as Independent Director on the Board of two material foreign subsidiaries of the Company based in the UK- Tata Consumer Products GB Limited and Tata Consumer Products UK Group Limited and Mr. Siraj Chaudhry appointed as Independent Director in the Eight O'Clock Coffee Company Limited, material unlisted subsidiary based in the USA.
- e. The Company has not granted Stock Options to any of its Non-Executive Directors. The Company does not have a practice of paying severance fees to any Director.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In accordance with the provisions of Section 178 of the Act, and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders' Relationship

Committee, composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

a. Brief description of terms of reference

The Stakeholders' Relationship Committee shall *inter-alia* discharge the following responsibilities:

- Reviewing the grievances handling process of the security holders of the Company;
- Approve issue of duplicate share certificates;
- Frame guidelines for waiver of documents/ requirements prescribed in cases of Transmission of Shares, Issue of duplicate share certificates, and recording of updation of signatures by shareholders
- Review of measures taken for the effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Stakeholders' Relationship Committee Charter.

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises.

To expedite the process of share transfers, the Board has delegated the power of share transfer to the Registrars and Share Transfer Agent and share transfers are approved by them on a fortnightly basis and placed before the Committee every quarter.



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b. Composition of the Committee, attendance of members at the meetings and other details

As on March 31, 2022, the Stakeholders Relationship Committee comprised of 3 (three) Directors comprising 1 (one) Independent and 2 (two) Executive Directors. Mr. Siraj Chaudhry, Independent Director is the Chairman. Mr. S. Santhanakrishnan who was then the Chairman of the Committee attended the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Committee met 3 (three) times, on May 5, 2021, August 3, 2021, and February 2, 2022.

The composition of the Committee (including changes during the year) and details of attendance by its members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held [#]
Mr. Siraj Chaudhry (Chairman)*	Non-Executive, Independent	3	3
Mr. L. Krishnakumar	Executive Director & Group CFO	3	3
Mr. Sunil D'Souza**	Managing Director & CEO	1	1
Mr. S. Santhanakrishnan@	Non-Executive, Independent	2	2

[#]Number of meetings held during the tenure of respective directors

*Designated as Chairman of the Committee with effect from October 22, 2021.

**Inducted as a member of the Committee w.e.f. October 22, 2021.

@Cease to be the member and Chairman of the Committee w.e.f. October 12, 2021

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

c. Name and designation of Compliance Officer

Mr. Neelabja Chakrabarty, Company Secretary, is the Compliance Officer for complying with the requirements of the Listing Regulations.

d. Number of shareholders' complaints received, number solved to the satisfaction of shareholders, and number of pending complaints

Details of queries/complaints and other correspondences received and attended to during FY 2021-22 in respect of equity shares are given below:

(i) Details of Complaints received during the year under review:

Sr. no.	Details of Investor Complaints	No. of complaints
1.	Number of Investor Complaints pending at the beginning of the year	0
2.	Number of Investor Complaints received during the year under review	46
3.	Number of Investor Complaints disposed of during the year under review	46
4.	Complaints not solved to the satisfaction of shareholders during the year	0
5.	Number of Investor Complaints Unresolved at the end of the year	0

(ii) Details of queries and requests received during the year under review:

Details of Investor Queries/Requests	Numbers
Pending queries/requests at the beginning of the year	179
Queries/requests received during the year under review	6508
Queries/requests attended and replied to during the year under review	6433
Pending queries/requests at the end of the year	254

(iii) Analysis of response time for redressing investor correspondence, during the year under review is as under:

Sr. No.	Response time to Investor Complaints & Queries/Requests	FY 2021-22	
		Number	%
1.	Replied within 1 to 4 days of receipt	1084	16.10
2.	Replied within 5 to 7 days of receipt	1466	21.77
3.	Replied within 8 to 15 days of receipt	2631	39.08
4.	Replied after 15 days of receipt	1298	19.28
5.	Pending at the end of the year	254	3.77
Total		6733	100

Corporate Governance Report

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, the Board has formed the Corporate Social Responsibility (CSR) Committee. During the year under review, the scope of the Committee was increased and renamed as Corporate Social Responsibility (CSR) & Sustainability Committee. The Composition and terms of reference of the committee are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

a. Brief description of terms of reference

The Corporate Social Responsibility & Sustainability Committee shall *inter-alia* discharge the following responsibilities:

- Formulation of CSR Policy, identification & recommendation of the CSR Projects & CSR expenditure, oversight of its implementation, and review of its impact.
- Providing guidance to the Company on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, welfare activities in and around Munnar, etc.
- Assist the management to formulate, implement and review policies, principles, and practices, review partnerships and relationships to foster & support the sustainable growth of the Company.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Charter of the Committee.

b. Composition of the Committee, attendance of members at the meetings and other details

As on March 31, 2022, the Committee consisted of 3 (three) Independent Directors. Mr. Siraj Chaudhry, Independent Director is the Chairman of the Committee, and he was present at the last Annual General Meeting of the Company held on June 25, 2022, to answer the queries of the shareholders.

During the year under review, the CSR & Sustainability Committee met 2 (two) times on November 11, 2021 and on March 31, 2022.

The composition of the Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held#
Mr. Siraj Chaudhry (Chairperson)	Non-Executive, Independent	2	2
Ms. Shikha Sharma	Non-Executive, Independent	2	2
Dr. K.P. Krishnan*	Non-Executive, Independent	2	2
Mr. S Santhanakrishnan**	Non-Executive, Independent	NA	NA

#Number of meetings held during the tenure of respective directors

*Inducted as a member of the Committee w.e.f. October 22, 2021

** Ceased as Member of the Committee w.e.f. October 12, 2021, and during his tenure as a member of the Committee, no meeting was held.

The minutes of the meetings of the Committee are placed before and noted by the Board.

The Board has also approved the revised CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company at <https://www.tataconsumer.com/investors/policies>

A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

8. RISK MANAGEMENT COMMITTEE

In accordance with provisions of Regulation 21 of the Listing Regulations, the Board has formed the Risk Management Committee, composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

a. Brief description of terms of reference

The Risk Management Committee shall *inter-alia* discharge the following responsibilities:

- Discuss with senior management, the adequacy of the Company's Enterprise Risk Management (ERM) function and provide oversight as may be needed



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- Setting strategic plans and objectives for identification and evaluation of risks, risk management, risk philosophy, and risk mitigation & minimization.
- Formulation of Risk Management Policy (covering internal and external risks, and business continuity plan) and monitoring and overseeing implementation thereof, including evaluating the adequacy of risk management systems;
- Reviewing risk assessment of the Company annually and exercising oversight of various risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee.
- Ensure that appropriate methodology, processes, and systems are in place relating to the identification and evaluation of all types of risks, namely, strategic, operational, legal, and regulatory, Information systems, and external risks that the Company/its subsidiaries are exposed to. Performing such other duties and responsibilities as may be consistent with the provisions of the Charter of the Committee.

b. Composition of the Committee, attendance of members at the meetings and other details

As on March 31, 2022, the Committee consisted of 3 (three) Independent Directors and Mr. Bharat Puri, Independent Director is the Chairman of the Committee.

During the year under review, the Risk Management Committee met 3 (three) times on August 2, 2021, December 2, 2021, and March 22, 2022. Risk Management Committee Meetings are attended by invitation by the Managing Director & CEO, Executive Director & Group CFO, Chief Operating Officer, Chief Financial Officer, and Chief Internal Auditor. Members of the Senior Management team also attend the Risk Management Committee meetings, as and when required.

The composition of the Risk Management Committee and particulars of attendance by the members at the meetings held in FY 2021-2022 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Mr. Bharat Puri (Chairman)	Non-Executive, Independent	3	3
Ms. Shikha Sharma	Non-Executive, Independent	3	3
Mr. Siraj Chaudhry	Non-Executive, Independent	3	3

#Number of meetings held during the tenure of respective directors

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

9. EXECUTIVE COMMITTEES

The Board has constituted an Executive Committee to review business and strategy, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment, business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate. The Committee meets on a need basis and no meetings were held during FY 2021-22. However, the matters mentioned above, as and when required, were reviewed by the Board from time to time. The composition of the Committee as on March 31, 2022, is given below,

Name	Category of Director/Member
Mr. Sunil D'Souza (Chairman)	Managing Director & CEO
Mr. L Krishnakumar	Executive Director & Group CFO
Mr. Ajit Krishnakumar	Chief Operating Officer (Non-Board Member)

Corporate Governance Report

10. GENERAL BODY MEETINGS

a. Location and time where the last three AGMs were held, whether any special resolutions passed in the previous three AGMs

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2018-2019	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027	June 11, 2019	10:30 am
2019-2020	Through video conferencing, deemed venue was Media Room, TCS House, Raveline Street, Fort, Mumbai- 400001	July 6, 2020	10:30 am
2020-2021	Through video conferencing, deemed venue was Registered Office of the Company	June 25, 2021	10:30 am

b. Special Resolution(s):

No special resolution was passed by the Company in any of its previous three AGMs.

c. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during FY 2021-22

d. Postal ballot:

Details of special resolutions passed through postal ballot during FY 2021-22 and till the date of this report:

- i. During FY 2021-22, the Company had sought the approval of the shareholders on the following matters by way of Special Resolutions through Postal Ballot through Remote e-Voting process. The Notice of Postal Ballot dated November 11, 2021, was circulated on November 26, 2021. The Remote e-Voting commenced on November 29, 2021, and ended on December 28, 2021. The resolutions were passed with the requisite majority on December 28, 2021 (being the last date of Remote e-Voting), and the results of which were announced on December 29, 2021. The description of resolutions and details of the voting pattern is as under:

Resolution No. and type	Description of Resolution	Number of Votes			
		For	%	Against	%
1 Special Resolution	Approval of Tata Consumer Products Limited - Share-based Long-Term Incentive Scheme 2021 for grant of performance share units to the Eligible Employees of the Company under the Scheme	59,19,25,053	98.94	63,29,066	1.06
2 Special Resolution	Extension of the Tata Consumer Products Limited - Share-based Long-Term Incentive Scheme 2021 to eligible employees of certain subsidiary companies of the Company	59,14,00,773	98.96	62,30,456	1.04
3 Special Resolution	Appointment of Dr. K. P. Krishnan (DIN: 01099097) as a Director and as an Independent Director	59,32,31,960	99.99	65,101	0.01

- ii. Further, the Company had also sought the approval of the shareholders on the following matter by way of a Special Resolution through Postal Ballot through Remote E-Voting process. The Notice of Postal Ballot dated March 30, 2022, was circulated on the same day. The Remote e-Voting commenced on March 31, 2022, and ended on April 29, 2022. The resolution was passed with the requisite majority on April 29, 2022 (being the last date of Remote e-Voting) and the results of which were announced on April 30, 2022. The description of resolution and details of the voting pattern is as under:



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Resolution No. and type	Description of Resolution	Number of Votes			
		For	%	Against	%
1 Special Resolution	To create, offer, issue and allot equity shares on Preferential Basis, in one or more tranches, 74,59,935 equity shares of the Company having face value of ₹ 1 each, at a price of ₹ 765.16 per equity share, for consideration other than cash, (being swap of shares of Tata Consumer Products UK Group Limited, United Kingdom, a subsidiary of the Company ("TCP UK") towards payment of the total purchase consideration of ₹ 570.80 crores, payable by the Company to Tata Enterprises (Overseas) AG, a minority shareholder of TCP UK, for the acquisition of 2,38,71,793 ordinary shares of £1 each, representing 10.15% of the paid-up capital of TCP UK, held by Proposed Allottee	62,85,32,957	99.98	1,28,287	0.02

Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (FCS: 2303 & COP No. 880), was appointed as Scrutinizer, for conducting the above Postal Ballots through the Remote E-Voting process fairly and transparently and following the provisions of the Companies Act, 2013 and the rules made thereunder.

Procedure for the postal ballot: The above Postal Ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

Details of the special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM require the passing of a special resolution through a postal ballot.

11. MEANS OF COMMUNICATION

(a) Financial Results

The quarterly, half-yearly and annual financial results of the Company after submission to the Stock Exchanges are published in the leading newspapers in India and displayed on the Company's website. The quarterly results are generally published in Business Standard/Financial Express (All India Edition) (English) and Sangbad Pratidin/Aajkaal (Bengali). The financial results of the Company are put on the website of the Company at <https://www.tataconsumer.com/investors/investor-relations/results-and-presentation>.

All Quarterly results are being sent through email to those shareholders whose email ids are registered with the Company/Depository Participants.

(b) Annual Report

Pursuant to the MCA circulars and SEBI Circular, the Annual Report for FY 2021-22 containing the Notice of AGM was sent through email to all those Members whose email IDs were registered with the Company/Depository Participants.

(c) Press Release / Investor Presentations

The Company also issues press releases from time to time concerning financial results and material events. The Company participates in various investor conferences and analyst meets and makes presentations thereat. Press Releases, Investors' presentations are submitted to the stock exchanges as well as are hosted on the website of the Company. Such press releases and investor presentations are put on the website of the Company at <https://www.tataconsumer.com/investors/investor-relations/results-and-presentation>

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(d) Communication related to Dividends and updation of records

The Company issues various communication such as reminder letters to shareholders for claiming unclaimed dividends, updation on PAN, Bank details, signature, and other details, and notice before transferring shares are liable to transfer to IEPF.

12. GENERAL SHAREHOLDER INFORMATION**a. Annual General Meeting**

Day, Date, and Time	Monday, June 27, 2022, at 10.30 a.m.
Venue/Mode	The Company is conducting meeting through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') pursuant to the MCA circulars, please refer to the Notice of the AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

b. Dividend Payment

The dividend of ₹ 6.05 per equity share of ₹ 1 each (605%), as recommended by the Board, if approved by the shareholders at the AGM, will be paid, subject to deduction of income tax at source wherever applicable, on or from June 29, 2022.

Book Closure Period	Saturday, June 11, 2022, to Friday, June 17, 2022 (both days inclusive)
Dividend payment date	On or from June 29, 2022 and before July 27, 2022

c. Financial Year: April 1 to March 31**d. Name and address of each Stock Exchange at which Company Shares are listed and Stock Code**

Listing on Stock Exchanges	Name	Address	Stock Code
Equity Shares	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500800
	National Stock Exchange of India Limited	Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (E) , Mumbai – 400 051	'TATACONSUM'
	The Calcutta Stock Exchange Limited	7, Lyons Range, Kolkata – 700 001	27 (For Physical); 10000027 (For Demat)
Global Depository Shares	Luxembourg Stock Exchange	35A Boulevard Joseph II L-1840 Luxembourg	NA
	London Stock Exchange	10 Paternoster Square London EC4M 7LS United Kingdom	NA

e. Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 98.64 percent of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE192A01025.

Name of Depository	Address	ISIN
National Securities Depository Limited	Trade World, 4 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	INE192A01025
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25 th floor, NM Joshi Marg, Lower Parel, Mumbai 400013	



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f. Listing Fees

Annual listing fees for FY 2021-22 have been paid to all the Stock Exchanges where the securities of the Company are listed.

g. Market price data – High, Low, and number of shares traded during each month in the last Financial Year 2021-22

Month	BSE			NSE		
	High ₹	Low ₹	Volume (No. of Shares traded)	High ₹	Low ₹	Volume (No. of Shares traded)
April 2021	698.05	638.5	4043974	678.00	665.05	2206232
May 2021	686.25	614.25	5737973	665.00	650.20	3417033
June 2021	771.90	657.00	3163526	768.35	749.40	1733070
July 2021	787.60	739.60	3217609	762.00	745.20	1613176
August 2021	867.65	752.10	3609058	867.70	856.45	2132008
September 2021	889.00	811.00	5521145	823.95	810.85	1622014
October 2021	862.50	773.10	4865946	818.50	794.15	2220844
November 2021	858.00	725.00	1811814	789.65	764.20	3529356
December 2021	791.00	696.80	1725666	745.00	729.05	865277
January 2022	776.80	675.65	4101928	736.95	722.05	1682459
February 2022	769.00	674.15	2612093	720.80	694.55	1935344
March 2022	782.50	650.75	3859042	780.00	765.90	2892133

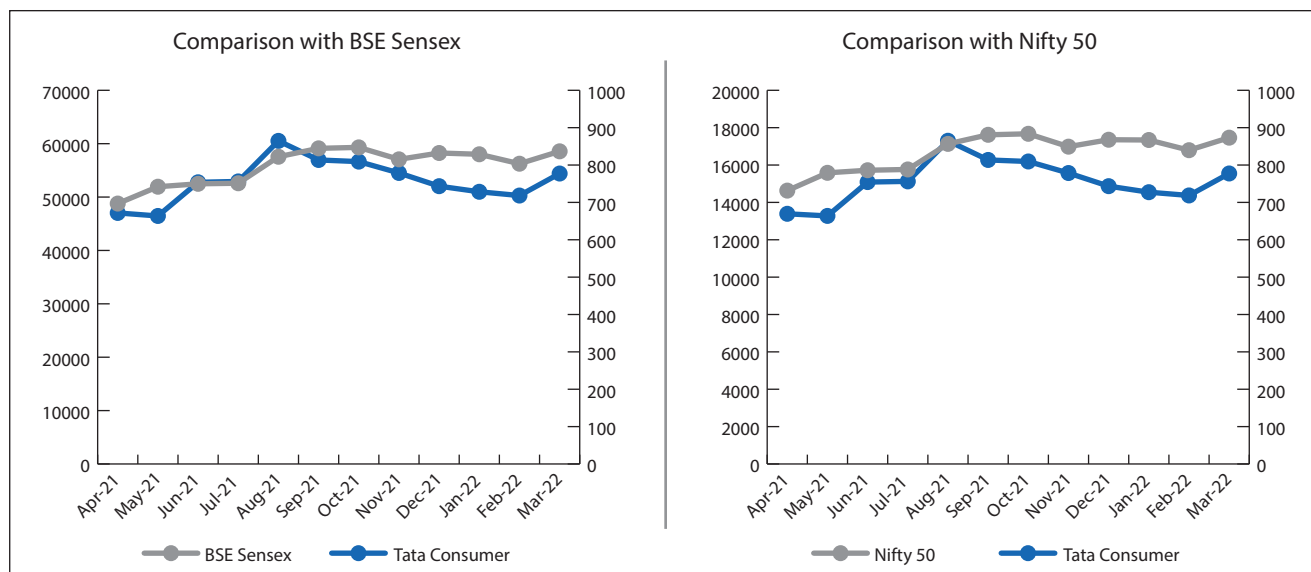
There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2021-22.

h. The market share price data of the Company in comparison to broad-based indices like BSE Sensex and Nifty are given below

Months	Company's closing price at BSE	BSE Sensex	Company's closing price at NSE	Nifty 50
April 2021	671.80	48782.36	669.50	14631.10
May 2021	663.70	51,937.44	663.85	15582.80
June 2021	753.80	52,482.71	754.40	15721.50
July 2021	756.10	52,586.84	756.25	15763.05
August 2021	864.65	57,552.39	864.95	17132.20
September 2021	813.55	59,126.36	813.60	17618.15
October 2021	809.15	59,306.93	809.50	17671.65
November 2021	778.80	57,064.87	778.60	16983.20
December 2021	743.40	58,253.82	743.45	17354.05
January 2022	728.40	58,014.17	727.30	17339.85
February 2022	718.35	56,247.28	718.60	16793.90
March 2022	777.25	58,568.51	777.40	17464.75

There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2021-22.

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i. Performance in comparison to broad-based indices

Closing price	One-year performance			
	Company's share price on		Indices	
	NSE	BSE	NIFTY 50	S & P Sensex
- As at April 1, 2021	650.15	650.30	14867.35	50029.83
- As at March 31, 2022	777.0	777.25	17464.75	58568.51
- Growth	↑19.57%	↑19.52%	↑17.47%	↑17.07%

Closing price	Five-year performance			
	Company's share price on		Indices	
	NSE	BSE	NIFTY 50	S & P Sensex
- As at April 1, 2017	151.9	151.90	9237.85	29910.22
- As at March 31, 2022	777.4	777.25	17464.75	58568.51
- Growth	↑411.78%	↑411.68%	↑89.06%	↑95.81%

j. Address for correspondence for investors holders' queries

(i) Registrar & Transfer Agent: TSR Consultants Private Limited

Place	Name and Address	Phone / Fax / Email
Mumbai	Registered Office TSR Consultants Private Limited C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400083	Tel: +91-22-66568484 Fax: +91-22-66568494 Email: csg-unit@tcplindia.co.in Website: https://www.tcplindia.co.in
Collection Centers		
Mumbai	TSR Consultants Pvt. Ltd. Building 17/19, Office No. 415 Rex Chambers, Ballard Estate, Walchand Hirachand Marg, Fort, Mumbai-400 001	Tel: 7304874606



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Place	Name and Address	Phone / Fax / Email
Bangalore	TSR Consultants Private Limited C/o. Mr. D. Nagendra Rao, Vaghdevi" 543/A, 7 th Main 3 rd Cross, Hanumanthnagar, Bengaluru - 560019	Tel: +91-80-26509004 Email: tcplbang@tcplindia.co.in
Kolkata	TSR Consultants Private Limited C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503, 5 th Floor, 6, Brabourne Road Kolkata - 700001	Tel: +91-33-40081986 Email: tcplcal@tcplindia.co.in
New Delhi	TSR Consultants Private Limited C/o Link Intime India Private Limited Noble Heights, 1 st Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi – 110058	Tel: +91-11-49411030 Email: tcpldel@tcplindia.co.in
Jamshedpur	TSR Consultants Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur - 831001	Tel: +91-657-2426937 Email: tcpljsr@tcplindia.co.in
Ahmedabad	TSR Consultants Private Limited C/o Link India Intime Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge Ahmedabad - 380006	Tel: +91-79-26465179 Email: csg-unit@tcplindia.co.in

Registrar & Transfer Agent can be contacted between 10:00 a.m. and 5:00 p.m. on any working day (Monday to Friday, excluding bank/public holidays)

(ii) Name, designation & address of Compliance Officer

Contact Person	Address	Contact details
Mr. Neelabja Chakrabarty Company Secretary & Compliance Officer	Corporate Office 11/13, Botawala Building, 1 st Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001 Registered office 1, Bishop Lefroy Road, Kolkata – 700 020	Tel: +91 22 61218400 Website: www.tataconsumer.com Email: neelabja.c@tataconsumer.com investor.relations@tataconsumer.com

(iii) Name, designation & address of Investor Relations Officer

Contact Person	Address	Contact details
Ms. Nidhi Verma	Corporate Office 11/13, Botawala Building, 1 st Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001	Tel: +91 22 61218400 Website: www.tataconsumer.com Email: nidhi.verma@tataconsumer.com

k. Share transfer system

According to the Listing Regulations, no shares can be transferred unless they are held in dematerialized mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing. Accordingly, only valid transmission or transposition cases may be processed by the RTA of the Company, subject to compliance with the guidelines prescribed by SEBI.

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Shares in physical form for transfer/transmission/transposition should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Consultants Private Limited, Mumbai, or at their branch offices at the addresses given above or at the Corporate Office of the Company. The above cases are processed if technically found to be in order and complete in all respects.

The Directors and Company Secretary are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

I. Distribution of Shareholding as at March 31, 2022

No. of Shares	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1 to 500	4,79,41,008	4,79,41,008	5.20	7,64,360	92.22
501 to 1000	2,12,06,780	2,12,06,780	2.30	28,650	3.46
1001 to 2000	2,44,92,575	2,44,92,575	2.66	17,192	2.07
2001 to 3000	1,51,95,641	1,51,95,641	1.65	6,113	0.74
3001 to 4000	1,09,65,038	1,09,65,038	1.19	3,128	0.38
4001 to 5000	93,48,397	93,48,397	1.01	2,048	0.25
5001 to 10000	2,73,10,211	2,73,10,211	2.96	3,892	0.47
10001 to 20000	2,55,20,631	2,55,20,631	2.77	1,852	0.22
Greater than 20000	73,95,71,434	73,95,71,434	80.25	1,609	0.19
Total	92,15,51,715	92,15,51,715	100.00	8,28,844	100.00

m. Categories of Shareholders as at March 31, 2022

Sr. No.	Particulars	Holdings/ Shares held	% to Capital
1	Promoter/Promoter Group	31,96,29,733	34.68
2	Foreign Portfolio Investors	23,34,99,462	25.34
3	Individuals	19,93,19,306	21.63
4	Insurance Companies	6,34,35,221	6.88
5	Mutual Funds/Alternate Investment Fund	6,04,18,052	6.56
6	Bodies Corporate	1,42,51,708	1.55
7	Non-Resident Individuals	98,15,463	1.07
8	IEPF	36,24,428	0.39
9	Financial Institutions/Banks	23,41,048	0.25
10	Custodian/DR Holder	8,89,506	0.10
11	Directors & their relatives	1,50,513	0.02
12	Government/President of India	87,870	0.01
13	NBFCs registered with RBI	66,501	0.01
14	Others	1,40,22,904	1.52
Total		92,15,51,715	100.00



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n. Top Ten Shareholders other than Promoter/Promoter Group as on March 31, 2022

Sr.No.	Name of the Shareholder*	No. of Shares	%
1	Life Insurance Corporation of India	4,28,50,539	4.65
2	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	3,48,79,190	3.78
3	Government Pension Fund Global	1,79,92,190	1.95
4	SBI-ETF Nifty 50	1,07,23,963	1.16
5	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	83,60,267	0.91
6	Vanguard Total International Stock Index Fund	77,90,206	0.85
7	Government of Singapore	68,42,140	0.74
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Flexi Cap Fund	60,72,848	0.66
9	SBI Life Insurance Company Limited	60,12,911	0.65
10	Nippon Life India Trustee Limited-A/C Nippon India Small Cap Fund	56,69,646	0.62

*Shareholding consolidated based on PAN

o. Non-resident Shareholders

The non-resident shareholders are requested to notify the following to the Company in respect of shares held in physical form and to their depository participants in respect of shares held in the dematerialized form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement
- Particulars of Bank Account maintained with a Bank in India, if not furnished earlier
- RBI permission reference number with the date to facilitate credit of dividend in their bank account

p. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2022, the outstanding Global Depository Receipts ("GDRs") were 889,506. Each GDR represents one underlying equity share of the Company. GDRs are listed on Luxembourg Stock Exchange and London Stock Exchange and the underlying equity shares are listed on BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The underlying shares against the outstanding GDRs have been allotted in the name of Custodian. No ADR or convertible instrument is outstanding as on March 31, 2022.

q. Commodity price risk or foreign exchange risk and hedging activities

Commodities Tea, Coffee, Salt, and Pulses form a major part of the business of the company and hence commodity price risk is one of the important risks for the Company. The Company has a robust framework in place to protect its interests from risks arising out of market volatility. Based on continuous monitoring and market intelligence the sales and procurement team take appropriate strategies to deal with the market volatility.

The Company operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. Volatility in currency exchange movements in GBP, USD, CAD, and AUD can have an impact on the Company's operations. The Company has established foreign currency hedging policies and practices to manage these risks.

r. Commodity risks faced by the company during the year and how they are managed

Tea is a multi-harvest agricultural commodity and is sold through public auction or by private agreement. Price levels reflect the supply/demand position and as an agricultural crop, the supply/demand balance may change quickly based on the changes in weather conditions. The Company manages these risks by actively managing the sourcing of tea, distribution of source of supply, private purchases, and alternate blending strategies.

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Cyclical movement in coffee commodity markets impacts our business. A decline in the coffee terminal prices results in lower realizations for our Coffee Plantation business in India. Whereas, the US branded coffee operations get adversely impacted by the increase in the coffee terminal prices. The Company manages these commodity risks based on appropriate hedging strategies.

For Salt and Pulses, the price fluctuations are managed through active sourcing and commercial negotiations with customers and suppliers. The company's exposure to market risks for commodities and currencies is detailed in Note 36B under "Financial Risk Management" forming part of Notes to the Consolidated Financial Statements.

s. Plant locations

1	Periakanal Estate	PO Munnar, Dist. Idukki Kerala – 685612
2	Pullivasal Estate & Packeting Centre	PO Munnar, Dist. Idukki Kerala – 685612
3	Instant Tea Operations (including Nullatani factory)	Post Box no. 3, Idukki District, Munnar, Kerala – 685612
4	Tetley (Tea Bag) Division	73/74 KPK Menon Road, Willingdon Island, Kochi, Kerala – 682 003
5	Mineral Water Plant	Village Dhaula Kuan, District Sirmour, Paonta Sahib, Tehsil Himachal Pradesh – 173 025

In addition to the above locations, the Company also operates through third-party contract manufacturers at several locations.

t. Credit Rating

The following is the list of credit ratings assigned/re-affirmed to the Company during the financial year 2021-2022:

Instrument Details	Amount (₹ Crores)	Rating
Long-Term Debt (including Non-Convertible Debenture)	350	ICRA AAA (Stable)
Short Term Debt (including commercial Papers)*	715	ICRA A1+
Fund based working capital facilities*	400	[ICRA] AAA (Stable)/ [ICRA] A1+
Non-Fund Based facility	24	ICRA A1+

Instrument Details	Amount (₹ Crores)	Rating
Short Term -Commercial Paper (CP)*	715	CARE A1+ (A One plus)

*Total borrowing under Commercial papers and fund-based facilities from Banks to remain within an overall limit of ₹ 715 Crore

13. TRANSFER OF UNCLAIMED AMOUNTS/SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of Sections 124, 125 of the Act, read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") the amount of dividend or any other amount remaining unclaimed or unpaid for a period of seven years is required to be transferred to the IEPF. Further, all the shares in respect of which dividend remained unclaimed or unpaid for seven consecutive years or more, shall also be transferred to the Demat Account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal, or Statutory Authority, restraining any transfer of the shares.

In pursuance of the above, the dividend remaining unclaimed or unpaid in respect of dividends declared for FY 2013-14, had been transferred to the IEPF during FY 2021-22. Consequently, shares in respect of which dividend(s) remained unclaimed or unpaid from FY 2013-14 till FY 2020-21 were also transferred to IEPF. The details of the unclaimed dividends and shares so transferred are available on the Company's website- <https://www.tataconsumer.com/investors/investor-information/iepf-related-matters>.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends to avoid the transfer of dividends/shares to the IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.tataconsumer.com/investors/investor-information/letters-sent-to-shareholders>.

It may be noted that the unclaimed dividend for FY 2014-15 declared on August 19, 2015, along with underlying shares, are due to be transferred to the IEPF by September, 2022. Members who have not encashed the dividend warrant(s) from FY 2014-15,



Corporate Governance Report

onwards may forward their claims to the Company's Registrar and Transfer Agents **before September 5, 2022, to avoid any transfer of dividend or shares to the IEPF Authority.**

The shares and unclaimed dividends transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in e-Form No. IEPF -5 (available on www.iepf.gov.in) and submit the required documents to the Company.

The following table gives information relating to the outstanding dividend(s)/sale proceeds from fractional shares and the dates when due for transfer to IEPF:

Financial year ended	Date of payment	Nature of Payment	Last Date to claim
March 31, 2015	August 19, 2015	Dividend	September 05, 2022
March 31, 2016	August 26, 2016	Dividend	September 13, 2023
March 31, 2017	August 21, 2017	Dividend	September 06, 2024
March 31, 2018	July 09, 2018	Dividend	July 25, 2025
March 31, 2019	June 13, 2019	Dividend	June 26, 2026
March 31, 2020	May 28, 2020	Sale proceeds from fractional shares	May 24, 2027
March 31, 2020	July 08, 2020	Dividend	July 30, 2027
March 31, 2021	June 29, 2021	Dividend	July 17, 2028

While the Registrar of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, the attention of the shareholders is again drawn to this matter through the Annual Report.

14. OTHER DISCLOSURES

(a) Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Act, and were also not material RPTs under Regulation 23 of the Listing Regulations. During the year under review, all RPTs were placed before the Audit Committee for its approval (including

omnibus approval), as required under Section 177 of the Act, and Regulation 23 of the Listing Regulations.

Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties which were in conflict with the interest of the Company.

The policy for related party transactions can be accessed at the Company website at <https://www.tataconsumer.com/investors/policies>

(b) Declaration of compliance by the Company

There has been no instance of non-compliance and no penalties, strictures were imposed on the Company by stock exchanges or SEBI during the last 3 (three) financial years.

(c) Establishment of vigil mechanism, whistleblower policy

The Board has approved a whistle-blower policy/vigil mechanism which has been communicated to the employees and Directors. The policy provides a mechanism for employees / Directors to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and provides safeguards against the victimisation of employees / Directors who avail of the mechanism.

None of the Directors or employees were denied access to the Chairman of the Audit Committee.

The policy with the name and address of the Chairman of the Audit Committee has been circulated to the employees. The whistle Blower policy adopted by the Company can be accessed at <https://www.tataconsumer.com/investors/policies>.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2021-22.

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

- Shareholders' Rights:** The quarterly and half-yearly financial performance along

Corporate Governance Report

with significant events are published in the newspapers and are also hosted on the Company's website and the same are also emailed to the shareholders who have registered their email ids with the Company.

- ii) **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2021-22 do not contain any modified audit opinion.
- iii) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and participates in the meetings of the Audit Committee and presents internal audit observations to the Audit Committee.

(e) Consolidated Fees paid / payable to Statutory Auditors

Total fees paid /payable for all services availed by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, during the year under review are given below:

	₹ in Crores
Type of Services/Fees	Amount
Statutory Audit Fees	11.21
Other services include reimbursement of expenses	2.62
Total	13.83

(f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

(g) Compliance with Accounting Standard

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

(h) Subsidiary Companies

In terms of Regulation 24(1) of the Listing Regulations, the Company has three unlisted material subsidiaries incorporated outside India i.e. Tata Consumer Products GB Limited in UK, Tata Consumer Products UK Group Limited in UK, and Eight O'Clock Coffee Company Limited in US. In compliance with the above-mentioned Regulation, Mr. Bharat Puri has been appointed as Independent Director on the Board of Tata Consumer Products GB Limited and Tata Consumer Products UK Group Limited and Mr. Siraj Chaudhry has been appointed as Independent Director in the Eight O'Clock Coffee Company Limited. The Company is compliant with other provisions of Regulation 24 of Listing Regulations. A policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link <https://www.tataconsumer.com/investors/policies>.

(i) Loans and advances to entities in which directors are interested

The Company and its subsidiaries has not given any loans and advances in the nature of loans to any firms / companies in which Directors of the Company are interested.



Corporate Governance Report

15. CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued a certificate according to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed as **Annexure 2** and forms part of the Annual Report.

16. CERTIFICATE ON CORPORATE GOVERNANCE

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to Schedule V of the Listing Regulations regarding the compliance of conditions of Corporate Governance. The said certificate is annexed as **Annexure 3** and forms part of the Annual Report.

17. CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been

debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority. The said certificate is annexed as **Annexure 4** and forms part of this Annual Report.

18. GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTA.

Shareholders who have not registered their e-mail addresses are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

19. DETAILS OF CORPORATE POLICIES:

Particulars	Website links
Composition and profile of the Board of Directors	https://www.tataconsumer.com/about/leadership
Terms and conditions of appointment of Independent Directors	https://www.tataconsumer.com/corporate-governance/compliances-and-filings
Policy for appointment and removal of Directors	https://www.tataconsumer.com/investors/policies
Familiarisation programme for Independent Directors	https://www.tataconsumer.com/corporate-governance/compliances-and-filings
Remuneration Policy of Directors, KMPs, and Other employees	https://www.tataconsumer.com/investors/policies
Tata Code of Conduct	https://www.tataconsumer.com/investors/policies
Dividend Distribution Policy	https://www.tataconsumer.com/investors/policies
Criteria for making payments to Non-Executive Directors	https://www.tataconsumer.com/investors/policies
Code of conduct for Non-Executive Directors	https://www.tataconsumer.com/corporate-governance/compliances-and-filings
Corporate Social Responsibility Policy	https://www.tataconsumer.com/investors/policies
Policy on Related Party Transactions	https://www.tataconsumer.com/investors/policies
Policy for determining material subsidiaries	https://www.tataconsumer.com/investors/policies
Policy on determining materiality for disclosure	https://www.tataconsumer.com/investors/policies
Whistle Blower Policy	https://www.tataconsumer.com/investors/policies
Code for Corporate Disclosure Practices	https://www.tataconsumer.com/investors/policies
Document Retention and Archival Policy	https://www.tataconsumer.com/investors/policies
Anti-Bribery & Anti-Corruption Policy	https://www.tataconsumer.com/investors/policies
Quarterly Shareholding Pattern	https://www.tataconsumer.com/investors/investor-relations/shareholding-pattern
Quarterly Corporate Governance Report	https://www.tataconsumer.com/corporate-governance/Compliances

Corporate Governance Report

ANNEXURE 1 OF CORPORATE GOVERNANCE REPORT

DECLARATION BY THE CEO ON CODE OF CONDUCT

[as required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Sunil D'Souza, Managing Director and CEO of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year 2021-22.

For Tata Consumer Products Limited

Sunil D'Souza

Managing Director & CEO

(DIN 07194259)

Mumbai
May 4, 2022

ANNEXURE 2 OF CORPORATE GOVERNANCE REPORT

CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT

[pursuant to regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015]

For the Financial Year ended March 31, 2022

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered into by the Company during the year ended March 31, 2022, which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any fraud, particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For Tata Consumer Products Limited

Sunil D'Souza

Managing Director & CEO
(DIN 07194259)

Mumbai
May 4, 2022

John Jacob

Chief Financial Officer



Corporate Governance Report

ANNEXURE 3 OF CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE ISSUED UNDER SEBI LODR

To the Members of TATA CONSUMER PRODUCTS LIMITED

I have examined the compliance of the conditions of Corporate Governance by Tata Consumer Products Limited (CIN: L15491WB1962PLC031425) ('the Company') for the year ended on 31st March 2022, as stipulated in The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 and other Amendments thereof (hereinafter collectively referred to as "Listing Regulations");

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations during the year ended 31st March, 2022.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. Asim Kumar Chattopadhyay

Practising Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Peer Review – 792/2020

UDIN: F002303D000263531

Date: 4th May, 2022

Place : Kolkata

Corporate Governance Report

ANNEXURE 4 OF CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Tata Consumer Products Limited
1, Bishop Lefroy Road,
Kolkata – 700 020

I have examined the relevant registers, records, forms returns and disclosures received from the Directors of **M/s. Tata Consumer Products Limited (CIN :: L15491WB1962PLC031425)** and having registered office at 1, Bishop Lefroy Road, Kolkata – 700020 (hereinafter referred to as “the Company”) produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI, MCA or any such other Statutory Authority.

SL-No.	Full Name	DIN/DPIN/PAN	Date of Appointment
1	SHIKHA SANJAYA SHARMA	00043265	07/05/2019
2	CHANDRASEKARAN NATARAJAN	00121863	03/07/2017
3	SIRAJ AZMAT CHAUDHRY	00161853	03/07/2017
4	LAKSHMANAN KRISHNA KUMAR	00423616	01/04/2013
5	KODUMUDI PRANATHARTHIHARAN KRISHNAN	01099097	22/10/2021
6	BHARAT TILAKRAJ PURI	02173566	07/05/2019
7	PATHAMADAI BALACHANDRAN BALAJI	02762983	08/08/2020
8	SUNIL ALARIC DSOUZA	07194259	04/04/2020

- Dr. K.P. Krishnan (DIN:01099097) joined the Board as Director and as an Independent Director w.e.f. 22.10.2021.
- Mr. Santhanakrishnan Sankaran (DIN: 00032049) ceased to be Director w.e.f. 12.10.2021.

Ensuring the eligibility for appointment / continuity of every director on the Board is responsibility of the Management of the Company. My responsibility is to express an opinion based on my verification. This certificate neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr.Asim Kumar Chattopadhyay

Practising Company Secretary

FCS : 2303 CP: 880

PR. No.-792/2020

UDIN: F002303D000060647

Date: 10.04.2022



BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:	L15491WB1962PLC031425																
2. Corporate Name of the Company:	Tata Consumer Products Limited																
3. Registered address:	1, Bishop Lefroy Road, Kolkata - 700020																
4. Website:	www.tataconsumer.com																
5. E-mail id:	Investor.relations@tataconsumer.com																
6. Financial Year reported:	2021-22																
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	<table> <thead> <tr> <th>Group</th><th>Description</th></tr> </thead> <tbody> <tr> <td>10791</td><td>Processing and blending of tea including the manufacture of instant tea</td></tr> <tr> <td>46306</td><td>Trading of coffee products</td></tr> <tr> <td>01271</td><td>Growing of Tea</td></tr> <tr> <td>11043</td><td>Manufacture of mineral water</td></tr> <tr> <td>46309</td><td>Trading of Salt</td></tr> <tr> <td>107</td><td>Manufacture of food ingredients and Sweeteners</td></tr> <tr> <td>462</td><td>Wholesale of Pulses</td></tr> </tbody> </table>	Group	Description	10791	Processing and blending of tea including the manufacture of instant tea	46306	Trading of coffee products	01271	Growing of Tea	11043	Manufacture of mineral water	46309	Trading of Salt	107	Manufacture of food ingredients and Sweeteners	462	Wholesale of Pulses
Group	Description																
10791	Processing and blending of tea including the manufacture of instant tea																
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01271	Growing of Tea																
11043	Manufacture of mineral water																
46309	Trading of Salt																
107	Manufacture of food ingredients and Sweeteners																
462	Wholesale of Pulses																
8. List three Key products/services that the Company manufactures/provides (as in the balance sheet):	Beverages: Tea, Coffee and Water Food: Edible Salt, Pulses and Spices																
9. Total number of locations where business activity is undertaken by the Company																	
(a) Number of International Locations (Provide details of major 5)	Nil (on a standalone basis)																
(b) Number of National Locations	60 (including offices, dedicated third-party facilities and CFAs)																
10. Market Served by the Company-Local/State/National/International	The Company sells its products across all states in India as well as several countries in the world.																

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (INR)	₹ 92.16 Crores
2. Total Turnover (INR)	₹ 8,171.25 Crores
3. Total profit after taxes (INR)	₹ 885.75 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹ 13.54 Crores as per Section 135 of the Companies Act, 2013, equivalent to 2.03% of the Average Net Profit of the Company for last 3 financial years.
5. List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure 2 (CSR Annual Report) of the Board's Report for details

Business Responsibility Report

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s)	No
3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	59% of suppliers of tea participate in trustea - the India sustainable tea program, which is one of the BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY ("BR") INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for the implementation of the BR policy/policies

DIN Number	07194259
Name	Mr. Sunil D'Souza
Designation	Managing Director & CEO

(b) Details of BR Head:

Name	Ms. Priya B
Designation	Associate Director – Sustainability
Telephone number	+91-80-67171200
E-mail id	Priya.b@tataconsumer.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the well-being of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights

P6: Business should respect, protect, and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development.

P9: Business should engage with and provide value to their customers and consumers in a responsible manner.



Business Responsibility Report

Details of compliance (Reply in Y/N)

Principles of the National Voluntary Guidelines

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policies for -	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Y [#]	Y [#]	Y [#]	Y [#]	Y [#]	Y [#]	Y [#]	Y [#]	Y [#]
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If Yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online [@]	1,2,6, 7 to 15	1,3,4,5	1,16	1,3,4	1,17	1,4	1	1,3,4	1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y [*]	Y [*]	Y [*]	Y [*]	Y [*]	Y [*]	Y [*]	Y [*]	Y [*]

[#] All policies have been developed by the Tata Group, as a result of detailed consultations and research on the best practices adopted across the globe, and these apply to all the Tata Group companies. The Company has also developed some specific policies which are based on the Tata Code of Conduct.

^{*} All policies applicable to the Company are evaluated internally.

[@] The following policies can be accessed at <https://www.tataconsumer.com/investors/policies>

- | | |
|---|---|
| 1. Tata Code of Conduct | 10. Dividend Distribution Policy |
| 2. Whistle Blower Policy | 11. Code of Corporate Disclosure Practices |
| 3. Tata Affirmative Action Policy | 12. Policy on Related Party Transaction |
| 4. Corporate Social Responsibility Policy | 13. Archival Policy |
| 5. Supplier Code of Conduct | 14. Document Retention Policy |
| 6. Remuneration Policy | 15. Anti-Bribery and Anti-Corruption Policy |
| 7. Policy on Nomination, Appointment and Removal of Directors | 16. Group Health Safety & Wellbeing Policy |
| 8. Policy on Determination of Materiality for Disclosure | 17. Business And Human Rights Policy |
| 9. Policy for Determining Material Subsidiaries | |

Business Responsibility Report

3. Governance related to Business Responsibility (BR)

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Corporate Social Responsibility & Sustainability Committee of the Board meets at least twice a year to review the Sustainability and Corporate Social Responsibility ('CSR') performance of the Company. Besides, the Board which meets at least four times in a year also reviews the sustainability and the Economic Social & Governance ('ESG') performance of the Company
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>The Company has been voluntarily publishing its Annual Business Responsibility Report (ABRR) since 2013. Since FY 2016-17, as mandated by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has been publishing Business Responsibility Report (BRR) as a part of its Annual Report.</p> <p>In addition to the above, the Company has published its first Sustainability Report for FY 2019-20, as per Global Reporting Initiatives (GRI) norms that can be accessed at https://www.tataconsumer.com/sustainability.</p> <p>Since, FY 2019-20, the Company is taking incremental steps to usher in the next wave of efficiency and growth through 'Integrated Reporting'. Integrated Reporting can be accessed at Link: https://www.tataconsumer.com/investors/investor-information/annual-reports</p>

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency, and Accountability**

<p>1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.</p> <p>Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs /Others?</p>	<p>No.</p> <p>The Company's ethics policy as embodied in the Tata Code of Conduct extends to subsidiaries, JVs, suppliers, contractors, vendors, etc.</p>
<p>2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.</p>	<p>In FY 2021-22, a total of 19 complaints were received by the Company out of those 18 complaints have been resolved. The investigation on the remaining 1 complaint was ongoing, as it was received in last week of March 2022. The Company received 3 complaints through the toll-free number; 12 complaints via email; 1 complaint through web access and 3 complaints through other modes.</p>



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Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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| <p>1 List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities</p> | <p>Tea, Salt, Pulses, Spices</p> <p>The product range aims to provide nourishment and nutrition to millions of consumers across India.</p> <ol style="list-style-type: none"> 1. Tata Salt Lite/ Tata Salt Super Lite: The Company has two low-sodium iodized salts in its portfolio: Tata Salt Lite (15% less sodium) and the recently launched Tata Salt Super Lite (30% less sodium). It addresses the increased health and nutrition awareness of consumer cohorts, especially young and middle-aged consumers who are advised to reduce sodium in their diet to take care of the incidence of high blood pressure owing to myriad reasons like sedentary lifestyles, high salt diets, and irregular eating habits. As per the study, the average salt consumption in India is [around 2x/ higher] than the recommended intake proposed by World Health Organization (WHO). 2. Tata Sampann Dals are unpolished and do not undergo any artificial polishing with water, oil, or leather, so that their maximum goodness, protein content, and wholesome character are retained. Tata Sampann Besan and Nutrimixes are also prepared from unpolished dals to retain their nutritive properties. The Tata Sampann Nutrimixes or “Ready to Cook” nutrimixes made with unpolished dals and nutricereals – which provide snack options high in protein and dietary fiber. It is made in a modern easy-to-use packaged format and is also free from preservatives. 3. Tea Care range (Tata Tea Gold and Chakra Gold): a handcrafted blend that combines the richness of tea with Indian herbs to provide goodness in every cup. Herbal ingredients include Tulsi which is well known to boost immunity; Ginger: good for the common cold and cough; Brahmi: which helps to improve memory among others. Tata Tea Teavada: tea blend comprising Assam tea enriched with the goodness of Ayurvedic ingredients (Tulsi, Ginger, Brahmi and Cardamom). It addresses the concern of consumers to have products with natural and healthy ingredients without compromising the taste of tea. 4. 80% of the Tata Salt packaging (in major SKUs) is now recyclable. |
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2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product(optional):	
(a)	Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	<p>The Company is committed to sustainable food & beverages production and consumption and below are some key highlights:</p> <ul style="list-style-type: none"> • The truck utilization for FY 2021-22 increased by 2% as of FY 2020-21 for the product movement (Tea) across all the plants to the sales depot (primary leg). • As part of water conservation, all factory roofs were connected to groundwater recharge. • Tea Packaging Centres have generated 14.61 lakh Kwh of solar energy in FY 2021-22 which is 46.97% higher compared to FY 2020-21. • Food Division has put up a Solar plant at Nagpur CFA and generated 55,451 Kwh in FY 2021-22. • Himayalan Water plant has generated 814,837 Kwh renewable energy (solar) in FY 2021-22. • In the salt category, 80% of laminate used in FY 2021-22 was recyclable. In the tea category, 1.79% of laminate used was recyclable. • In the Tea portfolio, Secondary bags were removed from all laminate SKUs having a Net weight of 500g and above. This resulted in a reduction of plastic usage by 25T during FY 2021-22.
(b)	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	<p>Yes, the Company has a sustainable sourcing strategy and is a co-founder of the trustea program in India for sustainably transforming Indian tea. The trustea program has cumulative verified volumes till March 2022 at 790 million Kg of tea. (Source: https://trustea.org/)</p> <p>During the Primary Packing material Vendor selection process, the Company ensures that Vendors confirm the social, ethical, and environmental performance factors. This is ensured both through audits as well as contractual terms built into contracts</p>
(a)	If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>Tea - About 59% of all the tea the Company buys in India is trustea certified.</p> <p>Packaging - 100% of the Company's Packaging Vendors are compliant with sustainable sourcing norms. There is clear communication in the Company's Purchase order terms and contracts on its expectation from Vendors to deliver on social, ethical, and environmental factors.</p> <p>Vendors - The Company has a clear mandate on adhering to Human Rights requirements from Company's logistics partners, which include child and forced labour, wages, working hours, health & safety. In addition, adherence to the Tata Code of Conduct and the Health & Safety Policy is included in the contracts.</p>
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	<p>Yes,</p> <p>Tea - The Company makes a strategic effort to procure raw material (tea) from small tea growers verified by the trustea program.</p> <p>Pulses - The Company has a vendor development program. The Company has started working with small farmer producer companies for the procurement of Pulses.</p>



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	Goods & Services – The Company procures goods and services from local and small producers, including communities surrounding the Company's places of operation (Packing centers). CFCs, masonry/carpentry services, etc. are categories that are sourced locally
(a) If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>Raw material (tea) – Over 81,000 small tea growers have been trained on sustainable agricultural practices through trustee. Please see para 3 (a) above.</p> <p>Raw Material (pulses) - Continuous training is imparted to improve the manufacturing and handling process so that the product quality is as per the market expectations. This helps improve the market access for the producers.</p> <p>Other goods and services - The local Vendors are always given priority for undertaking job work in the Company's factories. High-performing vendors in the CFC category are rewarded with increased business volumes.</p>
5 Does the company have a mechanism to recycle products and waste? If Yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>The Company is committed to circularity in waste management. All beverage factories worldwide are now zero waste to landfill and all wastes are disposed of through authorized vendors who recycle or repurpose them to avoid landfills. Under the Plastic Waste Management Rules in India, the Company has implemented Extended Producer Responsibility (EPR) Plan for the collection and reprocessing of 100% plastic packaging waste on a brand-neutral basis.</p> <p>About 80% of all Tata Salt packaging (in major SKUs) was recyclable in FY 2021-22.</p>

Principle 3 Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.	2,932
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1,524
3. Please indicate the Number of permanent women employees.	982
4. Please indicate the Number of permanent employees with disabilities	17
5. Do you have an employee association that is recognized by management?	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	Around 60%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:	-

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	2	1*
Discriminatory employment	Nil	Nil

*The complaint was filed in the last week of March 2022 and was under investigation as on March 31, 2022.

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8 What percentage of your under-mentioned employees were given safety training* in the last year?

(a) Permanent Employees	15.4%
(b) Permanent Women Employees	42.8%
(c) Casual/ Temporary/ Contractual Employees	55.1%
(d) Employees with Disabilities	82%

*Induction training, mock drills and other capacity building activities are provided to 100% of employees, contractors and visitors. However, only instructor based trainings have been considered here.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company supports the tea tribes in Assam through the trusteea program on sustainable agricultural practices. The Company support persons with disabilities through Srishti Trust and Coorg Foundation. The UNICEF-Ethical Tea Partnership Program is promoting the multi-sectoral development of adolescent girls and women in the tea estates of Assam. More details are available in Annexure 2 of the Board's Report and on www.tataconsumer.com

Principle 5 - Businesses should respect and promote human rights

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?	<p>The Company recognizes upholding human rights as an integral aspect of doing business. The Company commits to respecting and protecting human rights and remediating adverse human rights impacts resulting from or caused by its businesses.</p> <p>The Business and Human Rights ('BHR') Policy is aligned with the principles contained in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights and is consistent with the Tata Code of Conduct.</p> <p>In line with the BHR Policy, an Apex Human Rights Committee and Working Group (within the Company) has been formed to oversee adherence and implement the Company's human rights policy by weaving it into the Company's strategy, with clearly identified responsibilities, key metrics, and a cascading governance structure, which is chaired by the MD & CEO of the Company. The Business & Human Rights Working Group leads the operational execution of Company's sustainability plan by overseeing Working Groups' activity and ensuring delivery against BHR policy group-wide, which is chaired by the Global legal counsel. This policy will also be applicable to subsidiaries of the Company.</p>
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	<p>In the coming year, due diligence for the Company's operations in terms of adherence to the BHR Policy, followed by its value chain partners is planned. This will help the Company identify areas of improvement and also support its value chain partners address human rights concerns.</p> <p>https://www.tataconsumer.com/sites/g/files/gfwr1q316/files/2021-10/business-and-human-rights-policy.pdf</p>
2	<p>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?</p> <p>2 sexual harassment complaints and 1 has been resolved.</p>

Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

1	<p>Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers / Contractors/ NGOs/others?</p> <p>The Natural Food & Beverages Policy is the apex sustainability and Corporate Social Responsibility policy of the Company. The Tata Code of Conduct which covers the protection of the environment applies to Joint Ventures, Subsidiaries and Suppliers.</p>
2	<p>Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give a hyperlink for the webpage, etc.</p> <p>Yes. https://www.tataconsumer.com/sustainability/better-planet</p>
3	<p>Does the company identify and assess potential environmental risks? Y/N</p> <p>Yes</p>
4	<p>Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?</p> <p>No</p>
5	<p>Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If Yes, please give a hyperlink for the webpage, etc.</p> <p>Project Jalodari is a water management programme by the Company that aims to create sustainable water sources, raise awareness and build capacities in water and sanitation in the communities. Jalodari, Assam has been launched at Kakajan, Bhelaguri and Teok tea estates in Jorhat District and Hathikuli tea estates in Golaghat district of Assam. Details of such a project can be accessed at https://www.tataconsumer.com/sustainability</p> <p>The Company has a strategy focused on sustainable agriculture for climate change adaptation (through tea sourcing certifications that promote sustainable agriculture), sustainable forestry (biodiversity conservation programs in the plantations) for climate change mitigation, energy efficiency, and renewable energy. The Company believes the need of the hour is to rationalize existing energy consumption and incorporate viable and economically feasible renewable sources in the energy mix. The Company has put into practice several measures aimed at encouraging green energy sources (use of biomass in boilers), enhancing the efficiency of existing machinery and processes, and reducing the amount of energy it uses.</p>

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	The Company has 24% renewable energy in its energy mix, for Company's India operations this year. Solar rooftop installations are the major source of renewable energy and in its Himalayan unit, it generates more than it consumes and gives back to the Grid. In tea packeting units, there has been a 47% increase in renewable energy from last year.
6 Are the Emissions/Waste generated by the company within the permissible limits are given by CPCB/SPCB for the financial year being reported?	Yes
7 Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	Nil

Principle 7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1 Is your company a member of any Trade and Chamber or Association? If Yes, name only those major ones that your business deals with	Yes. Some organisations are Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI), National Safety Council, Kerala State Productivity Council, Federation of All India Tea Traders Association, Bombay Chamber of Commerce, Bangalore Chamber of Industry and Commerce, Indian Tea Association - Kolkata. The Bengal Chamber of Commerce & Industry, Tea Board – Kolkata, Calcutta Tea Traders Association, The Tea Trade Association of Cochin, The Coimbatore Tea Trade Association, The Coonoor Tea Trade Association, Cochin Chamber of Commerce and Industry, Indian Chamber of Commerce and Industry, Guwahati Tea Auction Centre, Siliguri Tea Auction centre, Guwahati Tea Buyers Association, Export Promotion Council, ASSOCHAM, Export Promotion Council, The Company Care (Waste efficient collection and recycling efforts, a society of about 35 FMCG companies for circular economy in plastic waste), All India Spices Exporters Forum, India Pulses and Grains Association.
2 Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others	Yes. Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles.

Principle 8 - Businesses should support inclusive growth and equitable development

1 Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If Yes, details thereof	<p>Yes. The Company's BR initiatives/projects undertaken pursuant to Section 135 of the Companies Act 2013 support inclusive growth. Additionally, the Company abides by the Tata Group Affirmative Action Policy, details of which are given in Annexure 2 to the Board's Report.</p> <p>In line with the Tata Code of Conduct (TCoC), the Company is an equal opportunity employer and do not discriminate based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.</p>
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	Several awareness programs via email are being circulated to employees on understanding biases and avoiding them. A Global Women's Inclusion Network (WIN) was also launched recently, which is a forum to foster inclusion and bring together women across the company to connect, learn, and grow.
2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	Yes. Please refer to Annexure 2 to the Board's Report for details.
3 Have you done any impact assessment of your initiative?	Yes, an impact assessment of the CSR project was undertaken for FY2021-22 was carried out and the report can be accessed at https://www.tataconsumer.com/sustainability .
4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	₹ 13.54 Crores as per Section 135 of the Companies Act, 2013. For more details please refer to Annexure 2 to the Board's Report.
5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Sustainability and CSR initiatives are also periodically reviewed by the Senior Management and the CSR and Sustainability Committee of the Board. The feedback provides the basis for which the deployment of programmes is continuously improved.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.	1.47% of the total customer complaints receive through Customer care were pending at the end of financial year.
2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes. Product information including its sourcing and processing is provided either as declaration or in product story. Ingredient percentages in case of flavours and quantity in case of teabags are declared on the packs wherever it is relevant. Environment management information like guidelines for plastic disposal, recyclability information, resin information to enable identification of recycling stream are also given on the packs for information to the consumers.
3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4 Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Consumer and Customer satisfaction survey is carried out by the company every year. The packaged Beverages division conducted a largescale blend test (National Blend Benchmark Test) to assess consumer feedback on TCPL tea brands' blends vis-à-vis relevant consumers. The test is conducted by third party market research agency partner every year. Both TCPL blends as well as competition blends are picked up from the market by the 3P agency partner and placed with relevant target group consumers in blend form – to get feedback of the blends – agnostic of effect of branding. The tests are conducted among users of TCPL brands as well as competition brands.