

BOARD'S REPORT

Dear Members,

The Board of Directors is delighted to present the 60th 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, 2023.

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.

OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2023, are summarised as under:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	FY 2023	FY 2022	FY 2023	FY 2022
Revenue from Operations	13,783	12,425	8,539	7,932
Profit before Exceptional Items and Taxes	1,634	1,508	1,306	1,178
Exceptional items (net)	159	(52)	(39)	(27)
Profit before Tax	1,794	1,456	1,267	1,151
Provision for Tax	(447)	(377)	(317)	(265)
Profit after Tax	1,347	1,079	950	886
Share of net profit/(loss) in Associates and Joint Ventures	(26)	(64)	-	-
Profit for the year	1,320	1,015	950	886
Attributable to:				
- Owners of the parent	1,204	936	950	886
Retained Earnings - Opening Balance	6,972	6,396	4,039	3,503
Add/(Less):				
- Profit for the year	1,204	936	950	886
- Other Comprehensive Income/(Expense)	(75)	31	14	23
- Dividend Paid	(558)	(373)	(558)	(373)
- Other items	(171)	(18)	3	-
Retained Earnings - Closing Balance	7,372	6,972	4,448	4,039

FINANCIAL HIGHLIGHTS

CONSOLIDATED PERFORMANCE

Consolidated revenue from operations for the year at ₹ 13,783 Crores grew by 11%. India Branded Business grew by 10%, led by volume and value growth in India Salt and continuation of the growth story in the Ready-to-Drink, Sampann and Soulfull portfolio fueled by increased distribution. The revenue from India Beverages was marginally lower due to stress in rural

demand for most of the year and the delayed onset of winter. International Business topline grew by 6%, in constant currency, driven by price increases taken across markets to offset inflationary headwinds and weakness in the currency. Non-Branded business grew by 21%, in constant currency, on account of favourable price realizations for coffee extraction and plantations business.

Profit before exceptional items and taxes at ₹ 1,634 Crores grew by 8%. Operating margins largely remained

in line with the previous year, despite commodities and currency facing significant inflationary trends for a major part of the year. India Branded Business delivered operating margins higher than previous year despite elevated commodity costs and inflationary pressures through price increases and good control over costs. International Business operating margins declined mainly due to inflationary pressure on commodities and distribution costs, weakness in currency and lag in pricing interventions. Non-Branded Business operating margins also improved over the previous year.

The Group's net profit at ₹ 1,320 Crores grew by 30% mainly on account of higher operating profit, higher exceptional income and improvement in the performance of Joint Venture and Associate companies. Tata Starbucks performance improved significantly driven by the opening of 71 new stores and improved in-store performance and offerings. Higher exceptional income is mainly on account of accounting gain on the conversion of Joint Ventures in South Africa and Bangladesh into subsidiaries and profit on the sale of investment property in Tata Coffee Limited partly offset by costs relating to restructuring and re-organization.

STANDALONE PERFORMANCE

Revenue from operations at ₹ 8,539 Crores grew by 8%. Revenue growth was mainly led by Salt and Sampann, whilst the Beverage business was marginally lower than the previous year. Salt business recorded volume and value growth. Sampann and Coffee portfolio recorded strong growth led by increased distribution, higher brand salience and improved performance in e-commerce and modern trade.

Profit before exceptional items and taxes at ₹ 1,306 Crores grew by 11% mainly led by revenue growth and higher operating profits, partly offset by lower dividend income in the current year from subsidiaries. Profit after tax at ₹ 950 Crores was higher by 7% post exceptional items on restructuring and re-organization and merger-related costs.

HIGHLIGHTS OF OPERATIONAL PERFORMANCE

The operational performance of the Company and its business units, key subsidiaries and joint ventures are detailed in the Management Discussion and Analysis forming part of the annual report.

DIVIDEND & RESERVES

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy as adopted and formulated by the Board in terms of Regulation 43A of the Listing Regulations is provided as **Annexure 1** attached to this report and is also available on the website of the Company at the link: <https://www.tataconsumer.com/investors/policies>

DECLARATION AND PAYMENT OF DIVIDEND

The Board is pleased to recommend a dividend of ₹ 8.45 per equity share of the Company of ₹ 1 each (845%) for the year ended March 31, 2023. The Board recommended dividends based on the parameters laid down in the Dividend Distribution Policy and the dividend will be paid out of the profits for the year.

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 June 6, 2023. If approved, the dividend would result in a cash outflow of ₹ 785.01 Crores. The total dividend payout works out to 82.63% (Previous Year: 62.95%) of the Company's standalone net profit.

The dividend once approved by the Shareholders will be paid on or from June 8, 2023, and before July 5, 2023.

BOOK CLOSURE & RECORD DATE

In order to determine the eligibility of shareholders to receive the dividend for the fiscal year ending on March 31, 2023, the Register of Members and Share Transfer Books of the Company will be closed from Saturday, May 20, 2023, to Friday, May 26, 2023 (both days inclusive).

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 2022-23 in the profit and loss account.

CHANGE IN SHARE CAPITAL

During the year under review, the Company had issued and allotted 74,59,935 equity shares of ₹ 1 each on October 21, 2022, to Tata Enterprises (Overseas) AG, Zug, Switzerland at a price of ₹ 765.16 per share (inclusive of premium) for a consideration discharged other than by cash i.e., swap of shares. As a result of such allotment, the issued, subscribed and paid-up share capital increased from ₹ 92,15,51,715 (comprising 92,15,51,715 equity shares of ₹ 1 each) to ₹ 92,90,11,650 (comprising 92,90,11,650 equity shares of ₹ 1 each). The equity shares so allotted rank *pari-passu* with the existing equity shares of the Company.

There was no change in the authorized share capital of the Company, which was ₹ 125,00,00,000 comprising of 125,00,00,000 equity shares of ₹ 1 each.

Except as mentioned above, the Company had not issued any other shares or instruments convertible into equity shares of the Company or with differential voting rights nor has granted any sweat equity.

PERFORMANCE SHARE UNITS

The Company has formulated Tata Consumer Products Limited Share-based Long Term Incentive Scheme 2021 ("TCPL SLTI Scheme 2021" or "the Scheme") to offer competitive compensation to attract and retain talent; and to redefine the fixed and performance pay mix to drive a performance culture in the Company at a senior management level. The Scheme is intended to reward, retain and motivate the Eligible Employees of the Company and its subsidiary companies as defined in the Scheme (hereinafter collectively referred to as 'Eligible Employees') for their performance and participation in the growth and profitability of the Company. The said initiative to link the employee's performance in the Company along with other initiatives would contribute to improve the performance of the Company. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations") and during the year under review, there was no change in the Scheme.

The Eligible Employees shall be granted Performance Share Units (PSUs), as determined by the Nomination and Remuneration Committee of the Board, which will vest on particular dates and could be exercisable into fully paid-up Equity Shares of ₹ 1/- (Rupee One Only) each of the Company, on the terms and conditions as provided under the Scheme, in accordance with the provisions of the applicable laws and regulations for the time being in force.

The Company has structured the Scheme for its Eligible Employees with major objectives viz. to drive long-term objectives of the Company; to attract, motivate and retain employees by rewarding them for their performance; ring fence and incentivize key talent to drive long-term objectives of the Company; to ensure that the senior management employees' compensation and benefits match the long gestation period of certain key initiatives; and to drive ownership behaviour and collaboration amongst employees.

Under the Scheme, the Company would grant upto 5,00,000 Performance Share Units ("**PSUs**") in one or more tranches to Eligible Employees that would entitle the Grantees to acquire, not exceeding 5,00,000 fully paid-up equity shares of ₹ 1/- (Rupee One Only) each. The number of PSUs to be granted to Eligible Employees is determined based on Long Term Incentive Pay amount to be awarded to Eligible Employees. The PSUs together with existing fixed pay and performance pay comprised the total compensation being offered to selected senior management employees of the Company and its subsidiary companies. The intent is to cover select senior leaders who can make a significant difference to the Company's performance to align their rewards directly to the Company's performance. The value of the award can be realized only on superior business performance leading to superior share price performance over a period of time.

During the year under review, the Company has granted 1,13,545 PSUs to eligible employees in terms of the TCPL SLTI Scheme 2021 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 respective PSUs.

The statutory disclosures as mandated under the Act and SBEB&SE Regulation and a certificate from Secretarial Auditors, confirming implementation of the Scheme in accordance with SBEB&SE Regulations and shareholder's resolution have been hosted on the website of the Company at <https://www.tataconsumer.com/investors/investor-information/annual-reports> and will be available for electronic inspection by the members during the AGM of the Company.

CHANGES IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of the business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There have been no material changes or commitments that have affected the financial position of the Company between the close of FY 2022-23 and the date of this report.

UPDATE ON CORPORATE RESTRUCTURING

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 Composite Scheme of Arrangement amongst the Company, Tata Coffee Limited ("TCL"), and TCPL Beverages & Foods Limited ("TBFL") for the Demerger of the Plantation Business of TCL into TBFL and the Amalgamation of remaining business of TCL with the Company ("the Scheme") had been approved by the shareholders of the Company on November 12, 2022, and by the shareholders of TCL on February 3, 2023, by the requisite majority of all members voted on the respective resolution as well as by a majority of the public shareholders voted on the respective resolution.

The Scheme is subject to *inter-alia* receipt of the approval of the 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

During the year under review, upon receipt of relevant approval from Reserve Bank of India on October 7, 2022, in terms of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and confirmation from

Standard Chartered Bank, Authorised Dealer on October 17, 2022, basis the communication issued to them by Reserve Bank of India on October 14, 2022 under Foreign Exchange Management (Overseas Investment) Rules, 2022, the Preferential Issue Committee of the Board of the Company, has allotted 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 to Tata Enterprises (Overseas) AG, Zug, Switzerland ("TEO") for a total consideration of ₹ 570.80 Crores on October 21, 2022, discharged by TEO by transfer of 2,38,71,793 ordinary shares of ₹1 each held by TEO, representing 10.15% of the paid-up share capital of Tata Consumer Products UK Group Limited, United Kingdom, an existing overseas subsidiary of the Company ("TCP UK") in favour of the Company.

With the completion of the said transaction, Tata Consumer Products UK Group Limited and all its subsidiaries became wholly-owned subsidiaries of the Company with effect from October 21, 2022.

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 by the Group.

STRENGTHEN AND ACCELERATE CORE BUSINESS

The Company continued to focus on the core business and innovations to drive growth through higher investment behind brands, increased assortment, increased distribution reach and digitisation. The Company, during the year, has made significant progress and reached direct 1.5 Million outlets. Further, with an increased portfolio, the Company has implemented split routes to drive assortment, increase the depth and focus on growth drivers in all 10 lacs plus towns. To improve execution in semi-urban areas, the Company focused on the conversion of a large number of sub-distributors to direct distributors. Significant progress was made in sales through alternate channels with modern trade growing significantly and the Company further strengthened its position in the e-commerce channel. Packaged Beverages continued to focus on growing premium brands. In Salt, apart from strengthening the base Tata Salt, we continue to look at expanding our value-added range and driving premiumisation.

DRIVE DIGITAL AND INNOVATION

The Company continues to focus on driving digital in every part of the business to stay in tune with technological advancements and drive efficiencies across the value chain. During the year, it integrated mostly all group companies into SAP S/4 HANA framework. The Company, in order to support the sales transformation, implemented a self-service enabled sales order portal for general trade sales channels. The Distributor Management Software (DMS) was consolidated for both Beverages and Foods portfolios and was also extended to Ready-to-Drink business. Further to drive growth, it increased focus on Revenue growth management initiatives. The Company used digital technologies to enable efficiencies in operations and had also implemented the Integrated Business Planning solution for India Business, a CRM Platform for customer service, warehouse management for Bin and Picklist and Advanced Blend optimizer for tea using Machine Learning Solutions.

Innovation is a strong strategic pillar as the Company focused on understanding and pre-empting evolving consumer trends and developing high-quality and differentiated products to delight increasingly discerning consumers. It leveraged technology to drive cost reduction/ optimization. During the year, the Company has invested behind infrastructure, now having three centers of excellence, as well as team capabilities and increased the contribution of innovation to overall revenue.

EXPLORE NEW OPPORTUNITIES

The Company aspires to be a leading player in the FMCG industry, by expanding its play in existing categories and venturing into new spaces. It evaluates both organic and inorganic routes to capitalize on industry trends and tap into new consumers or markets. This includes piloting launches into new categories by leveraging a differentiated offering and a 'right-to-win' strategy and realigning capital investments to markets or businesses that have higher growth potential and the ability to generate sustainable returns.

During the year, the Company ventured into the protein and plant-based meat category in India with the launch of "Tata Go-Fit" and "Tata Simply Better" brands. Tata GoFit plant protein powder is a plant-based easy-to-mix product formulated with the goodness of gut-friendly probiotics, essential amino acids and digestion-friendly enzymes. Tata Go Fit brand is aimed at helping women along on their fitness journey. Tata Simply Better has four delicious plant-based meat variants. The product

range is rich in protein, trans-fat free, and has no added preservatives. The Company also ventured into the Ready-to-Eat/Ready-to-cook segment with our new brand "Raasa" in the International markets.

UNLOCK SYNERGIES

The focus to unlock synergies and improve efficiency continued. Operations were further streamlined in India and International markets to drive operational efficiency. Integration of Teapigs UK and US into the main UK and US operations respectively which would help in achieving higher efficiency. Further, the Group has acquired a controlling stake in Joekels by increasing its shareholding to 75% with a further option to buy the balance 25% at a future date and also acquired a 100% stake in Bangladesh JV. The aforementioned two acquisitions would help the company in increasing its footprint in the global space and tap into growing International markets. Further during the year, the Company transferred and consolidated all back-end finance operations of India, US, UK and Canada under a shared service center in India "Pivot platform" to have an efficient structure and optimisation of costs.

During the year under review, the Company completed the acquisition of an additional stake of 10.15% in Tata Consumer Products UK Group Limited, resultantly the entity and all its subsidiaries became wholly-owned subsidiaries of the Company with effect from October 21, 2022, by way of preferential issue of equity shares of the Company to Tata Enterprises (Overseas) AG, Switzerland.

Further, the merger/demerger of Tata Coffee with the Company was approved by the shareholders of the Company and Tata Coffee and expect the same to be effected by the first half of the financial year 2023-24. Post the same, the Company would look at the next stage of reorganization of the non-branded business to explore additional synergies.

CREATE FUTURE-READY ORGANISATION

The Company is committed to building a culture that empowers our people to realise the shared vision. It also ensures that our people have the opportunity to drive greater impact through meaningful and productive careers – this year, around 31% of all our open position globally were filled internally. On April 19, 2022, the Women's Inclusion Network platform was launched for women colleagues to help them connect, learn and grow.

EMBED SUSTAINABILITY

As part of the Tata Group, the ethos of responsibility and sustainability are interwoven in the corporate and work philosophy. The Company is committed to a sustainable way of doing business and for more details refer to Management Discussion and Analysis Report. Further, the Business Responsibility and Sustainability Report (“BRSR”) covering disclosures on Company’s performance on ESG (Environment, Social and Governance) parameters for FY 2022-23, forms an integral part of the Integrated Annual Report. BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct.

SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

As defined under the Act, the Company has 43 subsidiaries, 2 joint ventures, and 2 associate companies as of March 31, 2023.

COMPANIES THAT HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

Conversion of Tetley ACI (Bangladesh) Limited from a joint venture to a wholly-owned subsidiary company

During the year under review, Tata Consumer Products Overseas Holdings Limited, (“TCP Overseas”), a step-down wholly-owned subsidiary of the Company, which held 50% share capital of Tetley ACI (Bangladesh) Limited, Bangladesh (“Tetley ACI”), together with Tata Consumer Products UK Group Limited (“TCP UK”) has purchased remaining 50% share capital of Tetley ACI from the Joint-Venture partner - Advanced Chemical Industries Limited (“ACI”). As a result of the acquisition, the Joint Venture Agreement between ACI and TCP Overseas stand terminated, and Tetley ACI became a wholly-owned subsidiary of TCP UK and a step-down wholly-owned subsidiary of the Company with effect from February 9, 2023.

Increase in stake in Joekels Tea Packers (Proprietary) Limited

During the year under review, TCP Overseas, a step-down wholly owned subsidiary of the Company through TCP UK (direct WOS), had purchased 23.3% of the share capital of Joekels Tea Packers (Proprietary) Limited, Republic of South Africa (“Joekels”), from its Joint-Venture partners. As a result of such acquisition, the holding of TCP Overseas in Joekels increased from 51.7% to 75% of

the equity share capital and the remaining 25% was held by the joint venture partners.

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.

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

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 and 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 2022-23 are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

PERFORMANCE HIGHLIGHTS OF KEY OPERATING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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. Revenue at ₹ 2,089 Crores, grew by 3% in constant currency. Revenue growth was mainly driven by price increases taken to offset inflationary pressures. Operating margins were lower mainly due to significant

inflationary headwinds on input, distribution costs, currency weakness and lag in price intervention. Profit after tax at ₹ 220 Crores reflected a growth of 54% mainly driven by higher exceptional income on account of accounting gain on the conversion of Joint Ventures in South Africa and Bangladesh into the subsidiaries.

In the UK, revenue remain largely in line with previous year in constant currency. Price increases were taken in the current year, however it witnessed a volume decline on account of category softness. The decline was mainly in the black tea segment in mainstream grocery due to the high inflation environment which also fueled significant growth in private labels and discounters. However, Teapigs and Good Earth revenues continued the growth momentum. Teapigs Kombucha was launched this year, following the launch of Good Earth Kombucha range in the previous year. Leveraging the health & wellness platform – Tetley Supers, Specialty and Herbals ranges performed well. Tetley Herbals is now ~1% share of the total F&H segment. Good Earth Kombucha and Good Energy (natural energy drink) launches have shown encouraging results. During the year, the UK business went through restructuring with Teapigs business being integrated and the sales operations restructured to be in line with the overall International three brand strategy. Operating margins marginally declined on account of inflationary headwinds on inputs and distribution costs, currency weakness and lag in price intervention. Investment behind brands continued with a new campaign on “Tetley” on National TV and social media and Teapigs and Good Earth ran social media campaigns to improve the saliency of the brands.

In Canada, we continue to hold the leading position in the Tea market. For the current year, revenue grew by 9% in constant currency led by price increases and volume growth despite category softness. Tetley emerged as “Most Trusted Tea Brand 2022” - Reader’s Digest, for the 9th consecutive year reinforcing our position in the consumer’s mind, more so after the pandemic. Operating margins were lower on account of inflationary headwinds on input and distribution costs which were partly offset by price increases taken during the year. Investment behind the brand continued with the new campaign “Live Tea” and significant steps were taken to increase the digital footprint of Tetley.

Other smaller markets had similar performances. Australia, Poland and Western Europe revenue grew mainly led by price increases. All markets were impacted on account of inflationary headwinds present on commodities/distribution costs on account of supply-side issues and currency weakness. Price interventions were taken to improve the operating margins, however, at a lag, which had a negative impact on the operating

margins in the earlier part of the year, saw improvement in the latter part of the year both due to price increases becoming effective and also due to implementation of cost restructuring initiatives.

Eight O’Clock Coffee Company, USA (“EOC”):

Revenue from Operations at ₹ 1,489 Crores, grew by 7% in constant currency. Revenue growth was mainly on account of price increases taken to mitigate inflation on the cost of greens. Operating margins were lower mainly driven by inflationary headwinds in commodity and distribution costs. Profit after tax at ₹ 117 Crores was lower by 32%. The Company ran a new digital campaign– “Over delivery in every cup” for the core Eight O’Clock coffee brand and video creatives for Barista blends - “Be Your Own Barista” proposition to drive awareness. Innovation focus was maintained with range extensions in Flavors of America and Barista Blends.

NourishCo Beverages Limited, India (“NourishCo”):

Revenue from Operations at ₹ 621 Crores grew by 80% over the previous year, driven by strong brand performance and higher distribution reach. All three flagship brands – Tata Gluco Plus, Tata Copper Plus, and Himalayan registered strong growth. Tata Gluco Plus grew by 53%, the growth was mainly led by increased distribution reach in existing territories and expansion into new geographies within India along with support through a TV campaign. Tata Gluco Plus innovations, Juice and Jelly Shake received encouraging responses from the customers. Tata Copper Plus continued its growth momentum with increased distribution in existing and new markets and contributed significantly to the overall revenue of the Company. Himalayan grew by 85% driven by increased distribution, activation of institutional accounts and leveraging digital mediums and e-commerce channels, also forayed into the Honey and Preserve category with new launches.

Tata Coffee Limited, India (“TCL”):

Revenue from Operations at ₹ 1,023 Crores grew by 25% against the prior year. Revenue growth was driven by higher revenues from coffee extractions and coffee plantations partly offset by underperformance in tea plantations. Coffee extraction business experienced a challenging demand scenario, especially in Africa, which was mitigated through the acquisition of new customers and adding new geographies to the portfolio. Coffee plantation business witnessed a sharp increase in coffee prices during the early part of the year which aided the topline, however was impacted by lower crops. Tea plantations were impacted by lower volumes on account of adverse weather conditions and lower price realisation. The operational profit improved both for

coffee extraction and coffee plantations on account of increased realisation which was partly offset by input cost inflation and higher wage costs in tea plantations. Profit after tax at ₹ 231 Crores, grew by 127% mainly on account of improved profitability margins and exceptional income on the sale of investment property.

Tata Coffee Vietnam Company Limited, Vietnam (“TCV”):

Revenue from Operations at ₹ 343 Crores, grew by 23% in constant currency. TCV recorded a Profit after tax of ₹ 14 Crores, which grew by 163%. Revenue growth was led by both higher volume and realization and also on account of faster go-to-market strategy. Profitability improvement was mainly led by revenue growth and efficient management of significant inflationary pressure on costs.

ASSOCIATES

Amalgamated Plantations Private Limited, India (“APPL”):

Revenue from Operations at ₹ 967 Crores, grew by 13% mainly led by improvement in price realization of own crop led by quality improvement and higher volumes. Despite this, performance was adversely impacted by the increase in wage cost both in Assam and West Bengal and other cost inflation.

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

Revenue from Operations at ₹ 454 Crores, grew by 15% mainly led by higher price realization and increase in volumes. Profit after tax was largely in line with the previous year. Improvements on account of higher revenue offset by higher costs and increased wages in South India.

JOINT VENTURE

Tata Starbucks Private Limited, India (“TSPL”):

Revenue from Operations at ₹ 1,087 Crores grew by 71% driven by improved performance of existing stores and the opening of new stores. TSPL extended its reach to 15 new cities and added 71 new stores during the year. Revenue growth was led by the increase in average daily transactions, higher footfalls, upgraded food & beverages and smaller size offerings introduced in select stores. During the year, the Company celebrated its 10th year anniversary in India and opened its first ever ‘Reserve Store’ in Fort, Mumbai. The store offers the mocha aficionados, an intimate and incomparable multisensory experience and will provide customers with a place to unwind and connect over the store’s signature hand-crafted beverages with a selection of freshly baked treats.

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

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.

During the year under review, the composition of the Board has been expanded from 8 Directors to 9 Directors by the induction of Mr. David Crean as an Independent Director. As on the date of the report, the Board comprises, 5 Independent, 2 Non-Executive and 2 Executive Directors, details thereof have been provided in the Corporate Governance Report.

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. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

In the opinion of the Board, all the directors, as well as the directors appointed / re-appointed during the year possess the requisite qualifications, experience and expertise and hold high standards of integrity.

Criteria for determining qualification, positive attributes and independence of a director is given under the NRC Policy, which can be accessed at the link - <https://www.tataconsumer.com/investors/policies>

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS MADE DURING FY 2022-23

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board approved the appointment/re-appointment of the following Directors, during FY 2022-23 and such appointment/re-appointment were also approved by the Members at the 59th Annual General Meeting held on June 27, 2022 (“59th AGM”):

1. Mr. David Crean (DIN 09584874), who was appointed by the Board as an Additional Director under the category of Non-Executive, Independent Director with effect from May 4, 2022, was appointed as a Non- Executive Director of the Company at the

59th AGM. The Members also approved the appointment of Mr. David Crean as an Independent Director of the Company for a term of five years commencing from May 4, 2022 upto May 3, 2027.

2. Mr. Siraj Chaudhry (DIN 00161853), Independent Director of the Company whose first term of 5 years expired on July 2, 2022, was re-appointed for the second term of five years commencing from July 3, 2022 upto July 2, 2027.
3. Mr. P. B. Balaji (DIN 02762983), Non-Executive (Non-Independent) Director of the Company, who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 was re-appointed.

The Board affirms that Mr. David Crean and Mr. Siraj Chaudhry meet the criteria of independence as provided in Section 149(6) of the Act, including rules framed thereunder, as well as Regulation 16(1)(b) of the Listing Regulations.

RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION

In terms of the provisions of the Companies Act, 2013, Mr. N. Chandrasekaran (DIN 00121863) Non-Executive (Non-Independent) Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. A resolution seeking the re-appointment of Mr. N. Chandrasekaran forms part of the Notice convening the ensuing Annual General Meeting scheduled to be held on June 6, 2023.

The profile and particulars of experience, attributes and skills of Mr. N. Chandrasekaran together with his other directorships and committee memberships have been disclosed in the annexure to the Notice of the Annual General Meeting.

RE-APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. L. Krishnakumar (DIN 00423616) was appointed as Whole-time Director and designated as “Executive Director and Group Chief Financial Officer” effective April 1, 2013 till March 31, 2018. He was then re-appointed as Executive Director and Group Chief Financial Officer for a further period of five years from April 1, 2018, till March 31, 2023. Mr. L. Krishnakumar’s term as Executive Director and Group CFO was ended on March 31, 2023, and as per the Governance Guideline on Board Effectiveness for the Tata Group Companies, the retirement age for Managing/Executive Directors is 65 years. Accordingly, he is eligible for re-appointment upto the attainment of the age of 65 years. Based on performance evaluation and the recommendation of the NRC, the Board, at its meeting held on March 29, 2023, re-appointed

Mr. L. Krishnakumar as a Whole-time Director designated as “Executive Director and Group Chief Financial Officer” of the Company for a further period of 7 months effective April 1, 2023 upto October 31, 2023, subject to the approval of the Members.

The profile and particulars of experience, attributes and skills of Mr. L. Krishnakumar together with his other directorships and committee memberships have been disclosed in the annexure to the Notice of the Annual General Meeting.

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.

INDEPENDENT DIRECTORS

Mr. Bharat Puri, Ms. Shikha Sharma, Mr. Siraj Chaudhry, Dr. K. P. Krishnan, and Mr. David Crean are Independent Directors on the Board.

All 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 the Listing Regulations and they continue to comply with the Code of Conduct laid down under Schedule IV of the Act. 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. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors.

Unless exempted, Mr. David Crean will be required to pass the proficiency test within the permissible time limit.

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 a shorter 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 held 5 (five) meetings during FY 2022-23, details thereof have been provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

KEY MANAGERIAL PERSONNEL

As on the date of this report, the following are Key Managerial Personnel ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

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

Mr. John Jacob retired as Chief Financial Officer, India and Key Managerial Personal of the Company w.e.f. close of business hours on May 31, 2022, on attaining the age of superannuation. The Board placed on record its sincere appreciation for the contribution made by him over the years.

Consequent to the above retirement and based on the recommendation of the NRC and approval of the Audit Committee, the Board of Directors of the Company, had appointed Mr. Sivakumar Sivasankaran as Chief Financial Officer, India and as Key Managerial Personnel of the Company effective June 1, 2022.

COMMITTEES OF THE BOARD

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

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility & Sustainability Committee

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 disclosed in the Corporate Governance Report, a part of this Annual Report.

The Board, from time to time, based on 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.

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. As on March 31, 2023, the Committee comprises of the Independent Directors - Dr. K. P. Krishnan (Chairman), Mr. Bharat Puri, Ms. Shikha Sharma, and Mr. Siraj Chaudhry. The Committee met 8 (eight) times during the year under review, the details of which are given in the Corporate Governance Report. Mr. David Crean, Independent Director was inducted as a member of the Audit Committee effective April 1, 2023.

The Audit 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.

During the year under review, the Board accepted all recommendations made by the Audit Committee.

BOARD GOVERNANCE

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.

NOMINATION & APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, NRC has formulated, and the Board has adopted a Policy on the appointment and removal of Directors including the Board Diversity Policy (“NRC Policy”). NRC Policy is hosted on the website of the Company at: www.tataconsumer.com/investors/policies. NRC has also formulated the criteria for determining qualifications, positive attributes, and independence of Directors, which has been embedded in NRC Policy.

NRC makes recommendations to the Board regarding the appointment/re-appointment of Directors, Key Managerial Personnel (“KMPs”) 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.

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 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.

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 NRC Policy which sets out the approach to the diversity of the Board of Directors. The said Policy is hosted on the website of the Company at: www.tataconsumer.com/investors/policies.

REMUNERATION OF EXECUTIVE DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations, NRC has also formulated a policy relating to the remuneration for the Directors, KMP, Senior Management and other employees, which is hosted on the website of the Company at: www.tataconsumer.com/investors/policies. The philosophy for remuneration is based on the commitment to fostering a culture of leadership with trust.

In accordance with the policy, the Managing Director, Executive Director, KMPs, Senior Management and employees are paid a fixed salary which includes basic salary, allowances, perquisites and other benefits and also annual incentive remuneration / performance-linked incentive/share-based employee benefit/performance-based shares/units, 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 and may be paid in the form of a cash component (Short-Term Incentive) and long-term performance shares units (Long-Term Incentive).

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 meetings of all other Committees of the Board, a sitting fee of ₹ 20,000 per meeting per Director is paid.

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 shareholders of the Company had approved payment of commission to the Non-Executive Directors at the Fifty-Fifth 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 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 a commission from the Company. Further, in line with the internal guidelines of the Company, no payment is made towards commission to Mr. P.B. Balaji, Non-Executive Director of the Company, who is in employment with another Tata Company.

BOARD EVALUATION PROCESS

The Board of Directors carried out an annual evaluation of its own performance, Board Committees, and Individual Directors in accordance with the Act, Listing Regulations, and Governance Guidelines. The Nomination and Remuneration Committee led an internal evaluation process to assess the performance of the Board, its committees, and individual directors.

The performance of Individual Directors was reviewed by the Board and the NRC, with criteria such as preparedness, constructive contributions, and input in meetings. Non-Independent Directors, the Board as a whole, and the Chairman of the Company were evaluated at a separate meeting of Independent Directors, with input from Executive and Non-Executive Directors. The evaluation results were discussed at the Board meeting, where an action plan was agreed upon. The Company

also acted on feedback received from the previous year's evaluation process. For more details on the Board Evaluation Process, please refer the "Board Evaluation" section of the Corporate Governance Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive internal control mechanism and also has in place adequate 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, and 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 as identified 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.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

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.

The Company has an elaborate Enterprise Risk Management Policy and Risk Charter defining the risk management governance model, risk assessment, and prioritization process. Risk Management Framework of the Company integrates leading risk management standards and practices. In developing the Risk Management Framework, the focus has been to design

a process that addresses the Company's business needs while remaining simple and pragmatic. Risk Management Framework of the Company outlines the series of activities that the Company would use in identifying, assessing, and managing its risks.

The Risk Management Framework of the Company consists of two key components:

- Risk management process: the steps and activities that Company would employ to identify, prioritize, and manage risks; and
- Risk management structure: the enablers that facilitate the implementation of the 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 in 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.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Company is a strong believer in the Tata Group philosophy of giving back to the community and acknowledging the role played by communities in the growth of our business. The Company stand 'For Better Living' which embeds actions towards For Better Communities, For Better Nutrition, For Better Sourcing, and For Better Planet. The Company is targeting to improve the lives of 1 million community members by 2023.

CSR activities, projects, and programs undertaken by the Company are in accordance with Section 135 of the Act and the rules made thereunder. Such CSR activities exclude activities undertaken in pursuance of its normal course of business. During the year under review, the CSR initiatives of the Company focused on women

empowerment, affordable health care, empowerment of differently abled, WaSH (Water, Sanitation and Hygiene), Rural Development and Education and Skilling. Such CSR projects undertaken by the Company contribute to Sustainable Development Goals (SDGs)

Under Section 135 of the Act, the Company was required to spend ₹ 16.59 Crores (2%) of the average qualifying net profits of the last three financial years on CSR activities on projects in FY 2022-23. During the year under review, the Company has spent ₹ 15.72 Crores on CSR activities, ₹ 0.45 Crores towards Administrative Overheads and ₹ 0.07 Crores towards Impact Assessment, which is permissible under CSR Rules. Thereby spending ₹ 16.24 Crores on CSR activities and setting off ₹ 0.35 Crore from the excess amount spent in FY 20-21 and FY 21-22 towards the total CSR obligation for FY 2022-23, the Company has fulfilled its obligation of spending ₹ 16.59 Crores (2% of the average net profit as per section 135(5) for FY 2022-23. The Board of Directors has approved the same. 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.

Sustainability remains a core priority for the Company. In pursuit of this objective, the Company have been actively investing in solar energy to fulfil its energy requirements. Additionally, the Company have taken concerted measures to promote energy conservation, enhance health and safety conditions, and improve other related aspects in its operations. As part of climate adaptation efforts, the Company has conducted a comprehensive evaluation of its carbon footprint across Scope 1, 2, and 3, which was independently verified by the British Standard Institution [BSI]. As a founding member of the Trustea Sustainability code and verification system, the Company have supported its activities. In line with the Company's Sustainable sourcing program, the Company has obtained 55% of its tea from Trustea certified producers in India. In FY 2022-23, the Company has spent over Rs. 8 Crores towards advancing its sustainability endeavours.

The Annual Report on CSR containing particulars as prescribed under the 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: www.tataconsumer.com/investors/policies.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has undertaken the impact assessment of 7 (seven) CSR projects carried out in FY 2021-22, through Consultivo Business Solutions Private Limited, an independent agency. The impact assessment report for FY 2021-22 is available on the website of the Company <https://www.tataconsumer.com/sustainability>.

INTEGRATED REPORT

The Integrated Report of the Company is prepared in accordance with the International Integrated Reporting (IR) framework published by the Value Reporting Foundation (VRF) which reflects the integrated thinking of the Company and its approach to its value creation. This report aims to provide a holistic view of the Company's strategy, governance and performance, and how they work together to create value over the short, medium and long term for our stakeholders. The narrative section of the Integrated Report is guided by the Integrated Reporting (IR) framework outlined by the International Integrated Reporting Council (IIRC).

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a separate section on the Corporate Governance Report, forms an integral part of the Integrated Annual Report. A certificate from Practising Company Secretary confirming compliance with corporate governance norms, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis Report which also covers the consolidated operations reflecting the global nature of our business forms an integral part of the Integrated Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the Listing Regulations, Business Responsibility and Sustainability Report ("BRSR") covering disclosures on Company's performance on ESG (Environment, Social and Governance) parameters for FY 2022-23, along with Independent assurance opinion statement provided by The British Standards Institution (BSI), forms an integral

part of the Integrated Annual Report. BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle, which is divided into essential and leadership indicators is also part of.

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 2022-23.

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, 2023:

- 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.

STATUTORY AUDITORS AND AUDITORS' REPORT

Based on the recommendation of the Audit Committee and the Board of Directors, Members of the Company at the 59th Annual General Meeting held on June 27, 2022, appointed Deloitte Haskins & Sells LLP, ("Deloitte") Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) as the Statutory Auditors for the second term of 5 (five) years commencing from the conclusion of the 59th Annual General Meeting until the conclusion of the 64th Annual General Meeting to be held in the year 2027. The Members also approved the remuneration payable to Deloitte and authorized the Board to finalize the terms and conditions of re-appointment, including remuneration of the Statutory Auditor for the remaining period, based on the recommendation of the Audit Committee.

The Statutory Auditors' Report for FY 2022-23 on the financial statement of the Company forms part of this Annual Report. Statutory 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 disclaimers.

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

According 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 2022-23 is attached herewith as **Annexure 3**. There are no qualifications, observations or adverse remarks, or disclaimers 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 2022-23.

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 2023-24. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2023-24 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.

RELATED PARTY TRANSACTIONS

The Company has a well-defined process of identification of related parties and transactions with related parties, its approval and review process. The Policy on Related Party Transactions as formulated by the Audit Committee and the Board is hosted on the Company's website at <https://www.tataconsumer.com/investors/policies>. As required under Regulation 23 of the Listing Regulations, the Audit Committee has defined the material modification and has been included in the said Policy.

All contracts, arrangements and transactions entered by the Company with related parties during FY 2022-23 (including any material modification thereof), were in the ordinary course of business and on an arm's length basis and were carried out with prior approval of the Audit Committee. All related party transactions that were approved by the Audit Committee were 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 contracts, arrangements and transactions with related parties, required approval of the Board/Shareholders under Section 188(1) of the Act and Regulation 23(4) of the Listing Regulations.

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 2022-23 and hence the same is not provided. The details of the transactions with related parties during FY 2022-23 are provided in the accompanying financial statements.

ANNUAL RETURN

Pursuant to Section 134(3)(a), the draft Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended March 31, 2023, is hosted on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/investor-information/annual-returns>. In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, with prescribed timelines.

PARTICULARS OF EMPLOYEES

The information containing details of employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure 4** attached to this report.

According to Section 197(14) of the Act, the details of remuneration received by the Executive Directors from the Company's subsidiary company during FY 2022-23 are also given in **Annexure 4** attached to this report.

The statement containing details of employees as required under Section 197(12) read with Rules 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

During the year under review, there were no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

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.

VIGIL MECHANISM

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct /business ethics 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>.

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 <https://www.tataconsumer.com/investors/policies>.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company have setup ICCs for its 9 major locations to redress complaints on sexual harassment.

During the year under, one complaint relating to sexual harassment which was pending at the beginning of the financial year, has been investigated and closed. Further, ICC had received one more complaint during the year under review and the same was pending at the end of the Financial Year ended March 31, 2023.

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, 2023.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE

The information on the conservation of energy, technology absorption, and foreign exchange earnings and outgo according 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.

INDUSTRIAL RELATIONS

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

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai, April 25, 2023

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 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 the 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: <ol style="list-style-type: none"> i) Current Year's profit <ol style="list-style-type: none"> 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 <ol style="list-style-type: none"> a) after providing for depreciation in accordance with law, and b) remaining undistributed, or out of i) & ii) both
Set off 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 Re 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

1) Financial parameters

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

2) 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.

3) 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.

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 2022-23

1. BRIEF OUTLINE OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF THE COMPANY:

The Company strongly believes in the Tata Group's philosophy of giving back to the community and recognizes the role played by communities in the growth of its business. The Company stands for "For Better Living," which includes actions towards For Better Communities, For Better Nutrition, For Better Sourcing, and For Better Planet.

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

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 Company is committed to being the most admired natural food & beverage company in the world by making a lasting difference through Sustainability and Corporate Social Responsibility. 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 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's CSR activities, projects, and programs comply with Section 135 of the Act and the rules made thereunder, excluding activities undertaken in pursuance of its normal course of business.

During the year under review, the Company's CSR initiatives focused on affordable healthcare, empowerment of differently abled, WaSH (Water, Sanitation, and Hygiene), rural development, and education and skilling. These CSR projects undertaken by the Company contribute to the Sustainable Development Goals (SDGs).

Weblink to access the CSR policy of the Company: <https://www.tataconsumer.com/investors/policies>

2. COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE

In compliance with Section 135 of the Act, the Company has established a strong governance structure to supervise the execution of its CSR projects. The CSR governance structure is led by the Corporate Social Responsibility & Sustainability Committee ("CSR&S Committee"), which empowers the working committee of the Company to act on its behalf. The following Directors served as members of the CSR & Sustainability Committee during the year ended March 31, 2023:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of the CSR Committee during the year	
			Held	Attended
1	Mr. Siraj Chaudhry	Chairman of the Committee (Independent Director)	3	3
2	Ms. Shikha Sharma	Member (Independent Director)	3	3
3	Dr. K. P. Krishnan	Member (Independent Director)	3	3

Weblink to access the Composition of the Committee: <https://www.tataconsumer.com/about/leadership>

3. OVERVIEW OF CSR PROJECTS APPROVED BY THE BOARD IMPLEMENTED DURING FY 2022-23:

Details of CSR projects approved by the Board are appended to the CSR Policy of the Company which can be accessed at the website of the Company at www.tataconsumer.com/investors/policies. A

brief of CSR projects approved by the Board and implemented by the company during FY 2022-23 are as under:

Affordable Health care

- RHRC (Referral Hospital & Research Centre), Chubwa: RHRC Chubwa provides affordable medical facilities to the general population and the tea communities. The eHub, located at RHRC for the e-Healthcare Project provides video consultation to estate hospitals. The hospital has 155 medical staff and 76 beds including 6 ICU beds. It is the only medical facility in the area to be awarded the SA8000 accreditation.
- St. Judes India Childcare Centre: Many cancer patients in India live far from the treatment centers where they receive care, making it difficult for them to stay close to their care providers during treatment. It can result in denial of access to treatment and irregularity in continuing it according to a specified regime. St. Judes India Childcare Centre created "Premashraya", a residential facility for destitute cancer patients and their families, as a "home away from home" while receiving treatment at the Tata Medical Center in Kolkata.

Empowerment of Differently-abled

- Srishti Charitable Trust, Munnar: Srishti has been established with the purpose of rehabilitation and the generation of sustainable livelihoods for the differently-abled children and young adults of the rural plantation community of Munnar, Kerala. Srishti's DARE school provides holistic education to children with disabilities. Once the children attain the age of eighteen, some of them get absorbed into the mainstream while most of them, based on their interest and aptitude, get rehabilitated into one of the five vocational units in Srishti, - Nisarga, The Deli, Aranya Natural, Athulya and Vatika.
- Swastha Center for Special Education & Rehabilitation: The Swastha Centre for Special Education & Rehabilitation, a unit of Coorg Foundation, is working in the field of special education for the differently-abled, vocational rehabilitation & placement and Community-Based Rehabilitation (CBR) Programs in Kodagu, Karnataka. The mission of Swastha is to educate, train and rehabilitate children with mental and physical disabilities.

WaSH (Water, Sanitation and Hygiene)

- Project Jalodari, Assam : Project Jalodari is the flagship water management program of the Company. The key objectives of the project are to create sustainable water sources, raise awareness, and build capacities around water and sanitation issues in the community. The project also promotes health for women and adolescent girls through safe and effective Menstrual Hygiene Management (MHM) focusing on awareness, access, usage, and disposal.
- Project Jalodari, Himachal Pradesh: The project aims at improving water sustainability and sanitation in 30 villages of Paonta Sahib and Nahan blocks of Sirmaor blocks. The Company undertook several initiatives, including vegetative and engineering measures, community mobilization, training, and circular sanitation, to achieve its goals.

Rural Development by TCSR at Mithapur

- This is an integrated development program that focusses on creating sustainable livelihoods through better agricultural outcomes, health and nutrition, water management and biodiversity conservation. It includes initiatives such as improving livestock management, providing high-quality plant saplings to farmers, training farmers on crop management, constructing farm ponds for water conservation, and awareness of biodiversity. The program also covers community health, education, and skill development for youth. The program seeks to work through community involvement by forming self-help groups, user groups, farmer groups, youth clubs etc.

Education & Skilling

- Skilling of underprivileged youth by Tata Strive (Tata Community Initiatives Trust) : The objective of the project is to equip underprivileged youth with relevant skills to create opportunities for jobs or self-employment. The project was implemented in Assam, Mumbai, and Hyderabad, covering 130 youth with skill-based training in hospitality and Quick Service Restaurant.
- Scholarships to underprivileged youth (FAEA) : Foundation for Academic Excellence and Access (FAEA) was established in 2002 to answer the challenge of empowering the socially and economically disadvantaged through access to higher education. FAEA programs are primarily focused on SC/ST and BPL category students.

4. EXECUTIVE SUMMARY ALONG WITH WEBLINK OF 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.

During the year under review, the Company carried out an impact assessment of 7 CSR projects for FY 2021-22.

The CSR projects of the Company in FY 2021-22 were focused on the Tea Communities of Assam and Munnar (Kerala), Coffee Communities of Kodagu (Karnataka), local communities in Mithapur (Gujarat), cancer-affected children in and around West Bengal and the Covid warriors of Assam. The CSR activities undertaken are directly linked to the 17 Sustainability Development Goals (SDGs). The 5 thematic areas are - Affordable health care, Empowerment of differently abled, Water, Sanitation and Hygiene, Rural Development and Education and Skilling. The company also provided support to covid warriors.

The assessment was carried out by an independent agency, Consultivo Business Solutions Private Limited. 800 beneficiaries were interviewed as part of the assessment. A total of 1,52,500 beneficiaries were impacted by these projects in FY 2021-22. Summary the assessment report is as under:

Affordable health care RHRC, Chubwa:

Hospital extended its services to 80935 patients in FY 2021-22 (Including e-healthcare services). Over 68% of patients were earning less than ₹ 6000 a month and 75% of the beneficiaries belonged to the larger community outside the tea estates. 100% of the beneficiaries considered RHRC to be the most affordable hospital in the region.

Affordable health care, St. Jude's Childcare:

St. Jude's Child Care provided affordable healthcare services to 182 children undergoing cancer treatment, out of which 128 were returnees. Parents of beneficiaries had an income between ₹ 2000 and ₹ 5000. The accommodation service provided was considered excellent by 100% of the parents interviewed.

Empowerment of differently abled, Srishti:

Parents reported that there was greater acceptability of children with disabilities in the community due to

Srishti's social activities. Special-abled employees have been able to double their family's income due to the vocational training provided by Srishti.

Wash (Water, Sanitation and Hygiene), Project Jalodari Assam

Water: 4 IRPs (Iron removal plants) were installed in the Jorhat and Golaghat areas of Assam which provided safe drinking water to more than 450 households. 526 point-of-use water filters were distributed. 91% of participants reported an improvement in water quality and 93% reported an improvement in water availability. In addition, 82% of participants reported an improvement in health due to better water quality.

MHM (Menstrual Hygiene Management): 2,515 beneficiaries were covered under the MHM awareness program. Four modules of MHM training were given to the beneficiaries and 100% of participants received a menstrual toolkit. 79% reported better hygiene practices during menstruation because of this program.

Rural Development, TCSR, Mithapur:

Under Agriculture and Livestock management, various training and capacity-building programs were run covering 650+ farmers. More than 28,000+ animal health camps were organized where more than 51,000+ animals were examined/treated. The interventions have resulted in the increase of farmers' income by 2.5 times. Through the water conservation initiative, 61% of participants reported adequate water availability for agricultural needs. Infrastructure projects implemented through the program have addressed the needs of 87% of participants. Additionally, the Badte Kadam initiative is expected to earn participants a monthly income of ₹ 10,000-20,000, thereby adding to their family's income.

Supporting vulnerable communities Covid19

A total of 1,500 COVID warriors were provided accommodation (8,117 nights) and meals in Assam at Taj Vivanta. The beneficiaries were working towards the treatment of COVID patients.

The detailed impact assessment report for FY 2021-22 is available on the website of the Company at <https://www.tataconsumer.com/sustainability>

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 setoff for the financial year, if any	Amount available for set-off in succeeding financial years
1	FY 2020-21	₹ 0.30 Crores	₹ 0.30 Crores	0
2	FY 2021-22	₹ 0.22 Crores	₹ 0.05 Crores	₹ 0.17 Crores
TOTAL		₹ 0.52 Crores	₹ 0.35 Crores	₹ 0.17 Crores

6. CSR OBLIGATION FOR THE FINANCIAL YEAR

- Average net profit of the Company as per section 135(5): **₹ 829.53 Crores**
- Two percent of the average net profit of the Company as per section 135(5): **₹ 16.59 Crores**
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- Amount required to be set off for the financial year, if any: **₹ 0.35 Crores**
- Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 16.24 Crores**

7. AMOUNT SPENT FOR THE FINANCIAL YEAR

- Amount spent on CSR Projects:
 - Ongoing Projects: Nil
 - Other than Ongoing Projects: **₹15.72 Crores**
(as per **Appendix**)
- Amount spent on Administrative Overheads: **₹ 0.45 Crores**

8. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year	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.	Deficiency, if any
					Amount	Date of transfer		
1	2021-22	Nil		Nil	Nil	NA	Nil	
2	2020-21	Nil		Nil	Nil	NA	Nil	
3	2019-20	Nil		Nil	Nil	NA	Nil	
TOTAL		Nil		Nil	Nil	NA	Nil	

- Amount spent on Impact Assessment: **₹ 0.07 Crores**
- Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 16.24 Crores**
- CSR amount spent or unspent for the financial year: 2022-23:

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 16.24 Crores	Nil	NA	NA	Nil	NA

- Excess amount for set off, if any: **Not Applicable**

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

9. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: NO

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

10. 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)

Mumbai, April 25, 2023

Appendix

Details of CSR amount spent against other than ongoing projects for the financial year 2022-23:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
			Local area (Yes/No).	State			District	Name.	CSR registration number
1	RHRC Hospital*	(i)	Yes	Assam	Chubwa, Dibrugarh	6,10,00,000	No	APPL Foundation	CSR00006630
2	St. Jude's - Supporting Cancer affected children	(i)	Yes	West Bengal	Kolkata	30,00,000	No	St. Jude's Child Care	CSR00001026
3	RIHP hospital *	(i)	Yes	Karnataka	Kodagu	87,00,000	No	Coorg Foundation	CSR00005504
4	Srishti - Promoting education & vocational skills for differently-abled	(ii)	Yes	Kerala	Munnar, Idukki District	3,70,00,000	No	TGBL Foundation	CSR00007356
5	Swastha - Education of differently abled children	(i)(ii)	Yes	Karnataka	Kodagu	40,00,000	No	Coorg Foundation	CSR00005504
6	Project Jalodari Assam - Water and Sanitation	(iv)	Yes	Assam	Jorhat & Golaghat	16,00,000	No	Centre for Microfinance and Livelihood	CSR00004635
7	Project Jalodari Himachal - Water and Sanitation	(iv)	Yes	Himachal	Sirmaur	28,00,000	No	Himmothan society	CSR00000081
8	TCSR - Agriculture & livestock management, Biodiversity conservation	(i)(ii)(iii)(iv)	Yes	Gujarat	Mithapur	3,50,00,000	No	Tata Chemical Society	CSR00002564
9	FAEA - Scholarships to underprivileged youth	(ii)	Yes	Pan-India	Pan-India	16,00,000	No	Foundation for Academic Excellence & Access (FAEA)	CSR00002144
10	Tata Strive - Skill training for underprivileged youth	(ii)	Yes	Maharashtra, Telangana & Assam	Mumbai, Hyderabad & Assam	25,00,000	No	Tata Community Initiatives Trust	CSR00000997
TOTAL						15,72,00,000			

* Includes contribution towards the infrastructure of the facility.

ANNEXURE 3 OF BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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 2023 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 2023 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 "the Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder including amendment thereof;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder including amendment thereof;
- 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 including amendment thereof;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including amendment thereof;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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; **Not applicable during the period under review**
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including amendment thereof;
 - 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 and including amendment thereof; **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.**
 - j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 including amendment thereof

- k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulation, 2013 and including amendment thereof – **Not applicable during the period under review, AND**
- vi. The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011 and including amendment thereof;
- 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. Plantations Labour Act, 1951;
- xii. The Factories Act, 1948 and Rules made thereunder;
- xiii. Shops and Establishment Act, 1953;
- xiv. Contract Labour (Regulation and Abolition) Act, 1970;
- xv. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- xvi. The Maternity Benefits Act, 1961;
- xvii. The Minimum Wages Act, 1948;
- xviii. The Payment of Bonus Act, 1965;
- xix. The Payment of Gratuity Act, 1972;
- xx. Industrial Employment (Standing Orders) Act, 1946;
- xxi. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- xxii. The Payment of wages Act, 1936 and Amendments thererof 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, Secretarial Standards on Report of the Board of Directors made effective 1st October 2018 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. 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 review are highlighted below and the supporting documents & / Laws were duly verified by me:

COMPOSITE SCHEME OF ARRANGEMENT

During the year under review, the Composite Scheme of Arrangement amongst the Company, Tata Coffee Limited ("TCL"), and TCPL Beverages & Foods Limited ("TBFL") for demerger of the Plantation Business of TCL into TBFL and the Amalgamation of the remaining business of TCL with TCPL ("the Scheme") had received the no-objection from the Securities and Exchange Board of India and the Stock Exchanges where the shares of the Company are listed, namely BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. Pursuant to the directive of the Hon'ble National Company Law Tribunal, Kolkata Bench, ("NCLT"), the Company had conducted the meeting of the equity shareholders on November 12, 2022 though Video Conference/ Other Audio Visual Means. The meeting was duly conveyed and conducted in compliance with the law and the directives of the NCLT, and the Scheme was approved by the shareholders by special resolution as well as by the majority of the non-promoter shareholders, who have voted on the resolution. The Company has filed the petition for sanctioning the Scheme with the NCLT, Kolkata Bench.

ALLOTMENT OF EQUITY SHARES ON A PREFERENTIAL BASIS FOR CONSIDERATION OTHER THAN CASH

During the year under review, upon receipt of relevant approval from Reserve Bank of India on October 7, 2022, in terms of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and confirmation from The Standard Chartered Bank, Authorised Dealer on October 17, 2022, basis the communication issued to them by Reserve Bank of India on October 14, 2022 under Foreign Exchange Management (Overseas Investment) Rules, 2022, the Preferential Issue Committee of the Board of the Company, has allotted 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 to Tata Enterprises (Overseas) AG, Zug, Switzerland ("TEO") for a total consideration of ₹ 570.80 Crores, discharged by TEO by transfer of 2,38,71,793 ordinary shares of ₹1 each held by TEO, representing 10.15% paid-up share capital of Tata Consumer Products UK Group Limited, United Kingdom, an existing overseas subsidiary of the Company ("TCP UK") in favour of the Company.

Pursuant to this transaction, TCP UK has become a wholly-owned subsidiary of the Company, effective October 21, 2022.

GRANT OF PERFORMANCE SHARE UNITS

During the year under review, the Company has granted 1,13,545 Performance Share Units ("PSUs") to eligible employees, under Tata Consumer Products Limited - Share-based Long-Term Incentive Scheme 2021.

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary

UDIN:F002303E000182881

FCS No. 2303

Date: 25/04/2023

Certificate of Practice No. 880

Place: Kolkata

Peer Review – 792/2020

ANNEXURE "A"

(TO THE SECRETARIAL AUDIT REPORT OF TATA CONSUMER PRODUCTS LIMITED (CIN: L15491WB1962PLC031425) FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023)

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

My Report for the financial year ended 31st March 2023 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

Date: 25/04/2023

Certificate of Practice No. 880

Place: Kolkata

Peer Review – 792/2020

ANNEXURE 4 TO THE 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, 2023 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*
N. Chandrasekaran, Chairman [@]	-
P. B. Balaji [#]	-
Siraj Chaudhry	16.14
Bharat Puri	16.94
Shikha Sharma	17.12
K. P. Krishnan	15.94
David Crean [^]	10.48
Executive Directors	Ratio to the median remuneration
Sunil D'Souza	190.05
L. Krishnakumar	89.57

Notes:

*Median remuneration computation is based on a total employee headcount of 3040, of which approximately 1556 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 shall be made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata companies. Accordingly, no commission was paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

[^] Mr. David Crean was appointed as a Director w.e.f. May 4, 2022.

- 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
N. Chandrasekaran, Chairman [@]	-
P. B. Balaji [#]	-
Siraj Chaudhry	4.13%
Bharat Puri	2.67%
Shikha Sharma	3.26%
K. P. Krishnan [^]	-
David Crean ^{^^}	-
Sunil D'Souza ^{^^^##}	24.57%
L. Krishnakumar ^{***}	9.40%
John Jacob, Chief Financial Officer ^{**}	-
Sivakumar Sivasankaran, Chief Financial Officer ^{**}	-
Neelabja Chakrabarty, Company Secretary ^{^^^##}	22.22%

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

^Dr. K. P. Krishnan was appointed as a Director w.e.f. October 22, 2021, percentage increase in remuneration is not applicable as payment made for part of the year in previous year and hence, not stated.

^^ Mr. David Crean was appointed as a Director w.e.f. May 4, 2022, percentage increase in remuneration is not applicable as payment made for part of the year and hence, not stated.

^^^ 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.

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

*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.

** Mr. John Jacob has retired as Chief Financial Officer of the Company w.e.f. May 31, 2022, and Mr. Sivakumar Sivasankaran has been appointed as Chief Financial Officer of the Company w.e.f. June 1, 2022, percentage increase in remuneration for both is not applicable as remuneration was paid for part of the year and hence, not stated.

- c) The percentage increase in the median remuneration of employees in the financial year was 10.38% .
- d) The number of permanent employees on the rolls of the Company as on March 31, 2023, was 3040 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 9.28% and the percentage increase for all employees was 10.50%. The increase in the managerial remuneration was 18.97% 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) Disclosure under Section 197(14) of the Companies Act, 2013:

Mr. L. Krishnakumar, Executive Director & Group CFO, received remuneration of Rs. 40.20 Lacs from the Company's overseas subsidiary, Tata Consumer Products GB Limited during FY 2022-23. (The remuneration drawn in GBP has been converted into INR at the average exchange rate).

- h) The statement containing details of employees as required under Section 197(12) read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, 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.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
 (DIN 00121863)

Mumbai, April 25, 2023

ANNEXURE 5 OF THE BOARD'S REPORT

INFORMATION ON ENERGY CONSERVATION, ABSORPTION, AND TECHNOLOGY AND FOREIGN EXCHANGE

A. ENERGY CONSERVATION

i. Steps taken for the conservation of energy at various factories and operations during the FY 2022-23 and their impacts:

- **Hyderabad Factory:** Replaced 10 nos, 150-watt streetlights with 100-watt streetlights, resulting in an annual energy saving of 1980 units. Additionally, Switched ON & OFF streetlights through Auto Operation by using photo emitting sensor, resulting in energy savings of 1440 units.
- **Sampla Factory:** Replaced 10 nos Vacuum Conveying System (VCS) with Bucket Elevator in a phased manner (July onwards), resulting in energy savings of 44,323 units.
- **Indore Factory:** Installed 2 VFD on IN 60 and IN 58 (Sept onwards), resulting in energy saving of 1089 units.
- **Kellyden Factory:** Replaced 2 nos Vacuum Conveying System (VCS) with Bucket Elevator (Feb onwards), resulting in energy savings of 7744 units.
- **Nonoi Factory:** Replaced 2 nos Vacuum Conveying System (VCS) with Bucket Elevator (Feb onwards), resulting in energy savings of 7744 units.
- **DamDim Factory:** Interlocked conveyors with the machine to stop idle running, resulting in energy savings of 1479 units.
- **Himalayan Factory:** Replaced 170 TR cooling tower with 100 TR cooling tower (Jan onwards), resulting in savings of 5625 units.
- **Instant Tea Operations-Munnar:** Reduced Furnace oil usage by 1796 litres per day, resulting in savings of ₹ 1.63 Crores and replaced all leaking valves, solenoids and old pipelines, etc. for compressed air transfer (Feb onwards), resulting in savings of 23,595 units.

- **Smart Foods-Sricity:** Installed VFD for blower in ETP, resulting in energy savings of 25,400 units, installed AC controllers for Split ACs, resulting in savings of 46,000 units and splitting air curtains for double doors, resulting in savings of 2,620 units.
- **Pullivasal and Periakanal factories:** Installed 10 Tufflite sheets (translucent fibreglass sheets) and replaced 215 low-efficient tube lights with energy-efficient LED lights. Reduced firewood consumption from 4.03m³/1000Kg of made tea in 2021-2022 to 3.63m³/1000Kg of made tea in 2022-2023, resulting in a saving of 389 metric tons of firewood per year at the Pullivasal factory.

ii. Measures taken by the Company to utilize alternative energy sources:

The company executed several renewable energy projects (Solar plants) during the year, including Agra CFA, Siliguri CFA, Pune CFA, Kanpur CFA, and Ranchi CFA, with a total capacity of 246 KWp. Two ongoing projects are Smart Foods (TSFL) and Instant Tea Operations, Munnar, with a total capacity of 1982 KWp. Another project, Tetley Cochin, with a capacity of 200 KWp, is also ongoing.

iii. Capital investment in Energy Conservation Equipment.

A total of ₹ 114.9 Lacs has been invested in energy conservation projects across Sampla, Kellyden, Nonoi, and Pullivasal factories. The following is a summary of the capital investments made in various energy conservation projects at different factories:

- Procurement of bucket elevators at Sampla and Kellyden: 72.3 Lacs
- Replacement of existing vacuum conveying system with Z-Bucket Conveyor at Nonoi and Pullivasal: 24.3 Lacs
- Installation of compressors at Kellyden: 15.0 Lacs
- Installation of new variable frequency drive for drier ID fan and emulsifier at Kellyden: 2.5 Lacs
- Installation of solar lights for shopfloor and periphery at Nonoi: 0.8 Lacs

The total capital investment in these projects is 114.9 Lacs.

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, development solutions and process improvement support. The Company has entered into a Memorandum of Understanding with many external Companies and Institutes under Confidentiality agreements to work further on various collaborative projects and assignments. The focus of the Company on science and technology-based projects has been augmented to create disruptive and niche products that cater to consumer needs.

The R&D Team is also exploring Open Innovation and Technology absorption agenda through potential collaboration opportunities with academic institutions, the Start-up ecosystem and the Tata Group Innovation team. We also had a successful showcase during our Innovation Day in Dec 2022 in which few ideas got absorbed to enter the innovation funnel.

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

New Product Development and new categories:

During the year, the Company launched several new products and entered newer categories, these include:

- Packaged Foods: Tata Salt Immuno, Tata Salt Iodized Pink Salt, Tata Salt Vitamin Shakti, Tata Salt Iron Health, Tata Sampann Hing, Tata Sampann Shahi Besan, Tata Sampann Spices (Chilli, Turmeric & Coriander) along with blended spices (Puliogare, Chicken Masala, Malabar Chicken Masala, Garam Masala, Sambhar Masala and Rice Masala) for South regions, Tata Sampann All-purpose masalas (Mummy's magic, Peri Peri & Tandoori Masala), Tata Sampann Makhana, Tata Sampann Mixed Nuts, Tata Sampann Black Raisins, Tata Sampann Indori Poha, Tata Simply Better product range for Alternate meat products, Tata GO-FIT

plant-based protein powder for women, Tata Q relaunched as Yum Side ready-to-eat & ready-to-cook range, Ready-to-eat Ethnic range, ready-to-cook Gravies & Pastes, ready-to-eat and ready-to-cook range under brand name Raasa.

- Packaged Beverages: Tata Coffee Gold 100g SKU, Tata Coffee - Cold Coffee, Sonnets New Season, Tata Tea Gold Saffron, Tata Coffee - Café Special, Tata Tea Premium Mumbai Cutting Chai, Hyderabad Irani Chai, Purani Dilli ki Mithai Chai and Kolkata Street Chai.
- Ready-To-Drink Beverages: Tata Gluco+ ORS, Himalayan Honey, Himalayan Preserves, Fruski juice & jelly, TGP Cola flavour
- Tata Soulfull: Tata Soulfull Oats+, Tata Soulfull Muesli 25% Extra Muesli, Tata Soulfull Wholesome Delight, Tata Soulfull Nutri Drink+, Tata Soulfull Ragi Bites - Improved Cream.

These achievements were made possible through successful initiatives in technology, product, and pack development, in collaboration with different business partners. These initiatives have resulted in the Company achieving an Innovation to Sales ratio of 3.2% for the first time ever.

In addition to delivering on the B2C business mandate, the R&D team is working on expanding the portfolio and strengthening the pipeline for the D2C and B2B business verticals in the F&B categories.

Packaging related initiatives

The Company has undertaken packaging-related initiatives to promote sustainability and innovation.

- Sustainability: Along with material savings, the packaging elimination and reduction initiatives have been key highlights on the sustainability agenda. The Company has successfully delivered the down-gauging of recyclable laminate for Tata Salt, leading to approx. 900 MT reduction of packaging material consumption by weight, on an annual basis. Recycled content has been introduced in secondary packaging in both Tea and RTD businesses. Our initiatives to incorporate rPET into PET bottles of water have progressed well and will be furthered in FY24. At the outset, the Company's commitments to India Plastic Pact are being honoured.

- Packaging Innovation: Various new post-print finishes were developed for our NPD pipeline projects (e.g. Tata Tea Street Chai range, Tata Tea Saffron, Tata Cold Coffee range and Tata Café Specials range, Himalayan Honey & Preserves, Soufull Nutri drink range etc.) by engaging with key vendors such as ITC, Uflex, Paharpur.

The company has been recognized for “Packaging Excellence” at both, National and International forums with a total of 12 industry-recognized awards, in FY23. Our work in Packaging has been lauded by premier institutes such as The Indian Institute of Packaging with 5 INDIASTAR awards, The SIES School of Packaging with 6 STAR awards and The World Packaging Organization with 1 WORLDSTAR award. The winning entries were: 1868 by Tata Tea, Tata Coffee Gold, Sonnets by Tata Coffee, Himalayan Preserves & Honey, Tata Soufull Ragi Bites Display case, Tata Soufull Oats Hanger and Primary pack suitable for MATS process.

To augment our capabilities in existing platforms and categories, we have been liaising heavily with consultants, academia, functional area experts and specialized consultant groups. We will continue to strengthen our association with expert communities to ensure robust product delivery with agility, given our organization’s vision and ambitious plans. The Company has collaborated with various external partners to support the development work. During the year, we have deployed a strategic, planned approach to engage external partners via three pillars:

- (1) Knowledge Harvest: Connecting with ingredient, flavour, market insights partners for extending the innovation pipeline as well as to bring in new platforms and ideas into the innovation funnel. Digital partners like Ai Palette, Tastewise and Mintel have been onboarded during this year.

Collaboration with major ingredient manufacturers and suppliers like Givaudan, IFF, Firmenich-VKL, Symrise, MANE, Kerry, Novozymes, Synthite, Plant Lipids, Doehler, Mother Dairy, Global Calcium, Arihant Pure Chem, Royal DSM, Hexagon Nutrition,

Ganshmuell, Orana continued during the year for the development of newer formulations and products with scientific credentials and identifying new opportunities and ideas to feed into the Innovation funnel.

- (2) Connected Innovation: We have engaged with strategic technical partners and start-ups to enable the co-development and testing of product concepts in the market, to establish technical feasibility and business viability. In this context, a global ecosystem of disruptive drivers across US, UK and Israel has been explored for technology absorption.
- (3) Community of Experts: We have explored technology absorption opportunities with a few renowned academic institutions like IIT Delhi, IIT Mumbai, NIFTEM, CFTRI and the base is well established to deliver results for the company’s long-term innovation plans. We will carry forward our efforts for the same in FY24.

To strengthen TCPL play in grains and millets, the collaboration with SMEs and the Indian Institute of Millets Research (IIMR) has been further boosted.

In our endeavour to leverage the science and technology set-up available in our ecosystem, several initiatives have been taken up with a specific focus on claims substantiation, safety studies and the development of new analytical methods. Projects were taken up with CSIR (Council of Scientific & Industrial Research) laboratories - which include CFTRI (Central Food Technological Research Institute) Mysore, CSIO (Central Scientific Instruments Organization) Chandigarh, IITR (Indian Institute of Toxicology Research), Lucknow & CSMCRI (Central Salt & Marine Chemicals Research Institute) Bhavnagar. We have also collaborated with India International Kashmir Saffron Trading Centre (IISKSTC), Directorate of Agricultural Production & Farmers Welfare, Government of J&K with regards to Saffron research & testing.

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, Fare Lab, Gurugram and Neogen-Cochin, for analytical support on product stability, nutrition and food safety.

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

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

- a) The details of technology imported: The company has not imported any technology during the last three financial years. R&D and Strategic functions are in constant exploration for newer technologies that can contribute to Horizon 3 innovation opportunities.
- b) The year of import: Not Applicable
- c) Whether the technology has been fully absorbed: Not Applicable
- d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not Applicable

iv. Expenditure incurred on Research & Development in FY 2022-23:

Capital Expenditure	₹ 5.36 Crore
Revenue Expenditure	₹ 23.04 Crore
Total R&D expenditure as a % of Net Sales is	0.34%

C. FOREIGN EXCHANGE

Foreign Exchange earnings and outgo in FY 2022-23:

Foreign Exchange earned	₹ 367.02 Crores
Outgo of Foreign Exchange	₹ 150.36 Crores

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
 (DIN 00121863)

Mumbai, April 25, 2023