

Board's Report

Dear Members,

The Board of Directors is delighted to present the 4th Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and 58th 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, 2021.

In compliance with the applicable provisions of the Companies Act, 2013, (**"the Act"**), 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, associates and joint venture companies and their contribution to the overall performance of the Company during the year under review.

FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2021, are summarized as under:

(Rs. in Crores)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	11,602	9,637	7,154	5,690
Profit before Exceptional Items and Taxes	1,342	1,084	897	781
Exceptional items (net)	(31)	(275)	(61)	(52)
Profit before Tax	1,311	809	836	729
Provision for Tax	(317)	(274)	(217)	(206)
Profit after Tax	994	535	620	524
Share of net profit/(loss) in Associates and Joint Ventures	(63)	(75)	-	-
Profit for the year	930	460	620	524
Attributable to:				
- Owners of the parent	857	460	620	524
Retained Earnings - Opening Balance	5,902	5,667	3,136	2,784
Add /(Less):				
- Profit for the year	857	460	620	524
- Other Comprehensive Income/(Expense)	(112)	23	(4)	(21)
- Dividend Paid	(249)	(189)	(249)	(186)
- Other items	(1)	(58)	-	35
Retained Earnings - Closing Balance	6,396	5,902	3,503	3,136

OPERATIONS AND BUSINESS PERFORMANCE

Consolidated Performance

The consolidated revenue at Rs. 11,602 Crores reflect an increase of 20% over previous year with improvement both in Branded and Non-branded businesses. India Beverages Business grew by ~36% led primarily by Branded Tea business growth which grew in volume as well as value. India Foods Business grew by ~18% primarily led by Salt and Pulses. International Business growth at 8% (1% in constant currency) was muted, mainly due to the impact of Covid pandemic on Food Service and Out-of-Home

sectors. Excluding Food Service and Out-of-Home sectors International business grew by 12% (5% in constant currency) mainly driven by Retail and Online segments. Our Non-Branded business also performed well with a growth of 15% (13% in constant currency) led by improvements in our Instant Coffee Business in Vietnam and improved plantation performance.

The profit before exceptional items and taxes (PBIT) at Rs. 1,342 Crores, grew by 24% over the previous year, mainly due to sales growth and rationalisation of expenses.

The profits from operations for India Beverages Business grew despite the significant increase in commodity costs mainly due to higher sales and rationalisation of expenses while we continued to invest in our brands. For India Foods Business, profit improved due to higher sales, focus on brands and rationalisation of spends. In India, we commenced the integration of the Foods Business acquired last year which has started yielding synergy benefits both on the top line as well as on the bottom line. The International Business registered a significant improvement in profits led by sales growth, gross margin expansion and cost rationalisation across the businesses. The consolidated financial statements for the year also include the part year impact of acquisition of NourishCo Beverages Limited ("NourishCo") (which was converted from a joint venture into a wholly-owned subsidiary effective May 2020) and Tata Consumer Soufful Private Limited (acquired in February 2021). The profitability of our Non-Branded Business recorded a growth due to increased profitability from our instant coffee business in Vietnam and improved plantation performances.

The group net profit at Rs. 930 Crores, reflected a ~2x growth as compared to the previous year mainly due to improved PBIT, lower exceptional expenditure, lower tax rates and improved performance from JV's and Associates. The exceptional items, in year under review, mainly include restructuring and reorganisation costs relating to integration of India Foods and Beverages Businesses, loss on disposal of certain businesses (Empirical LLC & Southern Tea LLC in USA and MAP Coffee business in Australia), partly offset by fair value gains on conversion of NourishCo from joint venture to a wholly-owned subsidiary whilst during prior year it mainly comprised of impairment of goodwill and merger related costs.

Standalone Performance

The standalone revenues of Rs. 7,154 Crores reflected an increase of 26% over previous year mainly driven by volume growth of 12% in the Indian Branded Tea portfolio, which was seen across the different type of brands i.e. Economy and Premium. The Foods Business grew at ~18% in value terms primarily led by growth in Salt volumes. The profit before exceptional items and taxes (PBIT) at Rs. 897 Crores, was higher than the previous year by 15%, mainly led by higher sales (across Beverages and Foods Business) despite steep decline in gross margin resulting from record tea costs inflation and higher spends behind brands. The profit after tax at Rs 620 Crores reflected a growth of 18% mainly due to improved PBIT, lower tax rate, partly offset by higher exceptional expenditure. The exceptional expenditure mainly represents restructuring and reorganisation costs which includes costs relating to integration of the Indian Beverages and Foods Business.

DIVIDEND & RESERVES

Dividend Distribution Policy

Pursuant to Regulation 43A of Listing Regulations, the Board adopted a Dividend Distribution Policy, which had been placed on the website of the Company and can be accessed at the link: <https://www.tataconsumer.com/investors/policies>.

Declaration and payment of dividend

The Board is pleased to recommend a dividend of Rs. 4.05 per equity share of the Company of Re. 1 each (405%) for the year ended March 31, 2021.

The said dividend on equity shares is subject to approval of the Shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on Friday, June 25, 2021. If approved, the dividend would result in a cash outflow of Rs. 373.23 Crores. The total dividend payout works out to 60.25 % (Previous Year: 47.5%) of the Company's standalone net profit.

The dividend once approved by the Shareholders will be paid on or after June 29, 2021 and before July 25, 2021.

Book closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, June 12, 2021 to Friday, June 18, 2021 (both days inclusive) to determine the eligible shareholders to receive the dividend for the year ended March 31, 2021. According to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source ("TDS") 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 do not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for FY 2020-21 in the profit and loss account.

SHARE CAPITAL

As on March 31, 2021, the authorised share capital of the Company was Rs.125 Crores comprising of 125,00,00,000 equity shares of Re. 1 each and the paid-up equity share capital as at March 31, 2021 was Rs. 92.16 Crores comprising of 92,15,51,715 equity shares of Re. 1 each. During FY 2020-21, the Company had neither issued any shares nor instruments convertible into equity shares of the Company or with differential voting rights nor has granted any stock options or sweat equity.



MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2020-21 till the date of this report.

IMPACT OF COVID-19 PANDEMIC ON THE PERFORMANCE

The impact of pandemic started in March 2020 with Governments announcing lockdown across the world to control the spread of the virus. This was followed by restricted easing of services across different countries to be followed by further rounds of lockdowns (including localised lockdowns) initiated across different countries. There was also positive news in the latter half of the year with vaccine approvals and launch of vaccination drives in several countries.

We saw varied effects across our different businesses – retail businesses were positively impacted with increase in at home consumption and pantry loading (especially in the initial stages of the lockdown) while Out-of-Home and Institutional business saw drastic decline in volumes. In the first few months of operations, we initially struggled in India due to logistical challenges with limited manpower availability and restriction in movement of transport but we were able to streamline operations successfully. During this period, we also strengthened our direct distribution reach in India by partnering with Flipkart (whereby the Company's distributors could list themselves as marketplace sellers) and food delivery apps (such as Domino's Pizza).

There were also additional growth opportunities due to our organized supply chain and we were able to leverage on the opportunity to increase presence over competition.

Amongst our B2B businesses, our Extraction Business (both Tea and Coffee) was impacted during the year with the pandemic (loss of production with nationwide lockdown and reduced demand from customers). Starbucks and Tata Cha stores saw the closure of stores from mid of March with home delivery starting for some stores from April 2020 onwards.

The Plantation operations of the Company, its subsidiary-Tata Coffee Limited and associates - Amalgamated Plantations Private Limited ("APPL") and Kanan Devan Hills Plantations Co. Private Limited ("KDHP") resumed operations in April 2020 albeit with lower work force. With the lockdown, there was decline in tea production levels which led to an exceptional increase in tea prices which impacted our performance in second half of the year.

In terms of impact on the financial performance, the Group's performance was not adversely impacted by the Covid pandemic and it recorded good top line growth in many markets, except for some businesses, in particular, those in out-of-home consumption sectors. The commodity costs were however adversely impacted in India, as earlier pointed out. There can be future business uncertainties depending on developments in relation to the pandemic, particularly those arising from the second wave in India, which could include market closures, supply constraints and commodity cost volatility.

STRATEGIC INITIATIVES

During the year under review, the Company has completed the integration of India Beverages Business and India Foods Business.

At the beginning of the financial year, the Company has acquired the entire stake of PepsiCo in NourishCo Beverages Limited along with rights over the "Gluco Plus/ Gluco+" brand, whereby NourishCo became a wholly-owned subsidiary of the Company.

Further, in line with the Company's strategic intent of entering new adjacent categories in the food space, the Company has acquired 100% equity stake in Kottaram Agro Foods Private Limited, a company engaged in the business of breakfast cereals and millet-based snacks under the trademark "Soulfull". Through this acquisition, the Company added healthy breakfast cereals and millet-based snacks under the trademark 'Soulfull' in its portfolio. Post-acquisition, the name of this company was changed to Tata Consumer Soulfull Private Limited.

Additionally, the Company exited the branded coffee business in Australia in line with the Company's portfolio rebalancing strategy. Earth Rules Pty Ltd, Australia, an overseas step-down subsidiary of the Company, sold its Coffee Business (through a slump sale of assets), along with the contracts, assets and brands. The Company also disposed-off its entire membership interest held in Empirical Group LLC (Empirical) USA, a subsidiary and in Southern Tea, LLC (Southern Tea) USA, a joint venture to its venture partner in these entities - Harris Tea Company LLC on March 31, 2021. The exits from both the entities are in-line with the Company's strategy to focus on the core branded business, as the businesses of the above entities did not have synergies with core branded business of the Company. Coffee Trade LLC, the Company's step-down subsidiary, which was incorporated as part of restructuring of operations in Russia, was under liquidation in FY 2019-20 and consequent to completion of the restructuring, was liquidated on April 9, 2020.

Board's Report

The consolidated and standalone numbers, accordingly, includes the impact of these acquisitions and the above exits.

Further, region-wise and segment-wise performances are chalked out in Management Discussion and Analysis report forms part of this Annual Report.

NEW MISSION, VISION, VALUE OF THE COMPANY

The Company stand "For Better", its brand purpose that was defined after the merger of the Foods and Beverages Business and the renaming of the Company as Tata Consumer Products Limited. We bring this to life by pushing boundaries in everything we do - quality of our products and services, our contribution to people and the productivity across our workplaces.

The Company developed its Mission & Vision, by seeking its employee feedback, looking at extensive global benchmarks, sought leadership feedback and paid very close attention to our employee voice, to truly accomplish our aspirations.

Our Vision - "To build better lives and thriving communities"

- Building better lives inspires us to create better products, deliver greater value to our stakeholders and encourage our consumers to make healthy choices.
- We aspire to help the communities we live, work and serve in thrive by engaging with them in a meaningful and sustainable way. Our actions in terms of volunteering programs, mindful utilization of resources, assisting our vendors and customers, engagement with like-minded partners and supporting relevant causes in our neighborhoods will help build thriving communities – one step at a time.

Our Mission – "Passionately growing and innovating every day"

- We firmly believe that Passion is a very important element of our day-to-day actions. It allows us to dream the impossible, take calculated risks and have fun along the way as we create, nurture, grow and innovatively deliver the very best for our consumers.

Our vision and mission along with our purpose to stand "For better" provides a platform to our aspirations to be a leading and differentiated consumer products company that creates better products, provides healthier choices to consumers, helps to build thriving communities and delivers superior productivity in a sustainable way.

Our values represent who we are. As a TATA company, we are a values-driven organisation, and this informs the way we do business - through Empathy, Integrity, Excellence, Ownership and Agility, we deliver superior value to all our stakeholders.

These values guide our behaviors and our actions every day, inspiring us to achieve our vision for 'Building better lives and thriving communities.'

NEW PRODUCT DEVELOPMENT (NPD)

Innovation is one of the 6 key strategic pillars identified for growth of the Company. In the year under review, the Company has made significant investments in the area of innovation capabilities, which has started to show great results.

To sharpen organisational approach to NPD launches, clearly defined stage gate, NPD process has been implemented and category-wise commercial guardrails have been defined. A robust governance mechanism has been put in place with monthly innovation counsel chaired by CEO along with leadership team. The Research & Development ("R&D") structure is re-organized with focus on 4 key pillars – Category led R&D verticals, Scientific Research, Analytical services and Global Packaging to drive future innovation pipeline. The key focus for R&D is to drive innovation to deliver differentiated products with stronger nutritional claims or new to market across business categories.

As a result of sharpened approach to NPD launches, the Company has seen significant ramp up in innovation delivery - 14 New Product launches in India and close to 10 new launches in International business.

Packages Beverages

Tata Tea Tulsi and Tata Tea Gold Care have been launched with strategic intent to play in health and wellness space. In the last quarter of the year under review, a range of premium coffee and teas were launched under Tata Coffee Sonnet and Tata Tea 1868 brands through D2C portal. Tata Tea Quick Chai, which offers the promise of boiled tea taste to consumers in a convenient form, got re-launched in India and subsequently in US as part of lift and shift strategy.

Packaged Foods

Driving the promise of nutrition with convenience, Tata Sampann brand has launched a range of products in last 6 months of the year under review. This include Tata Sampann Thin Poha, new range of nutrimixes – Supergrain Ragi mixes (Dosa and Idli), Protein rich Khaman Dhokla and Masala Dhaliya Khichdi mix. Driving forward the credentials of Tata Sampann Haldi, business also launched Tata Sampann Haldi Doodh mix (with goodness of Ashwagandha, Mulethi, Cardamom and Black pepper).



Liquid Beverages

With strategic intent to leverage NourishCo go-to-market, Tata Fruski has been launched in February 2021 in South India market with 3 new products- Mast Mango, Lemon Masala, Jeera Masala in 2 different SKUs.

International business

Fueling the innovation funnel in International market, Australia and Canada took Health and Wellness to the next level. Australia launched 3 new products under Tetley with naturally fortified claims – Immune, Boost and Digest. Canada added 2 more Super Teas, strengthening the credentials in Health and wellness. UK launched an exciting new range of Tetley Herbals - infusions brimming with natural, zingy goodness to help you refresh and wind down. Also 2 new RTD products have been launched in last 12 months under Good Earth Brand- Kombucha and Good Energy Guayusa, strengthening our RTD play to recruit new consumers. US saw launch of Tetley British blends - Full flavored black teas with distinguished character along with range of Eight O’Clock Coffee launches – Café Arriba, Barista Blends and Flavors of America.

BUSINESS INTEGRATION

The merger of the Consumer Products Business of Tata Chemicals Limited with the Company was completed in February 2020 and led to the renaming of the Company as Tata Consumer Products Limited with the goal of bringing together two complementary and individually successful businesses and lay the foundation for a fast-moving consumer goods (FMCG) company. This transaction offered an opportunity to create a sizeable consumer company in India with enhanced scale and financial strength, build best in class processes and unlock cost and revenue synergies across distribution, marketing, and supply chain.

A dedicated Integration Management Office (IMO) team was established that worked in close coordination with functional leaders to ensure unified ways of working and realise synergies.

The merger was consummated in ~9 months and the scheme of arrangement came into effect from February 7, 2020. In the first ~100 days post the merger, the most critical decisions were brought to a governing committee/working group and suggestions proposed acted as guidelines to drive the value in this transformation. Though there were many challenges in the midst of the

Covid pandemic to mount this change, a strong weekly cadence of progress measurement and detailed change management processes enabled robust governance and resulted in successful integration.

The integration and transformation effort at the Company focused on the following:

- **Future Ready Organisation:** The vision was to create a future-ready organisation structure to enable the journey for multicategory FMCG company. Structure to serve combined business was rolled out across levels and functions within 3 months of integration. Additionally, more than 100 processes were harmonized to ensure unified ways of working, including the transformation of critical processes. The cost and revenue synergies were identified and tracked and were in line with market expectations.
- **Sales & Distribution (S&D) Integration:** To achieve scale, the S&D structure was redesigned with rationalized Go-to-Market (GTM) layers and integrated multi-category channel partners. Additionally, to achieve growth in outlet reach, an increased fleet on street was deployed and enabled with digital tools to ensure visibility and agility.
- **Supply Chain Integration:** With the integration of front-end channel partners, efforts were taken to integrate Carrying and Forwarding Agent (CFA) locations across erstwhile Food and Beverages Business and ensure direct delivery. The vendor base, distribution network, and warehouse network were also optimized to achieve synergies.
- **Digital Transformation:** To develop a future-ready organisation, digital tools were identified across functions to improve efficiency. Enterprise Resource Planning (ERP) systems of erstwhile Food and Beverages Businesses were integrated and migrated to SAP S4 HANA for India business.

The Company has strategized 5-year roadmap detailing growth opportunities for core categories and expansion strategy into adjacencies. In its effort to accelerate the time to market, the Company has acquired Kottaram Agro Foods Private Limited, owner of the “Soulfull” brand, thereby marking its entry into the mini-meals category. The integration of this business is currently underway and is expected to be completed by Q1 FY 2021-22.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As defined under the Act, the Company has 39 subsidiaries, 3 associates and 3 joint venture companies as on March 31, 2021.

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

During the year under review, the Company acquired a 100% equity stake of Tata Consumer Soufull Private Limited (formerly Kottaram Agro Foods Private Limited), which became a wholly-owned subsidiary of the Company. NourishCo Beverages Limited, a 50:50 Joint Venture of the Company became a wholly-owned subsidiary in May 2020. Coffee Trade LLC, Russia, the Company's step-down subsidiary, was liquidated on April 9, 2020.

Earth Rules Pty Ltd, Australia, an overseas step-down subsidiary of the Company, has sold its Coffee Business (through slump sale of assets), along with the contracts, assets and brands. The Company had also sold off its entire membership interest held in Empirical Group LLC, an overseas step-down subsidiary in USA and in Southern Tea, LLC, an overseas step-down joint venture company in USA, to Harris Tea Company LLC, our partner in these entities, on March 31, 2021.

Other than these, no other company became or ceased to be a subsidiary, joint venture, or associate during FY 2020-21 and there has been no material change in the nature of the business of the subsidiaries.

Material Subsidiaries

The Company has two unlisted material subsidiaries incorporated outside India i.e. Tata Consumer Products GB Limited and Tata Consumer Products UK Group Limited. The Eight O'Clock Coffee Company Limited is an unlisted material subsidiary of Tata Coffee Limited, the listed subsidiary of the Company.

Consolidated Financial Statements

According to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiaries, associates, and joint ventures, prepared in accordance with the relevant Accounting Standard specified under the Act, and the rules thereunder form part of this Annual Report.

A statement containing the salient features of the financial statements of the Company's subsidiaries, associates, and joint ventures 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, in the link: <https://www.tataconsumer.com/investors/investor-relations/subsidiaries/subsidiary-financials>

The details of the business of some of the subsidiaries, associates, and joint ventures during FY 2020-21 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 ("TCPG"), substantially reflects the financial performance of the Tetley business and a few other international brands.

Strong profit before exceptional items and taxes (PBIT) performance for the year under review was delivered whilst revenue growth was flat in constant currency on an underlying basis, excluding the impact of businesses disposed-off, namely, MAP coffee business in Australia and Tata Global Beverages Czech Republic in the previous year. Revenue growth was witnessed in retail / online segments across markets whereas the Out-of-Home business and Foodservice business was impacted. PBIT grew by ~58% mainly due to improvement in gross margin with margin expansion and rationalization of other expenses. Group Net profit was significantly higher than the prior year arising from lower exceptional expenditure and improved business performance. Exceptional expenditure in the current year represents the impact of disposal of businesses, whilst in the previous year, exceptional expenditure mainly represented impairment of goodwill.

In UK, the top-line reflected a growth of 2% in constant currency whilst market share was flat. There was good growth in grocery, online and discounters whilst Out-of-Home was impacted due to lockdowns. It is worth mentioning that Teapigs, our super-premium brand, continued its remarkable journey and for the year delivered the highest YoY growth since FY14. The business continues to invest behind its brands and had invested in the master brand campaign during the year with a TV commercial "Now we're Talking". New products such as Good Earth (Fruit & Herbal based) tea was launched to enhance our play in the non-black tea market and Good Earth Kombucha and Good Energy was launched in the Ready to Drink (RTD) space. UK delivered growth in profitability due to a mix of gross margin expansion, arising from lower tea costs, trade spend effectiveness and reduced overheads.

Canada had a standout performance in 2020-21, with Tetley's market leadership driving extraordinary retail sales on the back of Covid induced buying. We have gained market share from an already very strong share position. Tetley continues to be a strong brand in the market with both regular and specialty teas outgrowing the category during the year. For the year, the overall revenue growth was 15% in constant currency whilst Specialty, the star performer, grew by 35% over the previous year. Two new



innovations were launched in market. Tetley Cold Infusions and Tetley Supers range extensions in health & wellness fortified teas, which has played into a strong and current consumer need for protection and immunity. The business recorded a strong growth in profitability led by higher sales, lower promotions and strong control on overheads.

Other smaller markets had a mixed performance. Whilst branded tea business excluding foodservice in the US performed well, markets in Australia and Europe were impacted due to extended lockdowns.

Tata Coffee Limited (“TCL”), India reported improved revenue from operations of Rs. 737 Crores, registering an increase of 4% as compared to previous year. The profit after tax also grew by 38% over previous year.

During the financial year 2020-21, TCL had a good harvest of Robusta and Arabica crop, the density and volume of primary grade Pepper has been good, considering the timely receipt of natural shower during the development stage. TCL has initiated actions to increase the production base of pepper in the coming years. For instant coffee business, despite a tough market environment impacted by repeated lockdowns and a drop in foodservice demand particularly in our larger markets of Russia and EU, TCL was able to maintain its shares with large clients, focus on niche market opportunities and execute on our new product development work.

Tata Coffee Vietnam Company Limited, Vietnam, wholly owned subsidiary of Tata Coffee Limited, which has a state-of-the-art freeze-dried instant coffee plant with an annual capacity of 5000MT, has delivered ~90% capacity utilization with enhanced yields and other operational metrics. Accordingly, sales improved by 72% (in constant currency) and significant improvement in PBIT. It has a one-of-a-kind pilot plant, which has been helping the facility to co-create innovative niche products with its customers. 17 new product blends have been successfully commercialized and around a dozen new customers have been on boarded this year. The products from the Freeze-dried plant have enabled its customers win awards for product excellence. The Unit is already setting benchmark standards on Safety with zero safety incidents as well as setting high standards in Food safety standards.

Eight O’Clock Coffee Limited (“EOC”), USA, reported a revenue during the year of Rs 1,293 Crores reflecting a growth of 9% as compared to the previous year in constant currency. The improvement is mainly driven by improved performance in Bags and K Cups. EOC continues to focus on innovations with a healthy pipeline and is also investing in new capabilities on e-commerce. All the recent innovations launched by EOC Coffee - EOC Barista Series, Flavors of America, K-cups new sizes - have gained distribution. New, proprietary Sustainability initiative from

EOC, *Rooted in Responsibility™* reflects its commitment to the coffee farms and farming households, including women & children. Profitability increased due to higher revenue.

Tata Tea Extractions Inc. USA, had a stable performance as compared to the prior year notwithstanding the impact of the Covid pandemic. For the year ended March 31, 2021, sales and operating profits were in line with the previous year.

NourishCo Beverages Limited (“NourishCo”), India, reported a revenue from operations for the year of Rs 188 Crores. The Company had acquired PepsiCo’s stake in NourishCo in May 2020 and thus NourishCo has become a wholly-owned subsidiary of the Company from May 2020. NourishCo operated in a difficult business environment with the pandemic impacting the business during peak season. The closure of Out-of-Home channel which persisted for a longer part of the year also had a significant negative impact especially at the premium end where Himalayan plays. In spite of the impact of the pandemic on the business, the performance for FY 2020-21 was at par with FY 2019-20 on the back of rapid growth in Q3 and Q4 of FY 2020-21.

Tata Consumer Soufull Private Limited, India, In February 2021, the Company has acquired 100% equity shares of Kottaram Agro Foods Private Limited, owner of the brand ‘Soufull’ with portfolio of millet-based products for adults and kids. In order to improve consumer traction, we have renamed the Company as “Tata Consumer Soufull Private Limited” and the brand to “TATA Soufull”. During the year, the revenue from operations declined as compared to previous year, however net loss from the business has reduced as compared to previous year due to reduction in cost of materials consumed and lower other expenses. The business acquisition was completed towards the end of the year under review and business integration and scale up plans are being put in place.

Associates

Amalgamated Plantations Private Limited (“APPL”), India
The total income for the year at Rs 830 Crores was higher by 18% driven by higher realisation partly offset by volume loss. The earnings before interest and tax and the profit after tax have improved due to improved operating performances. The total production for the year under review was lower than the previous year on account of the Covid pandemic and lock down at the start of the season, as also restrictions thereafter on re-opening in terms of deployment of workers for plucking & processing. However, the prices for the CTC and orthodox teas were substantially higher in the year as compared to the previous year which has led to improved realization (+45% growth). The drive by APPL to upgrade its quality across estates, was well received by all sections of the buyers and APPL firmly established itself as one of the “Top Quality Producers”.

Kanan Devan Hills Plantations Company Private Limited ("KDHP"), India – Total Income at Rs 430 Crores was higher than that of the previous year, registering a growth of 19% over previous year, mainly driven by higher volume and realisation. The profit after tax for the year was Rs 26 Crores, as against a loss of Rs 1 Crore in the previous year. Although the adverse effects of Covid pandemic and the unfavourable weather conditions with incessant rains that followed from August 2020 onwards, had affected production, the yield achieved for the year was the second highest since inception of KDHP.

Joint Ventures

Tata Starbucks Private Limited ("TSPL"), India – our joint venture with Emerald City CV (Starbucks), was significantly impacted due to restrictions with continuation of Covid pandemic. TSPL crossed the 200th store milestone and opened net 39 new stores in the current fiscal and are now present in 221 stores across 18 cities in India. TSPL has seen month-on-month improvement in metrics. While TSPL has ended the year with lower revenues than previous year, it has been able to lower the impact on profitability with help of cost initiatives like rent negotiations. TSPL was also recognized as India's top 10 workplaces in Retail, 2021.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments & Cessation of Directors

The members of the Company at the 57th Annual General Meeting approved the appointment of Mr. Sunil D'Souza (DIN 07194259) as a Director, and also approved his appointment as the Managing Director & Chief Executive Officer of the Company for 5 years with effect from April 4, 2020, along with terms of appointment including remuneration.

Further, based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board had appointed Mr. P. B. Balaji (DIN 02762983) as an Additional Director to hold office as Non-Executive (Non-Independent) Director on the Board of the Company with effect from August 8, 2020, till the conclusion of ensuing Annual General Meeting. A notice under Section 160 of the Act, has been received nominating the candidature of Mr. P. B. Balaji for appointment as a Director of the Company. The NRC and the Board have considered and recommend to the Shareholders for the appointment of Mr. P. B. Balaji as Non-Executive (Non-Independent) Director as set out in the Notice of AGM. A resolution seeking Shareholders' approval for his appointment forms

part of the Notice of the ensuing Annual General Meeting.

Mr. N. Chandrasekaran (DIN 00121863) Non-Executive, (Non-Independent) Director of the Company, retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking Shareholders' approval for his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

Mr. Harish Bhat (DIN 00478198), Non-Executive, (Non-Independent) Director of the Company has resigned and ceased to be a Director of the Company effective close of business hours of August 7, 2020. The Board places on record its appreciation for his invaluable contribution and guidance.

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

Key Managerial Personnel

As on March 31, 2021, the following were Key Managerial Personnel ("KMP") of the Company as per Sections 2(51) and 203 of the Act:

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

Pecuniary relationship or transactions with the Company

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

BOARD OF DIRECTORS AND MEETINGS

The Board of Directors

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



Committees of the Board

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

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Risk Management Committee
- 5) Corporate Social Responsibility 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 provided in the Report on Corporate Governance, a part of this Annual Report.

Board Meetings

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

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

The Board of Directors had held 6 (six) meetings during FY 2020-21. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

INDEPENDENT DIRECTORS' DECLARATION

As on March 31, 2021, Mr. Bharat Puri, Mrs. Shikha Sharma, Mr. S. Santhanakrishnan, and Mr. Siraj Chaudhry were Independent Directors on the Board.

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

provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. 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 which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

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

The NRC makes recommendations to the Board regarding appointment/re-appointment of Directors, and Key Managerial Personnel ("KMP"). The role of the NRC encompasses conducting a gap analysis to refresh the Board periodically, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates before making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

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

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

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

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

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

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

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

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

In a separate meeting of Independent Directors, the performance of Non-Independent Directors and the Board as a whole and the Chairman of the Company

was evaluated taking into account the views of Executive Directors and Non-Executive Directors.

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

REMUNERATION POLICY

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

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

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

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

The key principles governing the Remuneration Policy are as follows:

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

In accordance with the Policy, the Managing Director & CEO, Executive Director, KMPs, Senior Management and employees are paid fixed salary which includes basic



salary, allowances, perquisites and other benefits and also annual incentive remuneration / performance-linked incentive subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time, by the NRC and the Board. The performance linked incentive is driven by the outcome of the performance appraisal process and the performance of the Company.

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

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

During the year under review, the Company paid sitting fee of Rs. 30,000 per meeting per Non-Executive Director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs. 20,000 in case of Non-Executive Director, being the employee of other Tata Companies). For meetings of all other Committees of the Board, sitting fee of Rs. 15,000 per meeting per Non-Executive Director was paid (Rs.10,000 in case of Non-Executive Director, being the employee of other Tata Companies). The Company also paid sitting fees of Rs. 30,000 per meeting per Independent Director for attending the Independent Directors' meeting. Within the ceiling as prescribed under the Act, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or Member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings. The 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 of net profit or such other percentage as may be specified by the Act, from time to time. No Stock option has been granted to any Director.

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

Further, in line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission was paid to Mr. P. B. Balaji and Mr. Harish Bhat, Non-Executive (Non-Independent) Directors.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

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

Familiarisation programme for the Independent Directors along with the details of familiarisation programmes imparted to Independent Director during and cumulative upto FY 2020-21 is placed on the Company's website and the same can be accessed at the link : <https://www.tataconsumer.com/investors/Board-Of-Directors-List/familiarization-programme?reload>

BOARD DIVERSITY

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

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls and details of which are provided in the Management Discussion and Analysis Report.

Statutory Auditors in its report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.

AUDIT COMMITTEE

The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee comprises Mr. S. Santhanakrishnan (Chairman), Mr. Bharat Puri, Mrs. Shikha Sharma, Mr. Siraj Chaudhry and Mr. P. B. Balaji. The Committee met 8 times during the year under review, the details of which are given in the Corporate Governance Report.

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

INTEGRATED REPORT

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

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

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate section on the Business Responsibility Report, describing the initiatives taken by the Company from an environmental, social and governance perspective, during the year under review, forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2020-21.

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, 2021:

- (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 systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY INITIATIVES

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

During the year under review, the Company has spent Rs. 11.74 Crores (2.05% of the average qualifying net profits of last three financial years) on CSR activities on projects qualifying as per Section 135 of the Act, duly approved by the CSR Committee of the Board. 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.

The salient features of the CSR Policy and details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in **Annexure 1** attached to this Report. The revised CSR Policy may be accessed on the Company's website at the link: <https://www.tataconsumer.com/investors/policies>.

STATUTORY AUDITORS AND AUDITORS' REPORT

At the 54th Annual General Meeting held on August 18, 2017, the Shareholders had approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 54th Annual General Meeting until the conclusion of the 59th Annual General Meeting to be held in the year 2022, subject to ratification by the Shareholders every year, if so required under the law.

However, pursuant to the amendment to Section 139 of the Act, effective May 7, 2018, ratification by Shareholders

every year for the appointment of the Statutory Auditors is no longer required and accordingly, the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders' approval for ratification of Statutory Auditors' appointment.

Deloitte Haskins & Sells LLP has furnished a certificate of their eligibility and consent under section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2021-22. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. Accordingly, Deloitte Haskins & Sells LLP continues to hold office as Auditors of the Company.

The Statutory Auditors' Report for FY 2020-21 on the financial statement of the Company forms part of this Annual Report. Auditors have expressed their unmodified opinion on the Standalone and Consolidated Financial Statements and their reports do not contain any qualifications, reservations or adverse remarks or disclaimer.

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

SECRETARIAL AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice (FCS No. 2303, Certificate of Practice No. 880), to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2020-21 is attached herewith as **Annexure 2**. There are no qualifications, observations or adverse remarks or disclaimer in the said report.

COST RECORDS AND COST AUDITORS

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s Shome and Banerjee, Cost Auditors of the Company for FY 2020-21.

The Board has re-appointed M/s Shome and Banerjee, Practising Cost Accountants (Firm Registration Number: 000001) as Cost Auditors of the Company for conducting cost audit for the FY 2021-22. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2021-22 is provided in the Notice of the ensuing Annual General Meeting.

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

RISK MANAGEMENT

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

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

Additionally, a third-party organisation has benchmarked the Company's risk management practice with various companies in India and globally and pronounced it as a leader in FMCG category. The Company was consecutively for the second time declared as the winner in the category in "Master of Risk in FMCG category", at the seventh edition of The India Risk Management Awards 2021 by CNBC TV-18 and ICICI Lombard. These awards recognize those organisations and teams that have significantly added to the understanding and practice of risk management.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical 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 victimisation of the Director(s) and employee(s) who avail this mechanism. No person has been denied access to the Chairman of the Audit Committee.

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are provided in **Annexure 3** attached to this report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of the Listing Regulations. Given that the Company does not have anything to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form No. AOC- 2, therefore the same is not provided. All related party transactions are approved by the Audit Committee and are periodically reported to the Audit Committee. Prior approval of the Audit Committee was obtained on a periodic basis 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.

The Policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website and may be accessed at the link: <https://www.tataconsumer.com/investors/policies>.

The details of the transactions with related parties during FY 2020-21 are provided in the accompanying financial statements.

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

ANNUAL RETURN

As provided under Section 92(3) & 134(3)(a) of the Act, Annual Return for FY 2020-21 is uploaded on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/investor-information/annual-returns?reload>

PARTICULARS OF EMPLOYEES

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

Pursuant to Section 197(14) of the Act, the details of remuneration received by the Executive Director from the Company's subsidiary company during FY 2020- 21 are also given in **Annexure 4** attached to this report.

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



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INDUSTRIAL RELATIONS

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

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

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

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

There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as on the end of the Financial Year 2020-21.

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, 2021.

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

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

ACKNOWLEDGEMENT

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

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

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

The Directors appreciate and value the contribution made by every member of the Tata Consumer Products family.

On behalf of the Board of Directors

Mumbai
May 6, 2021

Sd/-
N. Chandrasekaran
Chairman
(DIN 00121863)

Annexure 1 to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company

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

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

Natural Foods & Beverages Policy:

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

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

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

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

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

Defined locations and target beneficiaries: The CSR projects of the Company are focused on the Tea Communities of Assam and Munnar (Kerala), Coffee Communities of Kodagu (Karnataka) and Communities of Mithapur (Gujarat) and Paonta Sahib (HP)

Weblink of CSR Policy:

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

2. Composition of CSR Committee:

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Act. The CSR governance structure is headed by the CSR Committee. The CSR Committee grants auxiliary power to the Working Committee of the Company to act on their behalf. The members of the CSR committee as on March 31, 2021 are as under:

Sl. No.	Name of Director	Designation (Nature of Directorship)	Number of meetings of CSR Committee during the year:	
			held	attended
1	Mr. Siraj Chaudhry	Chairman of the Committee (Independent Director)	3	3
2	Mr. S. Santhanakrishnan	Member (Independent Director)	3	3
3	Mrs. Shikha Sharma*	Member (Independent Director)	1	1

*Inducted as a member of the Committee w.e.f. November 6, 2020

**Mr. Harish Bhat, Non-Executive Director was inducted as a member of the Committee w.e.f. April 28, 2020 and he ceased as member w.e.f. August 7, 2020 consequently upon his resignation as Director of the Company. During his tenure as member of the Committee, no meeting was held.



Weblink Composition of CSR Committee :

The Composition of CSR Committee of the Company can be accessed at <https://www.tataconsumer.com/investors/Board-Of-Directors-List/committees-of-board>

3. Overview of CSR projects approved by the Board implemented during 2020-21:

Details of CSR projects approved by the Board and undertaken by the Company during FY2020-21 are as under:

1. Promoting special education and vocational skills for differently abled at Munnar and Kodagu
2. Affordable Healthcare for all
3. Promoting gender equality and empowering women and adolescent girls.
4. Livelihood Enhancement of women in up cycling of laminates
5. Supporting Cancer-affected children
6. Supporting vulnerable communities during Covid pandemic
7. Project Jalodari – Water and Sanitation
8. Rural Development

Weblink CSR projects approved by the board:

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

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

The Company has been conducting internal assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2020-21.

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 amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set- off for the financial year, if any
1	2019-20	Rs. 1.89 Crores	Nil
2	2018-19	Rs. 0.43 Crores	Nil
3	2017-18	Rs. 0.37 Crores	Nil
	TOTAL	Rs. 2.69 Crores	Nil

6. Average net profit of the Company as per section 135(5): Rs. 571.87 Crores

7.

a) Two percent of average net profit of the company as per section 135(5)	Rs. 11.44 Crores
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
c) Amount required to be set off for the financial year, if any	Nil
d) Total CSR obligation for the financial year (7a+7b- 7c).	Rs. 11.44 Crores

8. (a) CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.) - NIL				
	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
Rs. 11.74 Crores	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of Project: State and District	Project duration	Amount allocated for the project (Rs. In Cr.)	Amount spent in the current financial year (Rs. In Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency - Name.	CSR registration number
1	Promoting special education, vocational skills for differently abled at Munnar	(i) (ii)	Yes	Munnar, Idukki District, Kerala	2014 onwards Ongoing	3.70	3.31	Nil	No	TGBL Foundation Trust	
2	Affordable Healthcare for all	(i)	Yes	Chubwa, Dibrugarh District, Assam	2014 onwards Ongoing	2.50	3.00	Nil	No	Associate Company	
3	Promoting gender equality and empowering women & girls	(iii)	Yes	Assam	2014 onwards	0.50	0.36	Nil	No	UNICEF and ETP	
4	Livelihood enhancement of women in up cycling of laminates	(ii)	Yes	Chennai, Tamil Nadu	2014-2021	0.12	0.12	Nil	No	Exanora	
5	Supporting Cancer-affected children	(i)	Yes	Kolkata, West Bengal	2014 onwards	0.20	0.20	Nil	No	St. Jude's India Child Care Centre	
6	Project Jalodari - Water and Sanitation	(iv)	Yes	Jorhat & Golaghat, Assam	2019 onwards	1.00	1.00	Nil	No	Tata Trust/ Centre For Microfinance and Livelihood	
7	Rural Development	(i) (iii) (iii) (iv)	Yes	Mithapur, Gujarat	2019 onwards	3.00	3.00	Nil	No	Tata Chemicals Society for Rural Development	
8	Promoting special education, vocational skills for differently abled at Kodagu	(i) (ii)	Yes	Kodagu, Karnataka	2019 onwards	0.25	0.25	Nil	No	Coorg Foundation	
Total						11.27	11.24				

Applicable for CSR activities undertaken with effect from April 1, 2021.
Registrations are in process.



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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation -Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Supporting elderly during Covid pandemic with nutritional foods.	(i)	No	PAN India		0.50	No	HelpAge India	Registration is in process
TOTAL						0.50			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 11.74 Crores

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 11.44 Crores
(ii)	Total amount spent for the Financial Year	Rs. 11.74 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 0.30 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 0.30 Crores

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

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1	2019-20	NA	NA	NA	NA	NA	NA
2	2018-19	NA	NA	NA	NA	NA	NA
3	2017-18	NA	NA	NA	NA	NA	NA

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

(1) Sl. No	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced.	(5) Project duration	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (Rs. In Cr.)	(8) Cumulative amount spent at the end of reporting Financial Year. (Rs. In Cr.)	(9) Status of the project - Completed / Ongoing.
1	NA	Promoting special education, vocational skills for differently abled at Munnar	2014-15	7 years	3.70	3.31	16.00	Ongoing
2	NA	Affordable Healthcare for all	2014-15	7 years	2.50	3.00	19.51	Ongoing
3	NA	Promoting gender equality and empowering women & girls	2014-15	7 years	0.50	0.36	2.50	Ongoing

Board's Report

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (Rs. In Cr.)	Cumulative amount spent at the end of reporting Financial Year. (Rs. In Cr.)	Status of the project - Completed / Ongoing.
4	NA	Livelihood enhancement of women in up cycling of laminates	2014-15	7 years	0.12	0.12	0.85	Completed
5	NA	Supporting Cancer-affected children	2014-15	7 years	0.20	0.20	1.42	Ongoing
6.	NA	Project Jalodari – water and sanitation	2019-20	2 years	1.00	1.00	2.80	Ongoing
7.	NA	Rural Development	2019-20	2 years	3.00	3.00	6.00	Ongoing
8.	NA	Promoting special education, vocational skills for differently abled at Kodagu	2019-20	2 years	0.25	0.25	0.50	Ongoing
9	NA	Supporting elderly during Covid 19 with nutritional foods	2020-21	1 year	0.50	0.50	0.50	Completed
10	NA	Promoting education with Jaago Re scholarships	2016-17	5 years	0.12	-	0.28	Ongoing
TOTAL					11.89	11.74	50.36	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not applicable.

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

Sd/-
Siraj Chaudhry
 Chairman of the CSR Committee and Independent Director
 (DIN 00161853)

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



Annexure 2 to the Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 (Formerly Tata Global Beverages Limited)** (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 2021, 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 2021 according to the provisions **as may be applicable** to the Company of:

- (i) The Companies Act, 2013 and any amendments thereof, (hereinafter collectively referred to as the "ACT") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as " Listing Regulations") ;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; Not applicable during the period under review;
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; Not applicable during the period under review as the Company is not acting as a Registrar and Share Transfer Agent;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the period under review ;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not applicable during the period under review.

Board's Report

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

I have also examined compliance of Secretarial Standards on the Meetings of the Board of Directors (SS-1), General Meetings (SS-2) made effective 1st July 2015 and Dividend (SS-3) made effective 1st January, 2018 (voluntary adoption by the companies) issued by the Institute of Company Secretaries of India.

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

I further report that:

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

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

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

I also report that the Company, during the period under review has acquired the entire stake of PepsiCo, Partner in the Joint Venture of Nourishco Beverages Limited and thereby Nourishco Beverages Limited has become a Wholly-Owned Subsidiary of the Company.

I also report that in line with the Company's strategic intent of entering new adjacent categories in the food space, the Company had entered into Share Purchase Agreements and Share Purchase Investment Agreement with Kottaram Agro Foods Private Limited (hereinafter referred to "KAFPL") and in terms thereof the Company had acquired 100% equity in KAFPL and consequently KAFPL has become a Wholly-Owned Subsidiary of the Company. Subsequently, the name of KAFPL was changed to **Tata Consumer Soulfull Private Limited** in the period under review.

It may be noted that I have conducted on-line verification & examination of records, as facilitated by the Company (where ever required), due to Covid-19 and subsequent measures taken by the concerned authorities, for the purpose of issuing this Certificate.

Sd/-

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary

Date: May 6, 2021
Place: Kolkata
UDIN: F002302C000248604

FCS No. 2303
Certificate of Practice No. 880
Peer Review – 792/2020



ANNEXURE "A"

(TO THE SECRETARIAL AUDIT REPORT OF TATA CONSUMER PRODUCTS LIMITED (Formerly Tata Global Beverages Limited) FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021)

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

My Report for the financial year ended 31st March 2021 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.

Sd/-

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary
FCS No. 2303
Certificate of Practice No. 880
Peer Review – 792/2020

Date: May 6, 2021
Place: Kolkata

Annexure 3 to the Board's Report

REQUIREMENT PURSUANT TO SECTION 186 OF COMPANIES ACT 2013

Particulars of Investment made, and Guarantee/Loan given during the year 2020-21:

Particulars of Investment made Guarantee given and loan given	Name of the Entity	Amount (Rs. in Crores)	Purpose for which Loan, Guarantee is proposed to be utilised by the recipient
Investments	Tata Starbucks Private Limited	97.50	Not Applicable
	Tata Consumer Soufull Private Limited (formerly Kottaram Agro Foods Private Limited)	155.80	Not Applicable
	NourishCo Beverages Limited	13.00	Not Applicable
Guarantee	-	-	-
Inter Corporate Loan	Kannan Devan Hills Plantations Company Private Limited	3.00	General Corporate Purpose

For details of Investments made in Mutual Funds, refer note 6 of the Standalone Financial Statements.

On behalf of the Board of Directors

Mumbai
May 6, 2021

Sd/-
N. Chandrasekaran
Chairman
(DIN 00121863)



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, 2021 are given below:

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

Non-Executive Directors	Ratio to median remuneration*
Mr. N. Chandrasekaran, Chairman [@]	-
Mr. P. B. Balaji [#]	-
Mr. Harish Bhat [#]	-
Mr. S. Santhanakrishnan	16.20
Mr. Siraj Chaudhry	14.06
Mr. Bharat Puri	16.44
Mrs. Shikha Sharma	16.37

Executive Directors	Ratio to median remuneration
Mr. Sunil D'Souza [^]	239.02
Mr. L. Krishnakumar	95.76

Notes:

*Median remuneration computation is based on a total employee head count of 2852, of which approximately 1800 employees are within collective bargaining process.

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

[#]In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata companies. Accordingly, no commission is paid to Non-Executive (Non-Independent) Directors - Mr. Harish Bhat (resigned w.e.f. August 7, 2020) and Mr. P. B. Balaji (appointed w.e.f. August 8, 2020).

[^]Appointed as Managing Director & CEO of the Company w.e.f. April 4, 2020.

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. N. Chandrasekaran, Chairman [@]	-
Mr. P. B. Balaji [#]	-
Mr. Harish Bhat [#]	-
Mr. S. Santhanakrishnan	18.60%
Mr. Siraj Chaudhry	22.20%
Mr. Bharat Puri [§]	-
Mrs. Shikha Sharma [§]	-
Mr. Sunil D'Souza	-
Mr. L. Krishnakumar [*]	8.80%
Mr. John Jacob, Chief Financial Officer ^{**}	2.50%
Mr. Neelabja Chakrabarty, Company Secretary ^{**}	2.90%

Notes:

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

[#]In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata companies. Accordingly, no commission is paid to Non-Executive, Non-Independent Directors - Mr. Harish Bhat (resigned w.e.f. August 7, 2020) and Mr. P. B. Balaji (appointed w.e.f. August 8, 2020).

[§]Since the remuneration paid in previous year (FY 2019-20) was only for part of the year, percentage increase in remuneration is not comparable and hence, not stated

^{*}For the purposes of 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 UK has also been considered for computation of increase.

[^]Since Mr. Sunil D'Souza was appointed as Managing Director & CEO of the Company w.e.f. April 4, 2020, percentage increase in remuneration is not applicable and hence, not stated.

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

Board's Report

- (c) The percentage increase in median remuneration of employees in the financial year was 62% (impacted by significant headcount increase during year arising from integration initiatives).
- (d) The number of permanent employees on the rolls of the Company as on March 31, 2021 was 2852 employees.
- (e) Average percentile 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:

Average percentage increase for other than managerial personnel (excluding unionized staff) works to around 3.70% and the percentage increase for all employees was 7.90%. Increase in the managerial remuneration was 63.55% on a like to like basis (including compensation paid from a subsidiary company in the UK). Percentage increases for various categories are granted based on market trends and performance criteria.

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

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

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

- (h) Disclosure under Section 197(14) of the Companies Act, 2013

Mr. L. Krishnakumar, Executive Director & Group CFO, received remuneration of Rs. 39.3 lakh from the Company's overseas subsidiary, Tata Consumer Products GB Limited during the year 2020-21. (The remuneration drawn in GBP has been converted into INR at average exchange rate).

On behalf of the Board of Directors

Sd/-
N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
May 6, 2021



Annexure 5 to Board's Report

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

A. Conservation of Energy

Energy conservation measures taken during the financial year 2020-21:

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

- Installation of Auto Power Factor Controller (APFC) & Power Factor Correction in Sampla, Coalberth, Indore & Aurangabad Plants resulting in savings of Rs. 6.16 lakhs.
- Energy savings through the interlocking system at Kellyden Plant resulting in savings of Rs 2.18 lakhs.
- Fixed poly carbonated sheets for natural sun lighting at Bangalore tea plant & Water Plant at Paonta Sahib.
- Installed ATS (Automatic Transfer and Sharing of load as per consumption) for effective utilization of Solar Energy at Water Plant, Paonta Sahib.
- Replacement of 76 fluorescent tubes with LED light fixtures at Tata Tetley Division, with an estimated saving of 850 KWh per year.
- Replacement of 30 HP Air compressor with energy efficient 25 HP compressor (IE-4 motor) including VFD, at Tata Tetley Division with an estimated saving of 14,500 KWh per year.
- Installation of 20HP, 10HP, and 5HP VFDs for pumps, FD fan, blower, conveyors at Instant Tea Division, resulting in savings of Rs 14.5 lakhs per annum.
- Installation of 30HP, 10HP, and 7.5HP IE3 motors for pump and FD fan applications, at Instant Tea Division, resulting in savings of Rs 1.7 lakhs per annum.
- Modification of Automatic Power Factor Controller panel capacitor bank to 60kVAR, according to the minimal and variable loading pattern in Withering factory, estimated saving of Rs 1.7 lakhs per annum.
- Installation of LED lighting inside the plant and automatic streetlight controller using a timer at Instant Tea Division, expected saving of Rs. 1.52 lakhs per annum.

- Installation of Tuflite sheets (translucent fiberglass sheets) in 96% of labour quarter units and replacement of fluorescent tubes with LED Lights at Pullivasal Plant and Periakanal Estates, Munnar.

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

- The Solar power plant of 50 KW commissioned at Nagpur CFA, the first installation in a salt packing facility.
- The Solar power plant with a total capacity of 1065 KW (established between 2017/18 to 2019/20) is operational in beverage plants located at Sampla, Kellyden, Nonoi, Hyderabad & Pullivasal.
- 0.8 T diesel-fired boiler replaced with 1 T briquette fired boiler at Water Plant, Paonta Sahib.

3. Capital investment in Energy Conservation Equipment

Spent of Rs 38 lakhs for briquette fired boiler at Water Plant, Paonta Sahib

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

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

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

During the year, the Company launched a number of new products – Tata Tea Gold Care, Tetley Immune, Tata Tea Quick chai, Tata Tea Tulsi, Tata Sampann Thin Poha, Tata Sampann Dhokla mix, Tata Sampann Ragi Dosa and Idly mix, Tata Sampann Daliya Khichdi, Tata Sampann Haldi Doodh Mix, 1868 by Tata Tea,

Sonnets by Tata Coffee, Tata Fruski Jeera Masala, Tata Fruski Lemon Masala in new PET bottle SKUs. This has been achieved through the efforts taken on technology and product & pack development and collaborations with different business partners.

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

Collaboration with major ingredient manufacturers and suppliers like Givaudan, IFF, Firmenich, Symrise, Kerry continued during the year for the development of newer formulations. Tata Elxsi, Sidel, Packfora were engaged with developments specific to packaging. Collaborated with Swani spices for co-creation and launch under Tata Sampann's range of spices & blends. Collaborated with Mother dairy, Doehler, Arihant Pure Chem, Hexagon nutrition, for the development of water plus and fruit-based beverages.

Projects were taken up with Central Food Technological Institute (CFTRI), Mysore and Central Scientific Instruments Organization (CSIO), Chandigarh for basic research and development-oriented projects. Central Institute of Petrochemicals Engineering & Technology (CIPET), Chennai was engaged for a project on recyclable laminates.

Service agreements were entered/continued between Analytical labs – Eurofins Analytical Services-Bangalore, TUV-SUD- Bangalore, TUV India Private Ltd (TUV NORD)-Pune, SGS Private Limited, ALS Testing Services India Private Ltd, Vimta Labs-Hyderabad, Intertek India Pvt. Ltd, Dove Research & Analytics Lab, Envirocare Labs Pvt Ltd, FICCI Research and Analysis Center, NCML-Unjha, and Neogen-Cochin for analytical support. The food safety risk is managed through a Specification Management System developed and optimized by Hamilton-Grant, UK. Laboratory Information Management System (LIMS) provided by Analytical Information System (AIS), UK is used for managing analytical data archiving and retrieval.

- b) Active engagement with different companies was taken up during the year for packaging development:

Engagement with Dow Chemicals continued for options on sustainable packaging. The continued engagement has happened with various vendors on recyclable & compostable packaging. Initiatives on cost-saving options and re-structuring have been undertaken with vendors and industry experts. For the development of rigid packaging, we have engaged with Tata Elxsi and Sidel.

For developing printing options, designing and developments involving re-engineering of packing material, we have engaged with ITC, Uflex,

Paharpur, Creative Polypack, Amcor and with ITC, Sidel, Manjushree Technopack Limited, Hitesh Plastics, Piramal Glass, Hindustan National Glass, Beri Cap, Bharath Tin, and Swiss Packs. For designing Pack artwork, we have engaged with ICARUS, Bangalore, and ENCEPT, Mumbai. During the year online artwork approval system "ALIA" from SGS&CO, Mumbai is being used.

During the year, for designing Pack artwork and developing content for advertisements, we have engaged with Agencies like Icarus, Wunderman Thomson, TILT, Lowe Lintas, Mullen Lintas, Dentsu Impact, Tree Frogs, Elephant Design, Ogilvy, Adglobal 360 & AGL. For online artwork approval, the ALIA system offered by SGS&CO has been used during the year.

External recognition was received for the work done in Packaging Innovation with the INDIASTAR 2020 Award for the packaging of Himalayan Sparkling Water and Tata Tea Tulsi Green. The INDIASTAR Award is the national award for recognizing Excellence in Packaging.

(iii) In 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.
- 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 2020-21:

Capital Expenditure	Rs. 0.50 Crores
Revenue Expenditure	Rs. 13.95 Crores
Total R&D expenditure as a % of Net Sales is	0.20 %

(C) Foreign Exchange earnings and outgo in FY 2020-21:

Foreign Exchange earned	Rs. 322.69 Crores
Outgo of foreign Exchange	Rs. 90.49 Crores

On behalf of the Board of Directors

Sd/-

N. Chandrasekaran

Chairman

(DIN 00121863)

Mumbai
May 6, 2021