

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF TATA CONSUMER PRODUCTS LIMITED
(FORMERLY KNOWN AS TATA GLOBAL BEVERAGES LIMITED)**

Opinion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below) which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020 ("the Statement") of **TATA CONSUMER PRODUCTS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in paragraph (a) of Auditor’s Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company’s Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company’s ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

1.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.

1.

- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

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

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

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

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (“SRE”) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’, issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company’s personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

1.

Other Matters

- On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 “Audit Evidence – Specific Considerations for Selected Items” and have obtained sufficient audit evidence to issue our unmodified opinion on these Standalone Financial Results. Our report on the Statement is not modified in respect of this matter.
- Attention is drawn to Note 5 to the Statement which states that the Standalone Financial Results includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the third quarter of the current financial year after giving effect of the Scheme as referred in the Note 1 of the financial results which were subject to limited review by us. Our report is not modified in respect of this matter.
- Attention is drawn to Note 5 to the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report is not modified in respect of this matter.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN: 20039826AAAACE2638

Place: Mumbai
Date: May 14, 2020



Tata Consumer Products Limited
(Formerly Tata Global Beverages Limited)

Registered Office: 1 Bishop Lefroy Road Kolkata-700020

CIN - L15491WB1962PLC031425, Email : investor.relations@tataconsumer.com, Website : www.tataconsumer.com

Standalone Financial Results for the quarter and year ended March 31, 2020

Rs. in Crores

Particulars	Three months ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2020	2019*	2019	2020	2019
	Refer Note 5	UnAudited	Refer Note 5	Audited	Audited
Revenue from Operations	1335.31	1463.45	784.05	5690.24	3429.66
Other Income	16.70	24.81	26.61	117.75	182.51
Total Income	1352.01	1488.26	810.66	5807.99	3612.17
Cost of materials consumed	527.09	601.49	500.86	2305.02	2055.97
Purchase of stock-in-trade	287.42	309.21	8.25	1123.86	23.65
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(26.40)	(10.28)	(30.85)	44.36	0.16
Employees benefits expense	74.35	69.09	49.67	283.44	216.85
Finance costs	6.79	7.16	3.24	25.73	13.18
Depreciation and amortisation expense	33.00	29.40	8.73	114.82	31.68
Advertisement and sales charges	107.92	107.69	62.85	384.91	226.55
Other expenses	204.55	179.36	134.21	744.63	468.21
Total Expenses	1214.72	1293.12	736.96	5026.77	3036.25
Profit before Exceptional Items and Tax	137.29	195.14	73.70	781.22	575.92
Exceptional Items (Net)	(41.41)	(0.84)	-	(51.81)	-
Profit before Tax	95.88	194.30	73.70	729.41	575.92
Tax Expense					
Current Tax	2.11	(1.42)	(23.54)	0.61	(160.57)
Deferred Tax	(27.06)	(49.89)	3.10	(206.48)	(4.42)
Total Tax Expense (net of reversals)	(24.95)	(51.31)	(20.44)	(205.87)	(164.99)
Net Profit after Tax (A)	70.93	142.99	53.26	523.54	410.93
Other Comprehensive Income					
<i>i) Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit plans	(9.56)	(2.56)	10.76	(28.18)	4.67
Changes in fair valuation of equity instruments	4.67	5.38	(8.40)	9.84	(3.77)
	(4.89)	2.82	2.36	(18.34)	0.90
Tax impact of above items	3.44	0.64	(3.93)	7.47	(1.80)
	(1.45)	3.46	(1.57)	(10.87)	(0.90)
<i>ii) Items that will be reclassified to profit or loss</i>					
Gains/(loss) on effective portion of cash flow hedges	(1.67)	(2.20)	1.53	(6.53)	4.23
Tax impact of above item	0.68	0.57	(0.54)	2.13	(1.48)
	(0.99)	(1.63)	0.99	(4.40)	2.75
Other Comprehensive Income (B)	(2.44)	1.83	(0.58)	(15.27)	1.85
Total Comprehensive Income (A+B)	68.49	144.82	52.68	508.27	412.78
Paid-up equity share capital (Face value of Re. 1 each)	92.16	92.16	63.11	92.16	63.11
Reserves excluding Revaluation Reserves				10735.99	4358.71
Earnings per share (Basic & Diluted) (not annualised for the quarter) - Rs.	0.77	1.55	0.84	5.68	6.51

* Restated(Refer Note 1)

Notes:

1. In accordance with the Scheme of arrangement (Scheme) between the Company and Tata Chemicals Limited (TCL) as approved by Hon'ble National Company Law Tribunal, Kolkata Bench, the Consumer Product Business (foods business) of TCL was demerged and transferred to the Company with effect from the Appointed date of April 1, 2019, in consideration of 114 equity shares of the Company of Re.1 each fully paid up for every 100 equity shares held in TCL of Rs 10 each fully paid up. The effective date of the Scheme was February 7, 2020. Upon the Scheme becoming effective, the results of the foods business have been accounted in the books of the Company but with effect from April 1, 2019, and the reported numbers of the earlier quarters' have been restated. The Foods business contributed revenue from operations of Rs 2064 Crores (Q4: Rs 524 Crores) and profit before tax of Rs 264 Crores (Q4: Rs 56 Crores).
Pursuant to the Scheme, the name of the Company was also changed to Tata Consumer Products Limited with effect from February 10, 2020.
2. For the quarter, Revenue from operations increased by 70% as compared to corresponding quarter of the previous year of which increase of 67% is on account of inclusion of foods business, branded beverages business has improved by 6 % due to growth in volume and value offset by 3% reduction in income from other businesses. Profit before exceptional item and tax at Rs. 137 crores is higher by 86% as compared to corresponding quarter of the previous year of which increase of 76% is on account of inclusion of foods business, and 10% improvement is from beverages business. Consequently, Profit after Tax at Rs 71 crs is higher as compared to corresponding quarter of the previous year on account of inclusion of food business partly offset by higher exceptional items.
3. Exceptional item for the current quarter represent Scheme Costs and Business Integration Costs in relation to foods business
4. Effective April 1, 2019, the Company has adopted Ind AS 116 – Leases and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on April 1, 2019, using the modified retrospective method, with the cumulative adjustments to retained earnings. Accordingly, comparatives for the year ended March, 31 2019 have not been restated. On transition, the cumulative effect of applying the standard resulted in Rs 15 cores being debited to retained earnings, net of taxes.
5. Figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year.
6. In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial results, and therefore, no separate disclosure on segment information is given in these Standalone financial results.
7. Statement of Assets and Liabilities as at March 31, 2020 along with comparatives is annexed.
8. The company continues to manufacture and supply essential food and beverage items even in the current COVID environment. Extended lock down conditions have had some adverse impact on sales due to disruptions in the market openings and supply chain primarily where there is reliance on traditional channels. Impact on future operations would to a large extent depend on how the pandemic develops and the resultant impact on businesses.
9. The Board of Directors has recommended a dividend payment of Rs 2.70 per share (Face value Re. 1 each) for the year ended March 31, 2020.
10. Previous period's figures have been regrouped / rearranged, to the extent necessary, to conform to current period's classifications.
11. The aforementioned results were reviewed by the Audit Committee of the Board on May 14, 2020 and subsequently taken on record by the Board of Directors at its meeting held on May 14, 2020. The Statutory Auditors of the Company have audited these results.

Sunil D'Souza
Managing Director and CEO

Mumbai: May 14, 2020



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Audited Statement of Assets and Liabilities as at March 31, 2020

	March 31, 2020	March 31, 2019
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	225.32	223.84
Capital work-in-progress	22.16	10.52
Investment Property	-	0.65
Right of Use Assets	124.88	-
Goodwill	3578.51	-
Other Intangible Assets	2523.83	18.06
Intangible Assets under development	5.99	6.73
Financial Assets		
Investments	2324.91	2318.59
Loans	22.35	16.77
Other Financial Assets	24.68	20.41
Deferred Tax Assets (Net)	-	33.86
Non-Current Tax Assets (Net)	123.06	63.38
Other Non-Current Assets	87.64	83.49
	9063.33	2796.30
Current Assets		
Inventories	919.95	846.91
Financial Assets		
Investments	724.51	497.74
Trade Receivables	314.17	181.92
Cash and Cash Equivalents	243.24	408.96
Other Bank Balances	494.53	63.99
Loans	0.66	8.13
Other Financial Assets	75.20	37.42
Other Current Assets	214.84	163.08
	2987.10	2208.15
TOTAL ASSETS	12050.43	5004.45
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	92.16	63.11
Other Equity	10757.85	4380.57
TOTAL EQUITY	10850.01	4443.68
Non-Current Liabilities		
Financial Liabilities		
Lease Liability	121.82	-
Provisions	137.52	115.25
Deferred Tax Liabilities	149.22	-
	408.56	115.25
Current Liabilities		
Financial Liabilities		
Borrowings	35.00	4.53
Lease Liability	23.69	-
Trade Payables		
Total outstanding dues of Micro enterprise and Small enterprises	4.31	3.50
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	442.73	235.92
Other Financial Liabilities	120.11	99.17
Other Current Liabilities	75.91	65.31
Provisions	73.96	20.65
Current Tax Liabilities (Net)	16.15	16.44
	791.86	445.52
TOTAL EQUITY AND LIABILITIES	12050.43	5004.45

As at April1, 2019, net assets of Rs 2536 crs and goodwill of Rs 3562 crs was recognised in the Balance sheet with credit to Equity, on account of the Scheme of Arrangement (Refer Note1).



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Audited Statement of Cash Flows for the year ended March 31, 2020

Rs in Crores

	Particulars	March 31, 2020	March 31, 2019
A.	Cash Flow from Operating Activities		
	Net Profit before Tax	729.41	575.92
	Adjusted for :		
	Depreciation and Amortisation	114.82	31.68
	Dividend Income	(47.15)	(81.25)
	Unrealised Exchange (Gain) / Loss	(1.69)	0.17
	Finance Cost	25.73	13.18
	Fair value movement in Financial instruments at fair value through profit and loss	3.31	(4.14)
	Interest Income	(46.57)	(38.31)
	Profit on sale of Current Investments (net)	(24.88)	(33.45)
	Impairment loss recognised in trade receivables (net of reversal)	(1.11)	0.51
	(Profit) / Loss on sale of Property, Plant & Equipment (net)	1.33	0.40
	Exceptional Items	51.81	-
	Other Non Operating Income	-	(25.21)
	Operating Profit before working capital changes	805.01	439.50
	Adjustments for:		
	Trade Receivables & Other Assets	(118.96)	(102.51)
	Inventories	80.96	(102.51)
	Trade Payables & Other Liabilities	37.05	(9.18)
	Cash generated from Operations	804.06	225.30
	Direct Taxes paid (net)	(59.03)	(127.83)
	Net Cash from/(used in) Operating Activities	745.03	97.47
B.	Cash Flow from Investing Activities		
	Payment for Property, Plant and Equipment and Intangibles	(65.28)	(53.52)
	Sale of Property, Plant and Equipment	0.11	0.17
	Sale of Non Current Investments carried at Fair value through OCI	53.20	1.16
	Acquisition of Business	(101.01)	-
	Investment in Joint Ventures	(53.00)	(35.80)
	(Purchase) / Sale of Current Investments (net)	(201.89)	73.39
	(Placement) / Redemption Fixed deposits (net)	(430.65)	240.00
	Dividend Income received	47.15	81.25
	Interest Income received	41.38	35.42
	Inter Corporate Deposits and Loans (net)	1.75	3.50
	Net cash from / (used in) Investing Activities	(708.24)	345.57
C.	Cash Flow from Financing Activities		
	Working Capital facilities (net)	35.00	(60.00)
	Payment of Lease Liabilities	(28.97)	-
	Dividend paid	(157.78)	(157.78)
	Dividend Tax paid	(29.12)	(24.67)
	Finance Cost paid	(17.11)	(4.71)
	Net Cash from / (used in) Financing Activities	(197.98)	(247.16)
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(161.19)	195.88
	Opening balance of Cash & Cash equivalent	404.43	208.55
	Closing Cash & Cash Equivalent	243.24	404.43
	Reconciliation with Balance Sheet		
	Cash and Cash Equivalents	243.24	404.43
	Add : Bank Overdraft		4.53
	Balance at the end of the year	243.24	408.96