May 15, 2019

National Stock Exchange of India Ltd.	**Bombay Stock Exchange Ltd.**	**Calcutta Stock Exchange Ltd.**
Exchange Plaza,5th floor	Corporate Relationship Dept.	7 Lyons Range
Plot No. C/1, G Block	1st Floor, New Trading Wing	Kolkata 700 001
Bandra Kurla Complex	Rotunda Building, PJ Towers	Scrip Code – **10000027**
Bandra (E)	Dalal Street	**(Demat)**
Mumbai 400 051	Mumbai 400 001	**27 (Physical)**
Scrip Code – **TATAGLOBAL**	Scrip Code - **500800**	

Sub: Annual Report- Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Sir,

As required under the Regulation 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, please find attached herewith Annual Report for the Financial Year 2018-19 along with the notice of Annual General Meeting.

The Annual Report for the Financial year 2018-19 is uploaded on the website of the company (www.tataglobalbeverages.com).

Kindly take the same on your record and acknowledge.

Yours Sincerely,

For: **TATA GLOBAL BEVERAGES LIMITED**

Neelabja Chakrabarty
Vice President & Company Secretary

TATA GLOBAL BEVERAGES LIMITED
11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India
Tel 91 22 6121 8400 Fax 91 22 6121 8499
Registered Office 1 Bishop Lefroy Road Kolkata 700 020
Corporate Identity Number - L15491WB1962PLC031425
e-mail investor.relations@tataglobalbeverages.com
website www.tataglobalbeverages.com

TATA GLOBAL BEVERAGES

Annual Report 2018-19

FLAVOURS OF GROWTH

WHICH PAGE IS IT ON?

26

HOW WE CELEBRATE OUR CONSUMERS' LOVE FOR TEA AND COFFEE

Nurturing a closer bond between the consumer and the brand, with experiences that are enjoyable and memorable.

30

HOW WE ALIGN WITH TODAY'S ASPIRATIONS

Introducing new categories that fulfill the emerging requirements of the modern consumer.

34

HOW WE REIMAGINE AND CREATE DIGITAL-READY PROCESSES

Implementing cutting-edge digital strategies that enable greater agility and precision and optimise existing processes.

Our approach to reporting

About this Report

We are taking incremental steps to usher in the next wave of efficiency and growth through 'Integrated Reporting'. We seek to disclose the material impact of our business operations across both financial and non-financial metrics to our stakeholder fraternity, helping them make informed decisions. The Report provides insights into our key strategies, operating environment, the operating risks and opportunities, governance structure and the Company's approach towards long-term sustainability.

Reporting principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India.
The non-statutory section of the Report is guided by the International Integrated Reporting Council (IIRC) framework.

Scope and boundary of the Report

This Report includes information that is material to our stakeholders and it presents an overview of the Company's major operations in India and abroad, along with the associated activities that help in short, medium and long term value creation.

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HOW WE FIND THE SWEET SPOT BETWEEN EFFICIENCY AND SCALE

Establishing an agile enterprise that can adapt and upgrade its operations to reinforce its competitive strengths in a dynamic marketplace.

42

HOW WE COMMIT TO POSITIVE CHANGE

Being the consumer's first choice in sustainable beverage production and consumption.

Leadership accountability

The Company's senior management, under the Managing Director's supervision, have reviewed the Report content. The Board Members of the Company have provided the required governance oversight and ensured risk management and controls.

Read the online version here

http://www.tataglobalbeverages.com/investors/investor-relations/annual-reports

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FLAVOURS OF GROWTH

2018-19 WITNESSED US EMBARK ON A NUMBER OF INITIATIVES TO ACCELERATE BUSINESS GROWTH.

Growth for us covers multiple facets. It extends to more than metrics; growth is also a mindset and needs to be embedded in the culture of an organisation. Over the last few years, we have embraced several initiatives that will help us achieve sustainable growth. Growth has many flavours and we are imbibing this understanding in everything we do – whether it is catering to multiple consumer preferences across geographies, enhancing our capabilities, improving our processes, creating innovative products or strengthening our sustainability practices.

We remodelled our organisation structure to enable better process efficiency and agility. We are exploring new categories such as the Out-of-Home (OOH) and Ready-to-Drink (RTD) segments with pilot projects. We are also creating new categories with our Super Teas fortified with vitamins and minerals and Cold Infusions, which are moving tea to different beverage consumption occasions. We have identified white space opportunities, which will enable us to grow faster. To do all of this, we need to step up our capabilities and have invested in digitisation across our business and outsourced routine operations in order to help us better focus on our core business.
Our sustainability initiatives are helping us deliver better products and span our supply chain, from sustainable sourcing and waste management to exploring environment-friendly packaging solutions.

We believe these initiatives will help us harness the potential of our brands and deliver long-term sustainable growth to all our stakeholders. Within the pages of this Report, you will read more about them and we hope they will give you a glimpse into the flavours of growth.

ABOUT US

Tata Global Beverages (TGB) is a natural beverage business focussed on tea, coffee and water. We have evolved from our strong Indian heritage rooted in tea plantations, to a global brand focussed on serving our consumers worldwide.

OUR VISION

To be the most admired natural beverages company in the world by making a big and lasting difference in tea, coffee and water

OUR PURPOSE

We will focus on creating magical beverage moments for consumers, and an eternity of sustainable goodness for our communities.

OUR VALUES

accomplish with AGILITY

CONSUMER centricity

lead by INNOVATION

COLLABORATE to succeed

doing GOOD

#2

player in branded tea in the world

40+ **countries with significant brand presence**

2,000+

SKUs produced across tea, coffee and water

2018-19 AWARDS AND ACHIEVEMENTS

- Indore Packeting Centre in India won the prestigious Golden Peacock National Quality Award 2018-19
- Bangalore Packeting Centre in India became the first TGB plant to win the Confederation of Indian Industry (CII) award for Outstanding Performance in Food Safety 2018
- Eight O' Clock plant in Landover, USA, recognised as a 2018 Champion of Maryland Manufacturing

- Tata Tea Jaago Re 2.0 received 4 EMVIES from the Advertising Club Bombay, India:
  - EMVIE for Good – GOLD
  - Best On-going Media Campaign – EMVIE SILVER
  - Best Media Innovation: Best Use of Influencer Marketing for a brand – EMVIE SILVER
  - Best Media Innovation: Branded Content – EMVIE BRONZE
- Tata Tea ranked #2 in ET Brand Equity's India's Most Trusted Brands in the Hot Beverages category, for the second consecutive year
- Tetley Super Teas in Canada awarded BrandSpark International's Best New Product 2019 – Hot Tea category

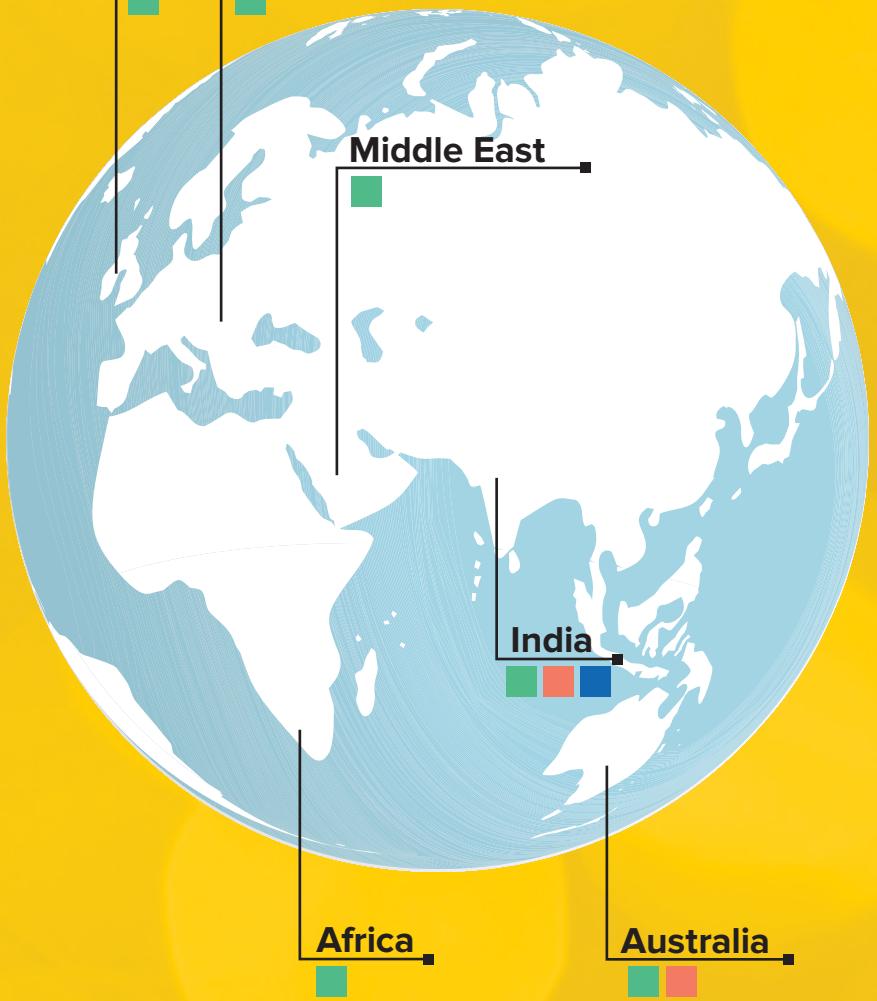
- Tetley in the UK won four Great Taste Awards at the 2018 edition, for:
  - Tetley Original
  - Tetley Super Green Tea – Detox
  - Tetley Super Herbals – Detox
  - Tetley Blend Collection – Extra Strong
- DARE School (part of Srishti Trust, Munnar supported by TGB) recognised as one of the Best Special Education Schools in India in Brainfeed School Excellence Awards 2018-19

2,000+
branded business workforce

330+ MILLION
servings of our brands consumed every day across the world

ABOUT US CONTINUED

OUR BRANDS



INDIA

Tata Tea and Tetley

Tata Coffee Grand

Himalayan, Tata Water Plus and Tata Gluco+

INTERNATIONAL

UK

Tetley and Teapigs

Europe

Tetley, Tata Tea, Vitax and Jemca

Middle East

Tetley and Tata Tea

Africa

Laager and Tetley

Australia

Tetley, Teapigs and Good Earth

MAP

Tea Coffee Water

Tea

TATA TEA · Tetley · teapigs. · vitax · JEMCA · GOOD EARTH · Laager

Note: Map not to scale

INTERNATIONAL

USA

Tetley, Good Earth and Teapigs

Eight O' Clock

Himalayan

Canada

Tetley, Tata Tea and Teapigs

Eight O' Clock

Tea Coffee Water

Eight O'Clock map Coffee Tata Coffee Grand

Water

Himalayan Tata Water Plus Tata Gluco+

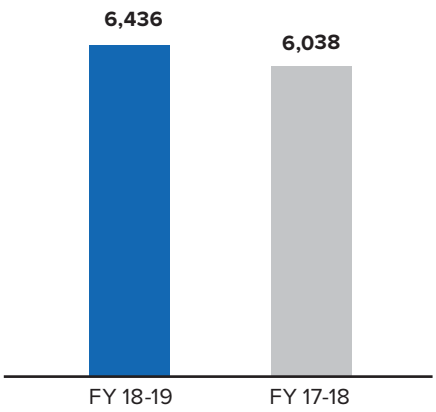
PERFORMANCE HIGHLIGHTS 2018-19
(CONSOLIDATED)

Rs. 7,252 CRORES
Revenue from Operations

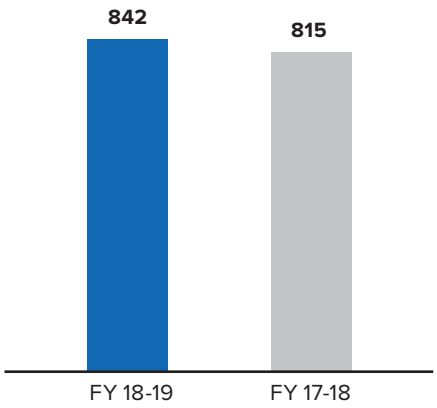
Rs. 768 CRORES
Profit before Exceptional Items and Tax

SEGMENTAL REVENUE (IN Rs. CRORES)

Branded



Non-branded



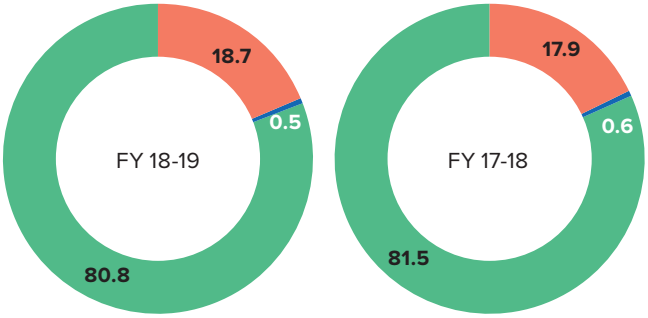
(Including intersegment sales)

Rs. 457 CRORES
Net Profit

Rs. 6.47
Earnings Per Share

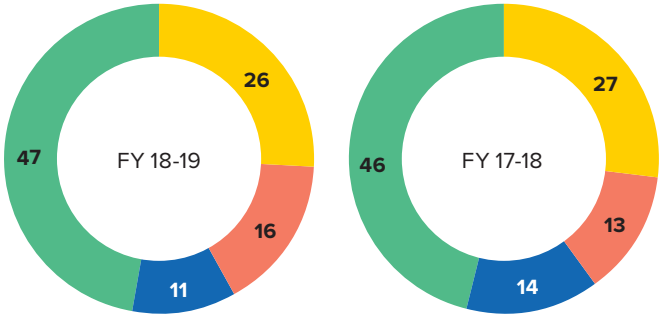
BRANDED SALES (IN %)

Category-wise



Tea
Coffee
Others

Brand-wise



Indian Tea Brands
Tetley
Eight O'Clock
Others & Speciality Brands

BRAND HIGHLIGHTS

TEA

Tata Tea

For the second consecutive year, Tata Tea retained its #2 position in Economic Times brand ranking of India's Most Trusted Brands in the Hot Beverages category

Premium

- Continued to be the largest packaged tea brand in India and maintained its leadership position in 2018-19[1]
- Introduced Tata Tea Premium in France and widened the availability of the brand in Europe

Gold

- Underwent a restage this year with a premium and differentiated packaging distinct from any other brand in the category
- Introduced a thematic film and a product film to target different consumer segments
- Accelerated growth momentum on account of the restage and other strategic initiatives across key geographies

Elaichi Chai

- Sustained growth momentum in key markets and gained from key competitors and regional/local players
- Recognised as the fastest-growing tea brand at an all-India level[2]

Chakra Gold

- Retained position as the 2nd largest brand by value market share in South India[3]
- Underwent a restage with new pack design and communication
- Launched two value-dded variants: Activ+ and Elaichi

Kanan Devan

- Retained its challenger position in its key market of Kerala[3]
- Launched a value-added variant, Kanan Devan Duet

Gemini

- Showed robust growth, continuing to be the market leader in[3]

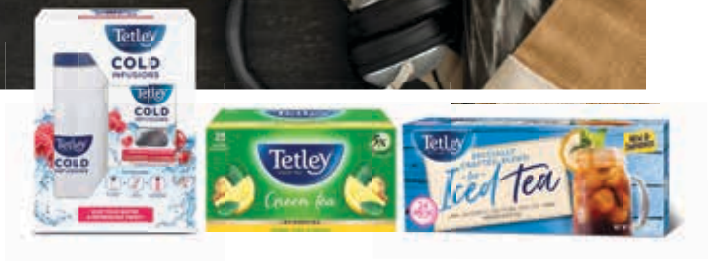
Agni

- Continued to be the key volume driver of the Tata Tea portfolio[4]
- Gained significantly from unbranded/loose tea players

Masala

- Recorded good response in western India and showed good consumer retention rates[4]

Sources:
1: MAT Mar '19, Nielsen
2: MAT Feb '19, Nielsen
3: MAT Mar '19, Nielsen



Tetley

UK

- Launched Cold Infusions Fruit & Herbal range, specifically developed to brew in cold water, attracting new, younger consumers into the Tea category
- Introduced new variants in the Super Teas range – Super Tea Multivitamin and Super Tea Digestion
- Won four Great Taste Awards
- #1 Decaf brand, with #2 position in Green and the 'new to market' Cold Infusions category[5]

Rest of Europe

- Launched two premium black SKUs in Portugal
- Awarded the prestigious 'Consumer Choice Award' in Portugal for the 4th consecutive year in both Hot Tea and RTD Categories
- Launched two new products within the Signature Premium range in France

US

- Relaunched Tetley Black Iced Tea portfolio with a new blend, new packaging and revised positioning – Get Sweet on Tea!
- Relaunched the flagship Tetley British Blend with inner foil for added freshness and new graphics and positioning

Canada

- Introduced Tetley Super Teas, Canada's first line of teas fortified with vitamins and minerals

Australia

- Launched a unique on-pack promotion to reinforce the wellness aspect of green tea

India

- Recorded a dramatic turnaround in growth, led primarily by green tea bags

Middle East

- Launched Tata Chai products (Masala and Elaichi) across the Gulf Cooperation Council (GCC) markets

Poland

- Expanded portfolio with five Tetley Super Teas

South Africa

- Tetley Pure Green is the #1 green tea in the South African market less than two years into its launch; Tetley Lemon Green tea is the #2 flavoured green tea SKU in the market less than a few months into its launch[6]

Sources:

4: Household Consumption data, Kantar World Panel and Product Offtakes from Shops, Nielsen Mar '19

5: MAT Feb '19, Nielsen

6: IRI sales out data

BRAND HIGHLIGHTS CONTINUED

OTHER TEA BRANDS

Good Earth

- Witnessed second consecutive year of growth in USA (riding on the expanded Sweet & Spicy range and new packaging)
- Added three new flavours to the Good Earth Kombucha range in Australia and launched marketing activations that helped expand sales in Grocery and Food Service

Vitax

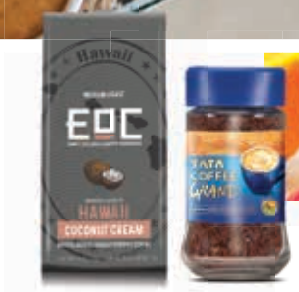
- Relaunched functional tea – Health Secret – and expanded portfolio with one novelty tea – Sugar Expert

Teapigs

- Became the first tea brand in the UK to use the Plastic Free logo on our tea temple range as verified by A Plastic Planet (a UK movement that aims to dramatically reduce the amount of plastic used in food and drink worldwide)

Jemča

- Assumed market leadership in volume terms in Czech Republic
- NPD launch included two new SKUs in the fruit tea segment



COFFEE

Eight O'Clock

- Refreshed brand campaign launched across TV, radio and digital with a new brand messaging – Get Together Around Eight O'Clock
- Launched two new line extensions: Barista Blends and Flavors of America

Tata Coffee Grand

- Relaunched the instant coffee portfolio with a refreshed blend as well as new and improved pack graphics that highlight the unique instant decoction crystals
- Created a special and premium Roast and Ground (R&G) coffee to commemorate 150 years of the Tata group – this was a good opportunity to enter the small but growing specialty R&G segment in India

MAP

- Exited the Caffitaly capsule system and signed a licensing agreement to be the first branded offering in the 2nd largest capsule system in Grocery – K-fee

WATER

Tata Water Plus

- Registered double-digit growth in PET format in 2018

Tata Gluco Plus

- Continued to be the volume and profit driver for the portfolio registering double-digit growth; now present in Tamil Nadu, Andhra Pradesh and Odisha while rollout has commenced in Delhi, West Bengal and Jharkhand

Himalayan

- Launched the premium Himalayan glass bottle in both still and sparkling versions, receiving an excellent response

OUT OF HOME

Tata Cha

- Operating six stores across prime locations in Bengaluru; relevant menu interventions helped deliver consistent growth in revenue
- Launched an exclusive Cha Sommelier programme for Tata Cha 'buddies' (employees)

FROM THE CHAIRMAN'S DESK

The opportunities ahead of the Company are exciting and energising for all of us.

DEAR SHAREHOLDERS,

I am pleased to write to you on the performance of Tata Global Beverages during the year 2018-19. Apart from being one of the world's largest branded tea companies, with iconic brands such as Tetley and Tata Tea, the Company also has presence in the branded coffee and water markets, with well-regarded brands such as Eight O'Clock Coffee and Himalayan water. Coffee, tea and water are natural beverages and we

We have a strong brand portfolio, backed by the power of the Tata brand, which will help us achieve our aspirations for the future.

believe that the global consumer trend towards health and wellness will therefore benefit the Company's portfolio immensely, in the years ahead.

In the year under review, the Company has delivered a mixed performance, but has also undertaken many focussed initiatives that will help build a healthy future. While consolidated revenues have grown at 6% during the year, net profits have declined compared to the previous year.

The Indian branded tea market, which is at the core of the Company's business, not only witnessed healthy growth, but also increased competition. The Company has worked intensively at strengthening its position during the year, by focusing on its flagship brands such as Tata Tea Premium, through enhanced brand investments, and also through multiple new blends of tea customised for the tastes of each region. Simultaneously, the Company has also recognised the urgent need to modernise its sales and distribution network through appropriate technology and make it future ready. Work on this front has commenced in right earnest.

Tetley Tea, the Company's global brand, performed well in some key geographies such as Canada, where it is the market leader. However, in the UK, where Tetley is a strong and much-loved brand, the business has been affected by the continued degrowth in the black tea market. Tetley is taking several steps to address this challenge. Tetley Cold Infusions, an innovative new product launched in the UK during the year, has received encouraging response.

The Company has to craft the right strategy for its branded coffee business in USA, which recorded lower levels of performance compared to the previous year. The branded coffee market in USA has witnessed consolidation over the past few years and recrafting the Eight O'Clock coffee business in this new environment is critical to its growth and success.

Tata Coffee, the Company's subsidiary, has invested in growth of its Instant Coffee business, by establishing a state-of-the-art, new freeze-dried instant coffee plant in Vietnam.

Overall, a core challenge ahead of the Company lies in leveraging its strong assets, including its brands, its deep category expertise and sales networks, to move up to a far higher trajectory of growth. This will require innovation in the core portfolio and scaling up the business in chosen geographies.

The opportunities ahead of the Company are exciting and energising for all of us. The large India opportunity, over the years ahead, will see tens of millions of Indian consumers across this vast country, aspire to use reputed brands that offer them very good quality and value. This will undoubtedly lead to accelerated growth in India, for several categories of consumer-packaged goods, including tea, coffee and water. Across the world, the trend towards health and wellness will also ensure that these natural beverages continue to grow as preferred drinks.

Tata Global Beverages will focus on taking the right strategic actions and building a strong set of future-focused capabilities and platforms, to seize these opportunities. We have a strong brand portfolio, backed by the power of the Tata brand, which will help us achieve our aspirations for the future.

May I take this opportunity to thank our employees as well as our business associates, for their hard work and commitment over the past year. On behalf of the Board, I would like to extend my gratitude to all of you, our shareholders, for your consistent support.

Warm regards,

N. Chandrasekaran
CHAIRMAN

MD AND CEO'S STATEMENT

There is immense opportunity for growth in India and we are increasing our focus on this market.

DEAR SHAREHOLDERS,

Your Company posted steady growth in 2018–19 with a 6% growth in revenue. Profit was impacted due to one-off items, commodity costs in India and increased brand investment. The India business recorded strong topline growth during the year, with 9% volume improvement, showing growth across both its national and regional brands. In our international markets, we have achieved good revenue growth in key markets driven by growth in market share in the UK and the K cups operating model change in USA.

Rising tea commodity costs in India, the continuing decline of the everyday black tea category in UK and increased competitive intensity in international markets are some of the challenges your Company had to counter during the year.

We are at an important stage in our journey. Over the last year, your Company has undertaken key initiatives to drive long-term growth – strengthening its core brands, exploring new categories, streamlining its operations for better organisational effectiveness and agility, and embedding digitisation in key areas of the value chain.

We are increasing our focus on India.

There is immense opportunity for growth in India and we are increasing our focus on this market. We are proud of the fact that for the second consecutive year, Tata Tea was ranked #2 in the Hot Beverages category in the Economic Times Brand Equity's 'Most Trusted Brands'

survey. We are premiumising our portfolio in India, through brands such as Tata Tea Gold, Tetley Green Tea and Himalayan mineral water. We invested in our regional brands, bringing out value-added variants that leverage white space opportunities and counter challenges posed by local brands. Our premium national brand, Tata Tea Gold was relaunched with a bold new pack design. Tetley Green Tea has posted exceptional growth during the year post its media campaign.

We are simplifying our business.

Key to this was the restructuring of our operations, wherein we merged our overseas businesses into a single unit – the International Business – facilitating greater synergies and better agility.
The year also marked the first full year of transition in USA, for Eight O' Clock coffee pods, from a royalty agreement with Keurig to TGB controlling the majority of the sales channel. We believe this will help our long-term growth.

We are innovating by building on our category strengths.

Consumers are increasingly focussed on health and wellness, demanding more premium experiences and being more open to experimentation. In India, we are catering to regional flavour palates with customised blends such as Tata Tea Spice Mix Elaichi and Tata Coffee blends for R&G and the Hot Tea Shop (HTS) segment. In Canada, we launched the Tetley Super Teas with three variants (Immune, Boost and Antioxidant) that were the first line of teas fortified with vitamins and minerals in that market.

We are exploring new categories for growth.

We are already piloting new categories in India such as Tata Cha in tea cafes, Tata Fruski in the RTD segment and Tata Tea Quick Chai, which is a 3-in-1 tea mix offering convenience without compromising on the taste of boiled tea. In the UK, we launched Tetley Cold Infusions, an entirely new category that moves tea to new consumption occasions.

We are strengthening our Joint Ventures (JVs).

Tata Starbucks now has 146 stores across 8 cities in India. Its latest store in Bangalore is its largest coffee-forward store and celebrates every aspect of the coffee journey, from the bean to brewing styles. NourishCo, our JV with PepsiCo, recorded good growth during the year due to improved performance by Tata Gluco Plus and Tata Water Plus. Himalayan was launched in a premium glass bottle version for both its still and sparkling variants and received excellent consumer feedback from premium hotels and restaurants.

We are embedding digitisation across our value chain.

Digitisation is changing the way consumers engage with beverages. E-retail will account for a much larger share of business and our brand communication is being tailored to the online ecosystem. Our digital transformation initiative in Sales and Distribution relies on the Distributor Management System as its foundational block – giving us secondary sales data in real time. We are digitally enabling our salesforce through an automation tool that will increase productivity and enhance time spent on driving sales. We are also leveraging digitisation in our tea sourcing and coffee blending processes.

We continue to strengthen our sustainability initiatives.

All the tea that we source for Tetley in our International Business is 100% Rainforest Alliance certified. In India, your Company is co-funding Trustea, a programme that aims to sustainably transform Indian tea. We are actively collaborating with relevant stakeholders to find sustainable packaging solutions to mitigate and manage packaging waste in a holistic manner. All tea packeting centres of TGB in India and the UK are zero waste to landfill.

I thank you, our shareholders, for your continuing support. I value your ongoing trust and confidence in the organisation.

Warm wishes,

Ajoy Misra
MD AND CEO

MARKET CONTEXT

Success involves learning from the past, understanding the present and anticipating the future. TGB is aligned with evolving consumer preferences, shifting market conditions and emerging trends. We are well placed to navigate the dynamic retail operating environment we are present in and to create opportunities for TGB to succeed.

As per Euromonitor, the retail sales of the global hot drinks market (tea, coffee and other hot drinks) is estimated to be US$ 152 billion in 2018. In the next five years, the category is projected to grow by CAGR of 3% to generate a retail revenue of US$ 175 billion in 2023. Growth is led by the Instant Coffee (emerging economies), Coffee Pods (developed economies, primarily USA) and Black Tea (emerging economies) sub-categories. In the developed countries, there is a shift in consumer preferences from Black to Non-Black in Tea and Instant to Pods in Coffee. While online retail/ e-commerce is a nascent channel in India, it has started to gain traction in developed economies.

Growth is led by Instant Coffee (emerging economies), Coffee Pods (developed economies, primarily USA) and Black Tea (emerging economies) sub-categories.

Preference for premiumisation

Shopping habits continue to evolve with aspirations increasing across the globe, led by growing disposable incomes and increasing education levels. People today expect far greater choice and flexibility in their consumption basket. Premium prices bundled with desired product benefits are gaining wider acceptance.

Increasing awareness for healthier lifestyle

Higher health awareness has significantly impacted the Hot Drinks industry by stimulating consumers to switch to natural and organic offerings that contain less sugar, have pure ingredients and are sourced locally. Moreover, consumer attitudes on the linkage between diet and health have shifted. Beverages today are perceived as a complement to a person's dietary and training routines, serving multi-functional purposes of immunity enhancement, blood sugar management, energy recharge and so on.

New route-to-market models

The OOH consumption trend for beverages is growing as the millennial generation spends more money on food outside their home and work. Social occasions, such as the International Coffee Week, show increasing signs of acceptance, tapping into the unmet aspirations of consumers.

Evolving stakeholder expectations

As natural resources are becoming scarcer, a corporate's operating license now encompasses stakeholder expectations that extend beyond just the letter of the law and regulations. Consumers are looking at their beverage differently and want more unique and authentic experiences beyond ordinary consumption. Companies must continuously improve their environmental and social performance to be truly sustainable.

Beverages today are perceived as a complement to a person's dietary and training routines.

MARKET CONTEXT CONTINUED

HOW WE ARE RESPONDING

Our strategy reflects the changing marketplace and our business is well positioned to continue adapting to these changes to achieve our end goal of delighting consumers. To do so, we take proactive approaches, navigate shifts in expectations and demonstrate agility in execution and delivery.

Delivered through...

Portfolio focus

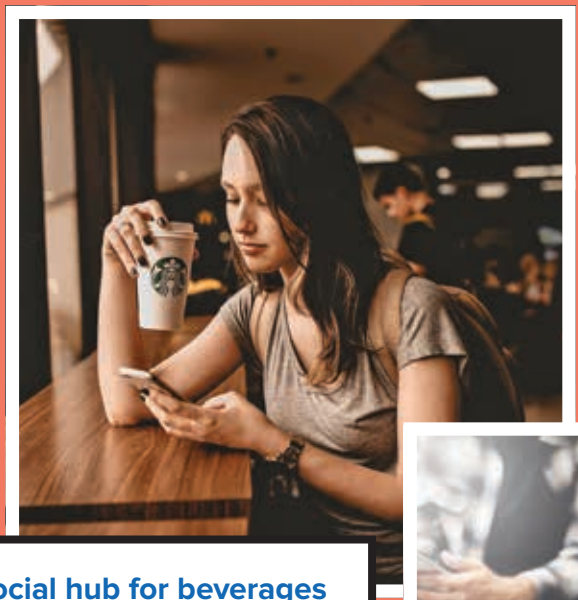
We are increasing our focus on domestic business and select key international markets to deliver growth. In these markets, your Company has a strong 'right to win' and sizeable market share position to gain scale. We are also closely looking at cost initiatives, including structuring and monitoring our underperforming businesses to drive profits.

Strong revenue growth performance, improved brand equity, restructuring of our international business management team and other cost initiative projects undertaken during the year

Innovation

We are primarily a "Black Tea" Company that is building scale in the Non-Black Tea category. We are doing this by offering innovative products with differentiated propositions to our consumers. In Coffee, we are innovating to drive growth and improve brand strength. Our innovation agenda will address specific health and wellness concerns of our consumers in the coming year.

Tetley Cold Infusions, Eight O'Clock New Flavors of America, Eight O'Clock Barista Blends, Tata Tea Chakra Gold Activ+, Tata Tea Teaveda, Tata Fruski, Good Earth Kombucha, Himalayan Sparkling and Tetley Super Teas



Social hub for beverages

We have been sensitive to the unarticulated need of consumers to socialise with the larger tea-and coffee-drinking communities. We are creating unique concept-led experiences whose relevance urban, pan India consumers can identify with.

Tata Cha and Tata Starbucks

Accelerating digital agenda

In this digital era, we are increasing focus on online channels (including our own website and other platforms) to reach our consumers and are developing digital marketing approaches for our products. We are also focusing on digitisation across our supply chain to drive operational productivity.

Great Coffee Break by Eight O'Clock (Digital Escape Room Game), digitisation of the Tea Buying and Blending function and building digital capability in our Sales and Distribution

Sustainability considerations

Sustainability is at the core of all aspects of procurement, product development, production and packaging at TGB. Our initiatives aim to fulfil the expectations of our stakeholders.

Sustainable sourcing, responsible use of water and energy, waste management, minimised plastic use and reduced carbon footprint

BUSINESS MODEL

Our business model supports our growth, and defines the activities we engage in, the relationships we depend on and the value we seek to create in our supply chain.

The resources and relationships we depend on

Financial capital

Our business activities require financial capital, which includes shareholders' equity, debt and operating cash.

Rs. 7,332 CRORES shareholders' equity

Rs. 4,008 CRORES raw material procurement spend

Human capital

Our people bring expertise, experience and strong capabilities, driving growth, innovation and efficiency in all aspects of our business.

145 new employees hired

30,000+ training person-hours

Intellectual capital

Our intellectual property includes our intangible assets such as our enduring brands, recipes, packaging, product innovations as well as our systems for operational effectiveness.

20 innovation projects

Manufactured capital

As a beverage company, we require state-of-the-art production, packaging and logistics assets that complement our focus on quality, innovation and customer delight.

23 own factories

30+ co-manufacturing

Natural capital

Water is the most important ingredient for nearly all our products. Besides, our operations are intricately intertwined with the natural ecosystems of the plantations where we source from, the locations we manufacture in and the units we package our finished goods in.

46 MILLION M^3 in water consumption

36 MILLION KWH in energy consumption

Social and relationship capital

We derive our license to operate from the trust of our stakeholders. The most valuable stakeholder relationships we enjoy are with our people, customers, suppliers and partners as well as governments and regulators.

2,700 suppliers

4,500+ direct and indirect distributors

How we create value

01

Responsible input use

- We procure the finest tea and coffee from suppliers across **14** countries who meet our quality, safety and ethical standards.
- Water and energy are also critical inputs, which we seek to source responsibly and use efficiently.
- **8.5%** improvement over last year's KWh/tonne energy consumption.
- **~12%** of our total energy usage is procured from renewable sources, up from ~7% last year.

02

Efficiency in manufacturing

- Our passion for quality and efficiency extends to everything we sell – tea, coffee and water.
- We continuously manage our inputs and invest in capacities and capabilities, while leveraging a disciplined use of working capital, to manufacture and package our products.
- Our factory operations globally have achieved zero waste-to-landfill.
- We produced **1,71,991** tonne of tea, **11,752** tonne of coffee and **218** lakh bottles of Himalayan water.

03

Streamlined logistics and distribution channels

- We deliver packaged tea, coffee and water to over **20** lakh outlets across **40** countries.
- Our strong multi-product proposition enables us to manage both retailer and customer expectations.

04

Conscious consumer

- We continue to innovate our product portfolio to meet emerging trends in the market.
- We are attuned to consumers who have become more conscious of the social and environmental impact of consumption decisions, developing greater brand loyalty, better customer engagement and improved competitive advantage.
- Our social awakening campaign Tata Tea Jaago Re received four EMVIE awards, including Gold for EMVIE for Good.

The value we created in 2018-19

Shareholders	**Rs. 7,252 crores** earned in revenue **Rs. 715 crores** earned in operating profit *Read more on Page 8 for our financial and non-financial performance*
Customers	**15** new products launched **16** new flavours introduced
Supply chain partners	**100%** tea sustainably sourced for Tetley overseas through Rainforest Alliance **60%** tea sustainably sourced for Tata Tea brands in India through Trustea
Employees	**2,000+** branded business workforce **18%** improvement in all-accident rate (total accidents/one million hours worked) **30%** women in the business
Communities	**Rs. 8.09 crores** in statutory CSR spend **6,00,000** CSR beneficiaries

STRATEGIC ROADMAP

01

REJUVENATING THE BASE BUSINESS

Our core brands and markets account for a substantial part of our net sales. Ensuring that we have a vibrant core business is therefore critical to our overall performance.

What we did

- Restructured the organisation design with a redefined matrix architecture
- Simplified global management with a single-point leadership

What we want to do

- Continue to strengthen brand health and leverage global synergies and insights

Capitals impacted

Associated risks

- Changing consumer preferences
- Industry consolidation
- Market volatility
- Currency volatility

02

INVESTING FOR GROWTH

We are unlocking new markets and categories and investing in brands, putting quality first, while also expanding manufacturing capacity to support our growth in volume and value.

What we did

- Signed an agreement to set up a new state-of-the-art manufacturing unit in Odisha
- Tata Coffee forayed into overseas production with a freeze-dried coffee plant in Vietnam
- Opened 4 new Tata Cha stores
- Tata Starbucks opened 30 stores and is now present in eight cities

What we want to do

- Evaluate inorganic opportunities for expansion in core markets
- Prioritise entry into high-growth scalable categories

Capitals impacted

Associated risks

- Industry consolidation
- Market volatility
- Currency volatility

03

DRIVING INNOVATION

Building on our existing brands, fulfilling evolving consumer aspirations and creating eco-efficient, quality products are key focus areas of our innovation.

What we did

- Sustained focus on innovation in Non-Black Tea categories (such as Cold Infusions and Super Teas) and in white spaces
- Entered adjacencies to address different customer segments and market requirements
- Launched 15 new products

What we want to do

- Continue to develop innovative solutions that target underserved consumer needs

Capitals impacted

Associated risks

- Changing consumer preferences

04

OPERATING EFFECTIVELY

We are transforming the Sales and Distribution management, while focusing on everyday efficiency, effectiveness and agility to reduce costs and fuel our growth.

What we did

- Digitised coffee cupping and tea sourcing processes
- Outsourced non-core operating activities
- Recorded our first Lost-time Accident-free quarter in the first three months of the year

What we want to do

- Launch initiatives for digitisation, sales force automation, distribution optimisation and supply chain efficiencies

Capitals impacted

Associated risks

- Product safety and integrity
- Cyber security
- Legal non-compliance

05

REVIEWING PORTFOLIO OPTIONS

Our broad portfolio means we have leading positions across many of our markets, enabling us to meet varying consumer needs. We are premiumising our portfolio as well as leveraging trends such as health and wellness.

What we did

- Growing market share in tea
- Creating a portfolio of RTD natural beverages
- Building on our pilot of tea retail stores
- Pursuing accelerated growth in the JV with Starbucks

What we want to do

- Deliver profitable growth with a balanced portfolio of multi-category brands
- Create a pan-India retail experience, leveraging the brand salience of Tata Tea

Capitals impacted

Associated risks

- Changing consumer preferences
- Market volatility

CAPITALS

- Intellectual
- Social and Relationship
- Manufactured
- Natural
- Human
- Financial

EXPERIENTIAL OFFERINGS

HOW WE CELEBRATE OUR CONSUMERS' LOVE FOR TEA AND COFFEE

We have, time and again, sought to delight our consumers by offering them differentiated beverage experiences and new blends. For the longer term, we are strengthening the foundation for a closer bond between the consumer and the brand by immersing them in experiences that are enjoyable and memorable while positioning TGB as a wholesome natural beverages enterprise.

Consumers are increasingly willing to venture out and find new social experiences, valuing environments that cater to this unarticulated need for a 'third place' between work and home. A natural extension of our product ecosystem is to create a social hub with beverages at the core and we are focussing on moving up the value chain with our Out-of-home (OOH) retail offerings, celebrating tea and coffee.

OVER A CUP OF TEA

As Tata Cha turned one in October 2018, we are happy to report that we are successfully forging ahead in our mission to serve the warmth of chai, cup after cup, day after day.

We started with a pilot store in Bangalore, which has scaled to six outlets this year in the city. The stores provide an array of hot and cold beverages, traditional snacks, dunkers and atypical meals – all aimed at elevating the 'tapri chai' experience and attracting consumers across age groups.

With more upcoming outlets in the offing, we are all set to make our mark in the fledgling OOH tea retail segment, reaching out to millennials and youth who seek innovative beverage options and elevated experience. Stores have recorded a consistent, stable and profitable performance. Innovative offerings and festive menus at regular intervals have helped sustain the buzz and revenues.

1,50,000+
cups of chai

80,000+
plates of breakfast and snacks

EXPERIENTIAL OFFERINGS CONTINUED

LET'S GO GET COFFEE!

Tata Starbucks continues to carve its unique identity in India with coffee-forward experiences.

India's largest coffee-forward store

The newly opened Tata Starbucks store at Vittal Mallya Road – 140th in India and 22nd in Bangalore – serves as the bridge to a unique sensorial experience while showcasing our expertise, craft and passion for all things coffee.

The store pays tribute to every aspect of the coffee journey – the bean, grind, brewing styles and the skills of Starbucks Coffee Masters – bringing us closer to our patrons. The store features two separate bars: an espresso bar and a brew bar. At the heart of the espresso bar lies the state-of-the-art Black Eagle espresso machine that allows the skill of our partners to come alive as they customise a perfect shot of espresso. The brew bar offers customers a range of other brewing techniques. The store also marks a first for Starbucks in India with an affogato station, where coffee craft meets ice-cream to create a range of unique beverages.

The store marks a first for Starbucks in India with an affogato station, where coffee craft meets ice- cream to create a range of unique beverages.

Starbucks Brewtober

The stores marked International Coffee Day on 1st October with a week-long celebration titled 'Starbucks Brewtober', successfully engaging with urban youth while highlighting the brand's expertise as a global coffee major. Consumers had the opportunity to experience several immersive and experiential activities that brought coffee lovers together and took them on a journey of coffee exploration, while showcasing Starbucks' legacy of processing and roasting.

Oct 1

Travel the world in seven sips

A chance to sip seven international whole-bean coffees handpicked from seven different parts of the coffee belt

Oct 2-5

Farm to Cup story

A coffee-tasting experience that brought to the fore Starbucks' commitment to ethically sourcing coffee and supporting global farming communities

Starbucks Coffee Experience Bar

A masterclass in the art, craft and science behind different cups of coffee

Latte Art in the form of a Heart (All Day)

A way to show how Starbucks partners pour their heart out to every customer; all lattes across all stores were served with heart-shaped art.

Oct 6

Starbucks 100

A day that Starbucks shared coffee love with all customers by offering any Short/Tall beverage at only ₹100 across all stores.

Oct 7

Celebrating My Starbucks Rewards®

An exclusive offer for Gold Members under the My Starbucks Rewards® Programme

Tata Starbucks seeks to convert to 100% compostable and recyclable packaging material across all outlets in India by June 5, 2019.

Say 'No' to waste!

As Tata Starbucks continues to grow, so does its commitment to be a positive force in India. Sustainability is embedded in the fabric of our mission. We seek to convert to 100% compostable and recyclable packaging material across all outlets in India by World Environment Day on June 5, 2019. The initiative spans material like compostable wooden cutlery and stirrers, compostable paper cups and straws, cap lids made from corn starch and recyclable splash sticks used in take-away orders, and glassware for all food and beverages.

DIFFERENTIATED PORTFOLIO

HOW WE ALIGN WITH TODAY'S ASPIRATIONS

Amid a growing awareness and preference for premium, natural and differentiated product alternatives in food and beverages, TGB continues to focus on carving new categories and fulfilling the emerging requirements of the modern consumer.

Our approach to evolving our portfolio is simple: we develop new beverages, flavours and packaging to meet the varied needs of our consumers. We recalibrate our blends, providing healthier options to consumers, while retaining the core elements of taste and refreshment that they love.

We are adding more muscle to our power brands, debuting innovative offerings at the premium end of the spectrum and prioritising entry into large, high-growth categories such as tea-based cold beverages, flavoured waters and functional drinks. This is in tune with the gradual shift in consumer aspirations towards differentiated products.

A REFRESHING TWIST TO WATER – THE TETLEY WAY!

Tetley is taking on the flavoured water market in the UK with the launch of Tetley Cold Infusions, an affordable range of fruit and herbal brews. Each pack contains premium-grade ingredients with pieces of real fruit to deliver on taste, it also helps actualise health goals of consumers as it is free from caffeine, artificial flavours, sugar and sweeteners.

The range includes four flavours: Raspberry & Cranberry; Passionfruit & Mango; Orange & Peach; and Mint, Lemon & Cucumber, plugging the gap in the flavoured water category by delivering a natural, delicious product at an affordable price point.

Tetley Cold Infusions are also available as part of a starter kit, which includes 12 infuser bags and a bespoke 650 ml reusable drinking bottle.

DIFFERENTIATED PORTFOLIO CONTINUED

A 'SUPER'-LATIVE PERFORMANCE!

Tetley's Super Teas' success reached Canada in September 2018 with the Immune, Boost and Antiox variants. It is Canada's first line of teas fortified with vitamins and minerals and crafted to complement an active, balanced lifestyle. In a short span of time, Tetley Super Teas became the top performing tea variant of all new teas launched this year.

Customised specially for Canadian consumers, it has become one of Tetley's 10 fastest-selling Specialty SKUs. With a 72% distribution score vis-à-vis a target of 50%, the new Super Teas have driven 25% of the value growth in the Specialty Tea category. Over one-third of the households that purchased the Super Teas are first-time buyers, and 95% reviewers have rated it positively. BrandSpark accorded Tetley Super Teas with the 2019 Best New Product in Hot Tea award after it surveyed 18,000 Canadians.

Of the 1,067 SKUs in the Specialty Tea category in Canada, the three new Tetley Super Teas have driven 25% of total category value growth.

95%
reviewers recommend Tetley Super Teas

THE NEW STARS OF THE SOUTH!

We are consolidating our position in the legacy markets of South India, conceptualising new products keeping in mind evolving lifestyle needs.

Tata Tea Chakra Gold Activ+
The first variant under the Chakra Gold brand is a blend of Assam tea with natural extracts of kokum and amla, giving tea drinkers a spirited start to their day. The variant is expected to strengthen our portfolio play and build equity in the fast-growing premium tea segment in the key markets of Tamil Nadu, Andhra Pradesh and Telangana.

Tata Tea Kanan Devan Duet
This addition to the Kanan Devan brand is a unique combination of the taste of black tea and the goodness of green tea. With the launch of Tata Tea Kanan Devan Duet in the brand's native state of Kerala, we are targeting those seeking to shift to a healthier lifestyle without compromise on taste.

STIRRING A STRONG MESSAGE OF SELF-AWAKENING

Our product portfolio is supported by impactful brand communications. Tata Tea Chakra Gold has always championed the cause of empowering South Indian women in its advertising over the years. In a recent commercial, we go a step ahead and combine the powerful emotional quotient associated with our 'Tata Tea Jaago Re' platform (a vehicle to address deep-seated societal issues and 'awaken' consumers to them) to stir the Telugu-speaking audience. We crafted an insightful film to inspire women on the path towards achieving financial independence while aiming to break the patriarchal and debilitating societal norms that stand against them.

DIGITISATION

HOW WE REIMAGINE AND CREATE DIGITAL-READY PROCESSES

In the wake of widespread digitisation, the organisation is evolving to combine operational changes and digital applications needed to underpin the experiences that today's consumers demand.

We are mapping out cutting-edge digital strategies that enable greater agility, and precision and optimise existing processes to yield improvements in performance.

OPTIMISING THE VALUE CHAIN

In India, we introduced two key digital initiatives in the year to drive informed decision making at the downstream level, and improve effectiveness of our sales and distribution.

The rich data from the Distributor Management Solution (DMS) and Sales Force Automation (SFA) solutions will support Predictive Analytics, Artificial Intelligence and Machine Learning algorithms.

As part of our digital road map, we will also focus on increasing collaboration across our network through a set of data-driven integration processes, including demand planning, supply and network planning, manufacturing scheduling and sourcing.

DMS

→ To give secondary sales data in real time

SFA

→ Digitally enable the sales force, increase productivity and enhance time spent on driving sales

DIGITISATION CONTINUED

ADVANCING THE ART OF COFFEE CUPPING

~200
person-hours saved annually through the Cupping Room App

Coffee cupping is how we taste coffee at our sampling laboratory and is one of the best ways to learn more about the flavour notes in brewed coffee. It is the process by which producers and consumers across the world gauge the quality of a batch of coffee. In cupping, we score coffee for aspects such as cleanness, sweetness, acidity, mouthfeel and after-taste.

We developed a special Cupping Room App that captures sampling data in an intuitive, efficient and organised manner, synchronised with the physical processes taking place in the laboratory. The app is highly customisable (new items, tests and targets can be easily added) and complete with one-touch sampling identification.

Key functionality

- Collection of sample identification information
- Capture of test results
- Import of sampling data into the software screen

Key advantages

- Eliminates the need for paper and pencil
- Eliminates manual entry of sampling data
- Saves ~200 person-hours per annum
- Greatly improves data accuracy

SIMPLIFYING TEA SOURCING

In a breakthrough step towards digitising tea sourcing planning, sourcing analysis and buying, as well as distribution of the bought tea lots, we launched DigiTea, a custom cloud-based application built with SAP HANA. SAP HANA is an in-memory database developed by the cloud platform SAP, primarily to store and retrieve data as required by users.

DigiTea scores big in terms of performance, scalability and visibility across locations. With the new cloud-based application, we can transition to a central data storage model that provides increased visibility for decision making, besides serving as a platform for future digital interventions in tea buying.

Key functionality

- Data integration and connectivity
- Storage and analysis of large volumes of data in real time
- Centralised reporting and analytics

Key advantages

- Increases automation
- Reduces manual intervention
- Incorporates best practices and includes all necessary controls
- Increases mobility and accessibility

OUTSOURCING NON-CORE ACTIVITIES

Our quest for unmatched product quality is fully supported by advanced transaction processing activities. Tata Consultancy Services (TCS), with its extensive experience in the managed services domain, continues to partner with us to deliver overall process efficiency and maturity products by embedding tech-enabled best practices in the system.

We completed the transition of our back office processes in Human Resources, Finance and Operations to the TCS Development Centre in Kolkata. This will drive cost savings, business efficiency and digital capability for the business, while enabling our managers to focus on core activities, growth and expansion.

STREAMLINED OPERATIONS

HOW WE FIND THE SWEET SPOT BETWEEN EFFICIENCY AND SCALE

Operational efficiency involves streamlining processes, workflows and businesses at the front end as well as the back end. At TGB, we are striving to evolve an agile enterprise that can nimbly adapt and upgrade its operations to meet the rapidly changing consumer needs and reinforce its competitive strengths in a dynamic marketplace.

Our various operational levers complement each other to form an efficient and harmonious unit – one that can enhance margins and drive scalable growth. In 2018-19, our organisational efficacy scaled new milestones.

Maximum impact. Zero harm.

We recorded our first Lost-time Accident-free quarter in the first three months of the reporting fiscal. This is testament to the joint efforts of teams over the years towards imbibing a 'Zero Harm' safety culture, wherein we are working to affect a positive shift in attitude towards safety rather than making safety a prescriptive norm.

Highest-ever production volume

Our Indian business clocked a production volume of 11,500 tonnes in October 2018 – our highest ever! Production at our Sampla Packeting Centre, Haryana, alone crossed 3,000 tonnes in the same period.

Recognition for the Landover plant

Our Eight O' Clock Coffee plant in Landover, Maryland (US), was named one of the Top Champions of Manufacturing in the Growth and Productivity category, by the Maryland Regional Manufacturing Institute (RMI). This recognition reflects the plant's focus on automation, process improvement, training and development and employee engagement, resulting in significant productivity growth, an exceptional safety record, top-quality certification and commendable customer servicing.

The team from Eight O' Clock Coffee's plant in Landover, Maryland receiving the 2018 Champion of Maryland Manufacturing award

STREAMLINED OPERATIONS CONTINUED

REFINING THE OPERATIONAL MATRIX

TGB continually evaluates its businesses across geographies in line with its strategic priorities. For long-term business effectiveness, we restructured our international operations to enable better synergies, optimise costs and sustain our laser focus on core markets.

Our erstwhile EMEA and CAA units were merged into a single unit called the International Business, with experienced country heads in key markets, reporting to a single head. This will build greater alignment across the Company and bring in greater cost efficiencies.

We merged our overseas operations into a single unit – International Business, appointing experienced Country Heads in key markets who will be led by a single head for International Business.

STRENGTHENING PRODUCTION CAPACITY

To address growing demand and achieve economies of scale in production, we decided to step up our capacity with a new tea-packaging unit in the Gopalpur Industrial Park, Odisha. This plant will be set up through an agreement with Tata Steel Special Economic Zone, a wholly-owned subsidiary of Tata Steel. The capacity of the unit is estimated at ~36 million kg per annum and is likely to be operational by 2020.

It will be used for the manufacturing and storage of tea, as well as the warehousing of our products, including those of subsidiaries, associates and JV companies. The plant will add not only to our existing capacity, but also help sustain the momentum of our record-breaking production rate.

~36

MILLION KG/ANNUM
estimated overall capacity of the new unit

SUSTAINABILITY

HOW WE COMMIT TO POSITIVE CHANGE

We are determined to be the consumer's first choice in sustainable beverage production and consumption. We will achieve this by focusing on the fundamentals – mitigating climate change, managing our resources and partnering the development of communities.

We aspire to be knowledgeable, responsive and trustworthy and to adopt environment-friendly technologies, business practices and innovation, while pursuing long-term growth aspirations and enhancing stakeholder value.

OPERATIONAL SUSTAINABILITY

Sustainable sourcing

- All the tea that we source for Tetley in the International Business is 100% Rainforest Alliance certified. Tetley Green Tea in India is also certified by the Rainforest Alliance.
- We co-fund Trustea – one of the world's largest sustainable agriculture certifications representing 40% of Indian tea production, having certified over 550 million kg of tea in the country.

SUSTAINABILITY CONTINUED

OPERATIONAL SUSTAINABILITY CONTINUED

Carbon neutrality

The Himalayan water we export to USA is now certified CarbonNeutral® by Natural Capital Partners in the UK. This certificate verifies that the stated lifecycle carbon footprint of Himalayan water for USA market has been reduced to net zero using high-quality market-based instruments that meet the requirements of the CarbonNeutral® protocol and GHG Scope 2 guidance.

Circular economy in plastics

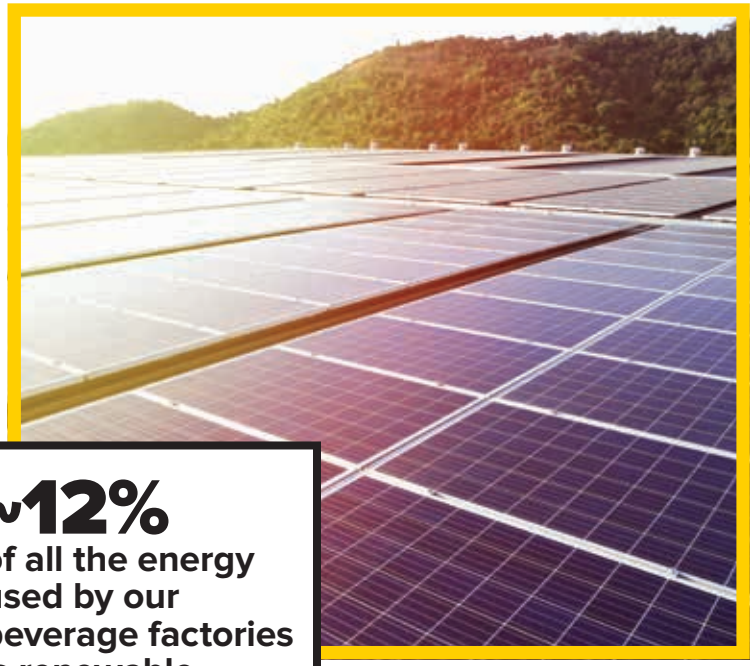
TGB UK officially joined UK Plastics Pact in October 2018. The Pact is a collaborative initiative between UK businesses across the plastics value chain, the UK government and NGOs to create a circular economy in plastics.

Water recycling

We initiated Project Jalodari, a Company-wide water management programme, with the goal of creating water harvesting and recharge structures in the beverage production units. The project helps raise awareness on water management in these units and the nearby communities. All the packeting centres in India now have water harvesting or recharge structures.

Renewable energy use

Our Himalayan factory in Paonta Sahib, Himachal Pradesh has commissioned a grid connected solar photo-voltaic (PV) system of 630 KWp that supplies ~25% of its total power requirement. Our Sampla Packeting Centre in Haryana has also commissioned solar PV modules using the latest multi-crystalline technology, while our Eaglescliffe factory in the UK utilises offsite solar power for its operations.



~12%
of all the energy used by our beverage factories is renewable

SOCIAL RESPONSIBILITY

Flood relief

- In the monsoon of 2018, Kerala and Karnataka received high levels of rainfall, leading to large scale destruction of life and property. The One-Tata response was coordinated by Tata Sustainability Group (TSG), with the leadership team consisting of Mr. S. Padmanabhan (Head Sustainability, Tata Sons), Mr. Bhaskar Bhatt (MD, Titan) and Mr. Ajoy Misra (MD and CEO, TGB). We were the lead Tata company for flood response in Kerala. By September 2018, the response covered four districts in Kerala and one in Karnataka. more than 100 Tata volunteers reached out to 30,000 flood victims, distributing 2,000 emergency kits.
- Our Pullivasal Packeting Centre coordinated the distribution of household emergency items at one of the relief camps at Koompanpara, Adimali.
- The Tata Coffee Kushalnagar factory stored bulk relief material and helped assemble it into kits. Doctors from High Range Hospital, Munnar and Rural India Health Project (RIHP), Ammathi provided emergency medical services to the affected people.

Community development

- Our mission, at TGB is to positively impact one million lives in Assam tea communities by 2022. We are co-funding a programme by UNICEF and the Ethical Tea Partnership (ETP) to improve the lives of Assam's tea communities by protecting their rights to survival, development, participation and protection – reaching out to 2,50,000 people, especially women.
- We offered affordable healthcare to 1,00,000 people via General Hospital, Munnar and Referral Hospital & Research Centre, Chubwa, Assam.
- Srishti Trust is a welfare centre for the differently-abled in Munnar. It is the umbrella under which we enable learning and economic opportunities to train and rehabilitate the differently-abled children of the local tea pluckers.

Aranya Naturals, a natural dye and special effects project led by Srishti, has been selected for the Nari Shakti Purashkar – the highest civilian honour for Indian Women

Aranya Naturals, a natural dye and special effects project led by Srishti, has been selected for the Nari Shakti Purashkar.
This is the highest civilian honour for Indian women in India.
Aranya Naturals was also recognised for its outstanding contribution to India's craft sector at the first International Craft Awards, and received the award from Maneka Gandhi, Union Minister for Women and Child Development, Government of India.

RISKS AND MITIGATION

Risk is inherent in every business. We periodically identify, assess and mitigate the risks that we consider to be most significant to the successful execution of our strategy. Leveraging on our established risk management framework and process, we prioritise and take efforts to mitigate the various risks as a part of our decision-making process.

Risk management

Risk management at TGB is an institutionalised process where the fundamental focus is on risks that could potentially impact mid- to long-term growth drivers of the organisation. Over the past few years the following key initiatives have been deployed:

- Enhancement of the risk management (RM) charter, policy and process
- Periodic workshops to constantly re-enforce the risk culture
- Detailed risk registers for key risks and mitigation plans covering different business divisions of the organisation

Apart from periodic management reviews, the risks are also regularly reviewed by the Board and Risk Management Committee (RMC).

The Audit Committee has additional oversight in financial risks and controls. A detailed analysis of the financial risk management is given as a part of the financials.

Risk management process

Understanding strategy

- Analyse:
  - strategic objectives
  - mid to long term growth drivers and initiatives
  - external changes

Key risk themes

- Periodic workshops with key stakeholders in management

Risk assessment

- Clear articulation of risk, business context and drivers using RM framework
- Risk assessment and prioritisation

Risk register

- Develop clear and specific mitigation plans with accountability and timelines

Reporting

- Present and align with:
  - regional management
  - Executive Office
  - RMC
- Integrate inputs from RMC

Monitoring

- Follow up on status of mitigation plans on periodic basis

Risk identification and assessment

Identifying key risks and uncertainties	Assessing them	Managing them
Changing consumer preferences	Consumer lifestyles and preferences are changing and there is a shift towards non-black options. our portfolio has a higher weightage of black teas.	■ Constantly reviewing portfolio while analysing customer requirements ■ Introducing a differentiated and innovative range of products keeping up with trends
Customer consolidation and competition	Customer consolidation may adversely affect market dynamics, diluting competitive advantages and putting pressure on pricing, promotion and customer acquisition strategies.	■ Collaborating with key customers to enhance performance and relationships ■ Improving cost efficiency and reinforcing leadership positions ■ Optimising footprint, with a balance of both high-growth developing markets and more stable developed markets ■ Building an extensive portfolio adjacent to the core brands
Inherent risk in innovation	Innovation fundamentally carries inherent risks attached to its success.	■ Implementing a structured innovation process from ideation to post-launch
Product safety and integrity	Poor quality or contamination could result in safety issues, reputational damage, financial losses and product recalls. Growing impact of a social media-led scrutiny and tougher legal environment can further magnify the impact.	■ Establishing a company-wide quality assurance programme, along with product testing and traceability programmes ■ Engaging with suppliers to comply with clear and stringent norms for raw material safety and quality ■ Supporting product compliance by seeking relevant external accreditations
Plantation yield	Plantation vertical of key subsidiaries depends on rainfall, ageing of bushes and pest attacks, among others.	■ Undertaking various initiatives by the subsidiary to improve plantation yield and profitability such as replanting with new varieties, irrigation facilities and pest management
Market volatility	Tea and coffee are subject to seasonal and market cyclicalities. Further business continuity can be impacted by political, economic and social events.	■ Developing market relationships and alternate supplier channels to safeguard the earnings and availability ■ Managing supply risk to spread the buying between public market volatility auction and private treaties ■ Establishing commodity risk management framework and hedging policy
Currency volatility	Volatility in currency exchange movements can pose challenges to our operations, diluting our earnings.	■ Establishing currency hedging policies and practices
Cyber security	We are exposed to the breach of information security through cyber-attacks.	■ Installing a comprehensive information security policy, insurance and monitoring systems to safeguard against any unforeseen events
Legal non-compliance	As a multi-geography consumer major, we are subject to extensive laws and regulations which are complex and changing that could affect our performance and reputation.	■ Drawing assistance for TGB and its subsidiaries from respective legal departments and/or external legal advisors ■ Developing and implementing internal policies and procedures to ensure compliance

GOVERNANCE FRAMEWORK

Good governance sits at the heart of our Company. The leadership continues to be highly effective in performing its role and ensuring that TGB adheres to the highest standards of corporate governance, accountability and risk management.

Our Board's principal focus during the year continued to be on the execution of our strategic objectives, as described in detail in Page 24, while managing the risks related to the external environment. Our Board has delegated specific tasks to its Committees. Reports from these Committees are set out in the Corporate Governance Report.

Statutory Board Committees[1]	Key responsibilities
Audit	■ Provide oversight of the financial reporting process and disclosure of financial information ■ Review the performance and effectiveness of the audit process (both statutory and internal audit); review and approve related party transactions ■ Scrutinise inter-corporate loans and investments ■ Evaluate our Company's system of internal controls and risk management and its compliance with laws and regulations ■ Frame and review policies and functioning related to the Whistle-blower mechanism, code of conduct and Prevention of Insider Trading Code
Nomination and Remuneration	■ Assist and advise our Board on matters relating to the appointment and remuneration of our Board members and senior management ■ Formulate criteria for the evaluation of performances of Independent Directors and the overall Board ■ Review and approve the remuneration of the Managing/Executive Directors and senior management and the remuneration/commission to the Non-executive Directors

1: Apart from the above statutory committees, we also have the 'Ethics and Compliance Committee', 'M&A and Divestiture Committee', 'Committee for Special Projects' and 'Executive Committee', the terms of reference of which are elaborated in the Corporate Governance section of this Annual Report.

Stakeholder Relationship

- Formulate policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from security holders from time to time
- Consider and resolve the complaints/grievances/queries/requests of security holders of our Company
- Approve transfer/transmission, dematerialisation and rematerialisation of equity shares in a timely manner
- Oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services

Corporate Social Responsibility (CSR)

- Formulate and recommend to our Board a CSR Policy that shall indicate the activities to be undertaken by our Company towards the CSR initiatives
- Monitor and provide guidance on our Company's policies on environment management, social responsibilities, health and safety, product stewardship, community development, principles of managing branded operations, etc.
- Provide guidance on welfare activities

Risk Management

- Identify and evaluate all types of risks that our Company/Group is exposed to
- Review the risk assessment and mitigation procedures, recommend to our Board a risk management plan for our Company and monitor the said plan

BOARD OF DIRECTORS
(AS ON MARCH 31, 2019)

Mr. N. Chandrasekaran
CHAIRMAN

Mr. V. Leeladhar
INDEPENDENT DIRECTOR

Mrs. Ranjana Kumar
INDEPENDENT DIRECTOR

Mr. Siraj Chaudhry
INDEPENDENT DIRECTOR

Mr. Harish Bhat
NON-EXECUTIVE DIRECTOR

Mrs. Mallika Srinivasan
INDEPENDENT DIRECTOR

Mr. S. Santhanakrishnan
INDEPENDENT DIRECTOR

Mr. Ajoy Misra
MD AND CEO

Mr. L. KrishnaKumar
EXECUTIVE DIRECTOR AND GROUP CFO

BOARD OF DIRECTORS CONTINUED
(AS ON MARCH 31, 2019)

Mr. N. Chandrasekaran
CHAIRMAN

Experience and other appointments

He is the Chairman of the Board of Tata Sons, the holding company and promoter of over 100 Tata operating companies with aggregate annual revenues of more than US$ 100 billion. He joined the Board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the Boards of several other operating Tata companies such as Tata Steel, Tata Motors, Tata Power, Indian Hotels and Tata Consultancy Services (TCS) — of which he was Chief Executive Officer and Managing Director from 2009-17. His appointment as Chairman followed a 30-year business career at TCS. He was also appointed as a Director on the Board of the Reserve Bank of India (RBI) in 2016. He is an active member of India's bilateral business forums and has served as the Chairman of National Association of Software and Services Companies (NASSCOM). He is also a member of the High-level Committee on Corporate Social Responsibility formed by the Ministry of Corporate Affairs.

Skills and achievements

He rose through ranks at TCS to become MD and CEO of the leading global IT solutions and consulting firm. Under his leadership, TCS generated total revenues of US$ 16.5 billion in 2015-16 and consolidated its position as the largest private sector employer in India and the country's most valuable company. TCS has also been placed among the 'Big 4' most valuable IT services brands worldwide, ranked as one of the World's Most Innovative Companies by Forbes and recognised as a Global Top Employer by the Top Employers Institute across 24 countries.

Mr. Harish Bhat
NON-EXECUTIVE DIRECTOR

Experience and other appointments

He is the Brand Custodian of Tata Sons. He joined the Tata group in 1987 as an officer in the Tata Administrative Service. He is the Chairman of Tata Coffee Ltd. and also a Director on the Boards of several other Tata companies, including Titan Company Ltd., Trent Ltd., Tata Starbucks Pvt. Ltd., Infiniti Retail Ltd., Tata Unistore Ltd. and Tata AIA Life Insurance Company Ltd. During his career of over 30 years with the Tata Group, Mr. Bhat has served in several senior roles. These include stints as MD and CEO of TGB, Chief Operating Officer of the Watches and Jewellery businesses of Titan Company, and in the telecom business of Tata group.

Skills and achievements

He has played a key role in several strategic moves over the past two decades, including the launch and nurturing of many iconic brands of the Tata Group, the successful turnaround of the jewellery business, as well as the acquisition of Tetley.

Mrs. Mallika Srinivasan
INDEPENDENT DIRECTOR

Experience and other appointments

She is the Chairman and Chief Executive Officer of Tractors and Farm Equipment Ltd., a flagship company of the Amalgamations Group. She has been at the helm of affairs of industry bodies and trade associations such as Tractor Manufacturers Association, Madras Management Association, Madras Chamber of Commerce and Industry and the Southern Regional Council of CII. She is also a Director of five other Indian companies.

Skills and achievements

A thought leader and strategist, she has been widely recognised for her commitment to excellence and contribution to the Indian industry. She is a recipient of several business awards and has also been recognised by Business Today for seven consecutive years as one of the 25 most powerful women in Indian business. She was awarded the Padma Shri for her contributions to Trade and Industry by the President of India in 2014.

Mr. V. Leeladhar
INDEPENDENT DIRECTOR

Experience and other appointments

He has served as the Executive Director of the Bank of Maharashtra, Chairman and MD of Vijaya Bank and Chairman and MD of Union Bank of India. He also served as the Deputy Governor of the RBI for over four years and was also a member of the Securities and Exchange Board of India for about three years. He serves on the Boards of Tata Coffee Ltd., Tata Cleantech Capital Ltd. and Tata Asset Management Ltd.

Skills and achievements

An industry veteran, he brings to the Board his multi-faceted expertise in the domain of banking and finance.

Mrs. Ranjana Kumar
INDEPENDENT DIRECTOR

Experience and other appointments

She retired as the Vigilance Commissioner in Central Vigilance Commission, Government of India. She has held significant positions in her career, including that of Chairperson and MD of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD), holding concurrent charge as Chairman and MD of Canara Bank and CEO of USA operations of the Bank of India based in New York. She is on the Boards of Britannia Industries Ltd., Rane Brake Lining Ltd., Vyome Biosciences Private Ltd. and Vyome Therapeutics Ltd.

Skills and achievements

She regularly addresses managements of a cross section of public sector undertakings on various aspects concerning Management, Leadership, Human Resource Management, etc. In March 2019, she was awarded among the 'Top 100 Women in Finance' by the AIWMI

(Association of International Wealth Management of India) under the 'Guiding Category' for women professionals who are playing an active role on various boards, committees, think-tanks and policy groups.

Mr. S. Santhanakrishnan
INDEPENDENT DIRECTOR

Experience and other appointments

He is a fellow member of the Institute of Chartered Accountants of India (ICAI) and a Managing Partner of PKF Sridhar and Santhanam LLP, Chartered Accountants.
He was a member in the Central Council of ICAI for 15 years up to 2015 and has served in various committees of the Institute. He is a member of the Boards of various Tata companies, IDBI Capital Markets and Securities Ltd., ICICI Home Finance Co. Ltd. and others. He is also actively involved with various government and industry bodies. He is member of High-level Committee on Corporate Social Responsibility formed by the Ministry of Corporate Affairs and he is also a Government Nominee for Central Council of the Institute of Company Secretaries of India (ICSI).

Skills and achievements

He has specialised knowledge in M&As, valuations, corporate laws and technology. He brings to the Board four decades of rich experience in finance, accounts and international accounting standards, strategy and planning and corporate laws.

Mr. Siraj Chaudhry
INDEPENDENT DIRECTOR

Experience and other appointments

He is on the Boards of Tata Coffee Ltd. and IndusInd Bank Ltd as an Independent Director. He is presently the President of the Food Industry Skill Council under the National Skill Development Corporation (NSDC). He has in the past chaired the Food Processing Committee at Federation of Indian Chambers of Commerce & Industry (FICCI), the Agriculture and Food Committee of USA-India Business Council (USIBC) in India and the Agriculture and Food Committee at American Chambers of Commerce.
He has been actively engaged with the World Economic Forum on their agriculture agenda in India. He is a thought leader in the space of Agriculture and Food and is consulted by central and state governments for his views in these fields.He supports and mentors start-ups in the space of Food and Agriculture. He has been closely associated with the cause of food security and nutrition. Under his leadership, Cargill launched its edible oil fortification plan, which has been recognised as one of the pioneering efforts in addressing malnutrition.
He has been one of the founders of the United Way Delhi chapter and India Food Banking Network.

Skills and achievements

He was the Chairman of Cargill India and continues as a Senior Advisor to Cargill India. His tenure at Cargill spans nearly 24 years out of a career of 30 years in Agriculture and Food, and includes handling the leadership role in India for 12 years, as well as a global commodity trading role in Geneva. Under his leadership since 2007, Cargill India, through a combination of green fields and acquisitions, has successfully built both their consumer FMCG businesses in India and institutional businesses, backed by world-class manufacturing facilities, early technology adoption robust sales and distribution network, and an enviable brand portfolio.

Mr. Ajoy Misra
MD AND CEO

Experience and other appointments

He joined the Tata group through the Tata Administrative Services. He was appointed as Executive Director and Deputy CEO of TGB before he was elevated as the MD and CEO of the Company with effect from April 1, 2014. He is also on the Board of various TGB Group companies.

Skills and achievements

In his career spanning 39 years, 30 of which were with the Taj Group of Hotels, he has held a variety of roles, ranging from Sales & Marketing to Operations.

Mr. L. KrishnaKumar
EXECUTIVE DIRECTOR AND GROUP CFO

Experience and other appointments

He started his career with A. F. Ferguson and Co., where he worked as a Senior Consultant with their management consultancy division. He subsequently worked with Larsen and Toubro Ltd., a diversified conglomerate, in a variety of areas and was lastly in their corporate office as General Manager, Finance. He joined the Tata group in 2000 in the hotels business as Vice President – Finance. He took over the head of finance function of erstwhile Tata Tea in India in 2004 and has handled different roles in the Company in India and the UK. He is currently the Executive Director and Group CFO.
He is also a Director on the Boards of Tata Coffee Ltd., NourishCo Beverages Ltd. and several of the Company's overseas subsidiaries.

Skills and achievements

He is a member of the Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India and has diverse experience in consulting, manufacturing, service and consumer industries.

SENIOR LEADERSHIP TEAM

Mr. Ajoy Misra

Mr. L. KrishnaKumar

Mr. Amit Chincholikar

Mr. Adil Ahmad

Mr. Sushant Dash

Mr. Vikram Grover

Mr. Ajoy Misra

MD AND CEO

In a career spanning 39 years, Mr. Misra worked for 30 years in various departments of Taj Hotels, from Sales and Marketing to Operations, after he joined in 1980 through the Tata Administrative Services. He progressed to become the General Manager of Taj President Hotel in Mumbai and then was in Sri Lanka as Area Director – Sri Lanka and Maldives and General Manager of Taj Samudra Hotel in Colombo. His last position there was as Senior Vice President, Global Sales and Marketing, for Taj Hotels Resorts and Palaces. He was appointed as Executive Director and Deputy CEO of TGB and was subsequently elevated to MD and CEO from April 1, 2014. He is also on the Board of various TGB Group companies.

He is a Civil Engineer from BITS Pilani and has an MBA from the Faculty of Management Studies, Delhi University, followed by the Advanced Management Program at Harvard Business School, Boston.

Mr. L. KrishnaKumar

EXECUTIVE DIRECTOR AND GROUP CFO

Mr. KrishnaKumar started his career with A. F. Ferguson and Co. and subsequently worked with Larsen and Toubro Ltd. He joined the Tata group in 2000 in the hotels business and thereafter took over as the erstwhile Tata Tea's Head of Finance in 2004. Currently, he is the Executive Director and Group CFO. He supervises the Finance, Governance and IT functions. He also oversees the Global Buying and Blending, and Supply Chain functions. He is a Director on the Boards of Tata Coffee Ltd., NourishCo Beverages Ltd. and several of the Company's overseas subsidiaries.

Mr. Amit Chincholikar

GLOBAL CHIEF HUMAN RESOURCES OFFICER

Mr. Chincholikar has been with the Tata group since 2010. Prior to joining TGB, he- was with Tata Sons as Senior Vice President – Group Human Resources. He has also worked in organisations such as Mercer Consulting and Aditya Birla Group in leadership roles in India, USA and Singapore.

He holds a post-graduate degree from Symbiosis Institute of Business Management, Pune and is a graduate in Statistics and Operations Research from the University of Mumbai.

Mr. Adil Ahmad

PRESIDENT – INTERNATIONAL BUSINESS

Mr. Ahmad joined in 2015 as the Global Chief Marketing Officer. He has played a key role in developing a strong portfolio of global brands with a focus on overall brand health, profitability and premiumisation. In his current role, he is responsible for driving TGB's growth in the international markets of Europe, USA and Canada. Prior to joining, he has had a 20-year career with Reckitt Benckiser, holding leadership positions across UK, India, Middle East and East Asia, in both strategic and operational roles.

He is a graduate from St Stephens College, Delhi and holds

Mr. Rakesh Sony

Mr. John Burdett

Mr. Chacko P. Thomas

an MBA degree from Case Western University, Cleveland, Ohio, USA.

Mr. Sushant Dash
PRESIDENT - INDIA AND MIDDLE EAST

Mr. Dash has successfully handled various strategic and operational roles for the Company.

Some of his previous roles include Marketing Head for India, Team Leader of a Venture Team based in the UK and Senior Director – Marketing and Business Development – for Tata Starbucks. He has also worked for ORG Marg in various capacities in Consumer and Market Research. He was the Global Brand Director of TGB prior to his appointment as President - India and Middle East.

Mr. Vikram Grover
PRESIDENT – WATER VERTICAL

Mr. Grover heads TGB's water business and is responsible for product and market development of functional waters and building a global footprint for the water business. He also holds overall responsibility for the Company's tea business in Bangladesh. He joined TGB as Marketing Head for South Asia in 2010 and has played a key role in achieving several milestones for the Company's branded tea business in India.
Prior to this, he has worked with Unilever, holding significant roles such as Global Strategy and Archetypes Director for Beverages and Country Head for Beverages in India.

He has an MBA degree in Marketing from the Indian Institute of Management, Kolkata, and is an engineering graduate from Punjab Engineering College, Chandigarh.

Mr. Rakesh Sony
GLOBAL HEAD – STRATEGY AND M&A

As Global Head – Strategy and M&A, Mr. Sony is responsible for the development and deployment of strategies and the delivery of new businesses/acquisitions/ alliances to drive the sustainable, profitable growth agenda of the Company.

He has over 20 years of experience and has held key leadership roles in the Financial Services industry, such as the Director and India Head of Proterra Investment Partners and Partner at Motilal Oswal PE Fund. He has led over a dozen successful investments in the food and consumer space in India and has assisted companies in their strategic transformation processes.

He is a Chartered Accountant and a graduate from St Xavier's College, Kolkata.

Mr. John Burdett
GLOBAL OPERATIONS DIRECTOR

Mr. Burdett joined TGB in 2009 and was appointed Global Operations Director in 2017. He is responsible for the end-to-end supply of products – from manufacturing in our global supply chain network of owned and outsourced operations to final delivery to our consumers. Prior to that, he worked with Imperial Chemicals Industries and Mars and in the FMCG packaging industry, in a variety of manufacturing and supply chain roles, at national and international levels.

He is a Chartered Engineer and a graduate from Oxford University.

Mr. Chacko P. Thomas
MD AND CEO
TATA COFFEE LTD.

With over 27 years of experience, Mr. Thomas was appointed MD and CEO of Tata Coffee Ltd. effective 1st April 2019. Previously, he served as Executive Director and Deputy CEO of Tata Coffee Ltd., where he was directly responsible for the overall delivery of the plantation transformation and instant coffee agenda.

In his previous assignment, he was associated with Kanan Devan Hills Plantation Company (KDHP) since its inception. KDHP is South India's largest tea plantation company and an associate company of TGB. He joined the erstwhile Tata Tea Ltd in 1992 as Assistant Manager and rose to the position of MD of KDHP in 2012. Under his leadership, KDHP was awarded 'The Best Company for Employee Involvement & Participation' in India for 2015. He remains a Director on the board of KDHP and serves on various boards of industry associations.

He has a degree in Computer Science from University of Jodhpur and has completed an Advanced Management Program from INSEAD France.

CORPORATE INFORMATION

Board of Directors

- N. Chandrasekaran (Chairman)
- Mallika Srinivasan
- V. Leeladhar
- Ranjana Kumar
- S. Santhanakrishnan
- Ireena Vittal (up to 30.06.2018)
- Siraj Azmat Chaudhry
- Harish Bhat
- Ajoy Misra, MD and CEO
- L. KrishnaKumar, Executive Director and Group CFO
- Mr. Bharat Puri (w.e.f. 07.05.2019)
- Mrs. Shikha Sharma (w.e.f. 07.05.2019)

Company Secretary

- V. Madan, Vice President and Company Secretary (up to 06.08.2018)
- Neelabja Chakrabarty, Vice President and Company Secretary (w.e.f 07.08.2018)

Board of Committees

Audit Committee
- V. Leeladhar (Chairman)
- Ranjana Kumar
- S. Santhanakrishnan
- Ireena Vittal (up to 30.06.2018)
- Harish Bhat
- Siraj Azmat Chaudhry

Nomination and Remuneration Committee
- Ranjana Kumar (Chairperson)
- N. Chandrasekaran
- V. Leeladhar
- Harish Bhat

Stakeholder Relationship Committee
- V. Leeladhar (Chairman)
- S. Santhanakrishnan
- L. KrishnaKumar

Ethics and Compliance Committee
- V. Leeladhar (Chairman)
- Ranjana Kumar
- Ajoy Misra

Corporate Social Responsibility Committee
- Ranjana Kumar (Chairperson)
- V. Leeladhar
- S. Santhanakrishnan
- Ajoy Misra

Executive Committee
- Harish Bhat (Chairman)
- Ireena Vittal (up to 30.06.2018)
- Ajoy Misra
- L. KrishnaKumar

Risk Management Committee
- V. Leeladhar (Chairman)
- Ranjana Kumar
- S. Santhanakrishnan
- Ireena Vittal (up to 30.06.2018)
- Harish Bhat
- Siraj Azmat Chaudhry

Committee for Special Projects
- V. Leeladhar (Chairman)
- Ranjana Kumar
- Harish Bhat
- Ajoy Misra
- L. KrishnaKumar

M&A and Divestiture Committee
- V. Leeladhar (Chairman)
- Harish Bhat
- Ajoy Misra
- L. KrishnaKumar
- Siraj Azmat Chaudhry

Registered Office

1, Bishop Lefroy Road,
Kolkata 700 020

Telephone: 033-22813779/ 3891/ 4422/ 4747/ 66053400
Fax: 033-22811199
Website: www.tataglobalbeverages.com

Solicitors and legal advisers

- Anand and Anand
- AZB & Partners
- Cyril Amarchand Mangaldas
- Dua Associates
- Khaitan & Co.
- Veritas Legal

Auditors

Deloitte Haskins & Sells LLP

Registrars

TSR Darashaw Limited
(Formerly Tata Share Registry Limited)
(Unit: Tata Global Beverages Ltd.)

6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011

Telephone: 022-66568484
Fax: 022-66568494
Website: www.tsrdarashaw.com

Kolkata Office
1st Floor, Tata Centre,
43, Chowringhee Road,
Kolkata 700 071

Telephone: 033-22883037
Fax: 033-22883097

Bankers

- Bank of America N.A
- Citibank N.A
- Coöperatieve Rabobank U.A
- Deutsche Bank AG
- HDFC Bank Limited
- ICICI Bank Limited
- Standard Chartered Bank
- State Bank of India
- The Hongkong and Shanghai Banking Corporation Limited
- YES Bank Limited
- IndusInd Bank Limited
- Bank of Baroda Limited
- Kotak Mahindra Bank Limited

10-YEAR FINANCIAL HIGHLIGHTS

(Rs. in Crores)

	Ind AS				Previous GAAP						
	2018-19	2017-18	2016-17	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
STANDALONE FINANCIAL HIGHLIGHTS											
Revenue from Operations	3430	3217	3064	2987	3084	2885	2683	2326	2035	1811	1715
EBIDTA	464	502	363	360	343	317	284	239	232	147	191
Operating Profits (EBIT)	432	475	339	337	321	297	268	222	220	133	179
Operating Profits Margin	12.6%	14.7%	11.1%	11.3%	10.4%	10.3%	10.0%	9.5%	10.8%	7.4%	10.5%
Profit before Tax	576	723	386	317	661	349	585	321	370	230	495
Profit after Tax	411	534	276	226$	564	289	447	259	303	181	391
Dividend payout @	182	170	168	164	164	162	147	154	154	142	143
Shareholders' Funds	4444	4213	3785	3437	2896	2502	2573	2318	2210	2056	2078
Capital Employed ^	4448	4298	3817	3872	3274	2979	3030	2827	2577	2561	2578
Contribution to Exchequer	134	251	109	172	172	118	141	96	87	72	120
No.of Employees	2409	2565	2555	2552	2552	2549	2466	2489	2218	2373	2419
Book value per Share (Rs.) *	70.07+	66.42+	59.62+	54+	45.54+	39.29+	41.26+	37.13+	35.39+	32.90+	332.47
Earnings per Share (Rs.)	6.51+	8.47+	4.37+	3.59+	8.93+	4.58+	7.23+	4.18+	4.89+	2.92+	63.3
Dividend per Share (Rs.)	2.5+	2.35 +	2.25 +	2.25+	2.25+	2.25+	2.25+	2.15+	2.15+	2.00 +	20.00
Total Debt to Equity *	0.00	0.02	0.01	0.13	0.13	0.19	0.18	0.22	0.17	0.25	0.24
Return on Capital Employed (%)	9.9%	11.7%	8.8%	8.5%	10.8%	9.9%	9.1%	8.2%	8.6%	5.2%	7.0%
Return on Net Worth (%)	9.5%	13.4%	7.6%	6.5%	20.9%	11.4%	18.3%	11.4%	14.2%	8.7%	20.2%
Market Capitalisation	12871	16330	9501	7652	7652	9202	9279	7906	6948	6045	6053
CONSOLIDATED FINANCIAL HIGHLIGHTS											
Revenue from Operations	7252	6815	6780	6637	8111	7993	7738	7351	6640	6003	5821
EBITDA	837	851	801	666	678	777	753	769	627	608	722
Operating Profits (EBIT)	715	735	675	549	535	643	624	664	531	509	619
Operating Profits Margin	9.9%	10.8%	10.0%	8.3%	6.6%	8.0%	8.1%	9.0%	8.0%	8.5%	10.6%
Profit before Tax	735	753	662	170	545	500	707	637	574	494	641
Net Profit after Minority Interest	408	496	389	(6)$	326	248	481	373	356	254	390
Shareholders' Funds	7332	7032	6266	6247	5719	5493	5849	4810	4566	3957	3723
Capital Employed ^	9500	9108	7984	8463	7782	7693	8211	7013	6547	6107	6577
Book value per Share (Rs.) *	115.82+	111.07 +	98.93+	98.64+	89.96+	86.38+	93.90+	77.08 +	73.15+	63.37 +	596.35
Earnings per Share (Rs.)	6.47+	7.85 +	6.17+	(0.09)+	5.16+	3.93+	7.77+	6.03+	5.76+	4.11+	63.11
Total Debt to Equity *	0.14	0.13	0.11	0.19	0.18	0.21	0.21	0.25	0.16	0.21	0.38
Return on Capital Employed (%)	7.7%	8.5%	8.1%	6.3%	6.9%	8.1%	8.2%	9.8%	8.3%	8.0%	9.0%
Return on Net Worth (%)	5.7%	7.5%	6.2%	(0.1)%	5.8%	4.4%	9.0%	8.0%	8.4%	6.6%	10.6%

@ Includes Tax On Dividend.

^ Includes current maturities of long term debts

* Computation excludes Revaluation Reserves.

+ Computation based on revised face value of shares

$ Exceptional income in the year 2015-16, under previous GAAP, had profit on sale of equity investments of Rs 327.79 Crores which, under Ind AS have been directly recognised in retained earnings.

EBIT - Profit before exceptional items plus finance cost less interest and investment income

BOARD'S REPORT

To the Members of Tata Global Beverages Limited

Your Directors are pleased to submit their Fifty-Sixth report together with the audited financial statements of the Company for the year ended March 31, 2019.

Financial Results

(Rs. in Crores)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	**7252**	**6815**	**3430**	**3217**
Profit before exceptional items and taxes	768	774	576	608
Exceptional items (net)	(33)	(21)	-	115
Profit before tax	**735**	**753**	**576**	**723**
Provision for tax	(261)	(186)	165	189
Profit after tax	**474**	**567**	**411**	**534**
Share of net profit/(loss) in Associates and Joint Ventures	(17)	(10)	-	-
Profit for the year	**457**	**557**	**411**	**534**
Attributable to Owners of the parent	408	496	411	534
Retained Earnings - Opening Balance	**5375**	**4396**	**2552**	**1577**
Add: Profit for the year	408	496	411	534
Add: Adjustments with Other Equity including Other Comprehensive Income	67	687	3	638
Amount appropriated during the year:				
Dividend including dividend tax paid	(179)	(173)	(182)	(169)
Transfer to General Reserves	(4)	(31)	-	(28)
Retained Earnings - Closing Balance	**5667**	**5375**	**2784**	**2552**

State of Company's Affairs

Consolidated Performance

The Consolidated Revenue from operations at Rs. 7,252 Crores grew by 6% during FY 2018-19 (3% on constant currency basis). Excluding the impact of business exit, Revenue from operations grew by 8% (5% on constant currency basis). The increase in revenue is led by the growth in Indian tea brands, business model change for single serve K Cup coffee sales in the US and growth in Coffee Extractions business in Tata Coffee. Profit before exceptional items and tax at Rs. 768 Crores is marginally lower than the previous year mainly due to higher tea commodity costs in India and higher brand support costs partly offset by lower tea and coffee commodity costs in the International market. Profit for the year at Rs. 457 Crores is impacted mainly due to higher level of exceptional expenditure, higher tax expense in the current year and lower share of profits from Associates and Joint Ventures. In the previous year, the Company had the benefit of one-time tax credits arising on account of reduction in US rates due to changes in tax legislation.

Standalone Performance

The Standalone Revenue from operations at Rs. 3,430 Crores grew by 7 % during the year under review. Revenue growth was higher than FY 2017-18 with volume growth across all major brands. Profit before exceptional items and tax at Rs. 576 Crores is lower than previous year mainly on account of higher tea commodity costs and discretionary/one off items. Profit after tax at Rs. 411 Crores is lower than previous year mainly on account of exceptional profits on divestment of our stake in an associate in the previous year.

Dividend

Your Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 2.50 per share on the equity share capital of the Company for the year ended March 31, 2019. The total outgo on account of dividend inclusive of taxes, for FY 2018-19 is Rs. 190.21 Crores which represents a pay-out of 46% of the Company's standalone profits.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the dividend distribution policy duly approved

by the Board has been put up on the website of the Company and can be accessed at the link: http://www.tataglobalbeverages.com/docs/default-source/default-document-library/tgbl-dividend-policy.pdf?sfvrsn=0.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2018-19 in the profit and loss account.

Share Capital

The paid up Equity Share Capital as at March 31, 2019 was Rs. 63.11 Crores comprising of 63,11,29,729 equity shares of Re. 1 each. During FY 2018-19, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors or the Key Managerial Personnel of the Company holds instruments convertible into equity shares of the Company.

Integrated Report

This is the second year of implementation of Integrated Reporting by the Company in line with the Integrated Reporting framework developed by the International Integrated Reporting Council. This is being implemented in a phased manner.

Review of Subsidiaries, Associates and Joint Venture Companies

Pursuant to Section 129(3) of the Companies Act, 2013 ("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 Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is given in this Annual Report. Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Company, and the relevant consolidated financial statements and separate audited financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, in the link http://tataglobalbeverages.com/investors/financial-performance/subsidiaries/subsidiary-financials

The details of material changes in the nature of the business of some of the subsidiaries (including associates and joint ventures) during FY 2018 -19 are given in the Management Discussion and Analysis ("MD&A") attached. The impact of such changes, if any, has been adequately disclosed in the financial statements.

The Company has revised the policy for determining material subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations, as amended from time to time. The policy as approved may be accessed on the Company's website at the link http://www.tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0.

Performance highlights of key operating subsidiaries, associates and joint ventures

Subsidiaries

Tata Global Beverages Group Ltd, UK ("TGBG"), substantially reflects the financial performance of the Tetley business and a few other international brands. The topline, in underlying terms and excluding the impact of business exits, reported a marginal decline during FY 2018-19, which is reflective of decline in everyday black tea category and higher competitive intensity in some markets. The developed markets are faced with everyday black tea category decline, whilst on the other hand, strong growth is witnessed in non-black tea categories. UK, which is one of the largest market, reflected a steady growth in volume and profitability aided, among other things, by a soft commodity price environment. In Australia, the licensing agreement for single serve coffee pods using the MAP brand were changed to Kruger K Fee in the later part of the year. K Fee is the 2nd largest system in Australia and this change will further fuel our growth aspiration in coffee in that country. Profitability improved largely due to improvement in operating performance particularly in the UK, good control over costs, cost benefits arising out of past restructuring and lower level of exceptional expenditure.

TGBG, restructured the activities of some of its 100% step down subsidiaries. Accordingly, Tata Global Beverages Services Limited, Tata Global Beverages Investments Limited and Tata Global Beverages Holdings Limited transferred its net assets and activities to its holding company, i.e. TGBG/ fellow subsidiary, namely, Tata Global Beverages GB Ltd. The purpose of the restructure was to simplify the legal structure, reduce the number of step down subsidiaries and to reduce the ongoing administration burden. It is expected that in the absence of any future transactions, the restructured entities will cease to trade and plan to be dormant for the foreseeable future. As restructure was intra group and between 100% subsidiaries of TGBG, there is no impact of the restructure transactions on the consolidated financial statements.

BOARD'S REPORT CONTINUED

Tata Coffee Limited ("TCL") ended FY 2018-19 on a better note compared to FY 2017-18 despite crop loss caused by extreme weather conditions. Operating Profit and Profit after tax was higher than previous year driven from improvement in performance of the Instant Coffee, strong focus on cost management and monetization of non-core assets whilst the plantation operations were impacted by abnormal and extreme weather conditions and lower pepper realisations. The Instant Coffee business has recorded its second highest sales volume with key focus on customer acquisition in new geographies whilst the Freeze-Dried Coffee plant in India, which is a sub-segment of the Instant Coffee business, delivered the highest ever production and dispatches since inception.

TCL's state-of-the-art Freeze Dried Instant Coffee plant in Vietnam, with an annual capacity of 5000MT, has been inaugurated and currently in the process of customer trials in the pilot plant. Freeze Dried coffee is a growing segment worldwide in the premium Instant Coffee space. This move is expected to further strengthen the Company's growth in the Coffee Extractions segment and further expand our global foot print.

Eight O'Clock Coffee ("EOC") registered a good topline growth. While the business benefited from a softer commodity environment, operating profit was lower mainly due to higher spends behind brands and one-time costs associated with the new business model for single serve coffee pods. Profit after tax was lower than previous year as last year had the benefit of one-time tax credits arising on account of changes in US tax legislation reducing the tax rates.

Tata Tea Extractions Inc., the Company's subsidiary in the US had a good performance during the year with topline growth and higher profitability as compared to previous year.

Associates

Amalgamated Plantations Private Limited ("APPL"), India, reported a revenue growth of 3% due to higher realisations. However, APPL had incurred operating losses on account of wage revision, challenging plantation environment and one-time credits in the previous year.

Kanan Devan Hills Plantations Company Private Limited ("KDHP") reported a topline growth of 4% over the previous year. Despite the inclement weather conditions which prevailed during part of the year under review in Kerala, the yield achieved was the third highest since formation of KDHP. The operating profit was however impacted by floods which partially got offset by improved realisation and good cost management.

Joint Ventures

Tata Starbucks Private Limited, our joint venture with Starbucks, reflected a double digit topline growth ~30% due to growth in existing store sales coupled with expansion of stores. Tata Starbucks kept up the momentum on expanding the store base and added 30 new stores to reach 146 stores by the end of FY 2018-19. In FY 2018-19, it also marked the entry into a new city market – Chandigarh. The new stores were added across formats including (i) smaller footprint stores as we increased penetration in existing cities (e.g. Mumbai, Bangalore), (ii) new formats: Highway (Mumbai-Pune and Bangalore -Tirupati) and Shop in Shop (Westside, Bangalore) and (iii) high profile coffee forward stores (e.g. store in Vittal Mallya road in Bangalore).

NourishCo Beverages Limited, our Joint venture with PepsiCo in India, delivered growth on account of improved performances by Tata Gluco Plus ("TGP") and Tata Water Plus. TGP remains a star performer product with milestone sale achieved during the year. This year also marked our entry into Odisha market where we were able to replicate the successful business model established in Andhra Pradesh, Telengana and Tamil Nadu. The product is in the process of being rolled-out in West Bengal, Bihar, Jharkhand and Delhi.

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

During the FY 2018-19, there was no change in subsidiaries, associates and joint ventures.

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 AOC 1.

Industrial Relations

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

Corporate Governance and MD&A

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 is annexed and forms part of this report.

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

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. The vigil mechanism provides for adequate safeguards against victimisation of the Director(s) and employee(s) who avail this mechanism. All Directors and employees have access to the Chairman of the Audit Committee.

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Audit Committee and the Board at its meetings held on March 19 and 27, 2019, respectively. The policy as approved may be accessed on the Company's website at the link: http://www.tataglobalbeverages.com/docs/default-source/default-document-library/tgbl_-whistle-blower-policy.pdf?sfvrsn=0.

During the year under review, the Company, based on whistleblower complaint, has noticed certain instances of lapses in relation to sales promotion claims. The Company has promptly started investigating the matter and has also taken appropriate action against the involved employees, however these investigations have not been fully concluded as at the year end. There is no material impact of the above lapses on the financial statements.

Internal Financial Controls

The Board has adopted policies and procedures for 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 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.

These are detailed in the Management Discussion and Analysis Report.

Tata Business Excellence Model ("TBEM")

In pursuit of holistic improvement, the Company periodically participates in the TBEM Assessment process. The TBEM assessment for the Company took place between July and September 2018. The process, which covered several locations of the Company across the world, was led by a group of seasoned assessors from various Tata companies who provided an external perspective on the strengths and OFI (opportunities for improvement). There has been a steady improvement in the Company's score in this round of assessment. The assessment team has identified several best practices from the Company. A presentation was made to the Board on October 30, 2018. Going forward, the Company will be actioning the feedback leading to improvement in processes and related results. External Best Practices from other Tata companies are looked at for adoption. A series of initiatives that include workshops, working groups, cross functional teams and workstreams in identified areas are being planned. This will be a crucial step to further embed TBEM in the TGB ecosystem in the years to come.

Governance Guidelines

The Company's governance guidelines on Board effectiveness cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, term of Directors, retirement age and committees of the Board. The guidelines also cover key aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, oversight on subsidiary performances, code of conduct, Board effectiveness reviews and various mandates of Board committees. As per the Governance Guidelines adopted by the Board, 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.

Selection and Procedure for Nomination and Appointment of Directors

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible 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 in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, 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

BOARD'S REPORT CONTINUED

and due diligence and meeting of potential candidates prior to 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.

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.

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 on the basis of 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 on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of 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, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting. The above evaluations were then discussed in the board meeting that followed the meeting of the independent directors and 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, Key Managerial Personnel (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 are 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, KMP 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 key principles governing the Remuneration Policy are as follows:

- Market competitiveness;
- Role played by the individual;

- Reflective of 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, Executive Director, KMPs, Senior Management and employees are paid basic salary, fixed salary, benefits, perquisites, allowances and annual incentive remuneration / performance linked bonus subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

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

The Company pays a sitting fee of Rs. 30,000 per meeting per Director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs.20,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Director, being employees of other Tata companies). For meetings of all other committees of the Board, a sitting fee of Rs. 15,000 per meeting per Director is paid (Rs.10,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director, being employees of other Tata companies). Within the ceiling of 1% of net profits of the Company, computed under the applicable provisions of 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 last Annual General Meeting held on July 5, 2018 for each financial year to be distributed among the Directors in such manner as the Board of Directors may, from time to time, determine within the overall maximum limit of 1% (one percent) per annum or such other percentage as may be specified by the Act, from time to time. No Stock option has been granted to the Non-Executive Directors. 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 full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

Board of Directors and meetings

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides 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.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in every 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/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at short notice, as permitted by law.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

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

The Board of Directors had held seven meetings during FY 2018-19. 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.

Directors and Key Managerial Personnel (KMP)

The members in the last Annual General Meeting held on July 5, 2018 have appointed Mr. S Santhanakrishnan as

BOARD'S REPORT CONTINUED

an Independent Director for a period of 5 years i.e. from May 11, 2018 to May 10, 2023 and have re-appointed Mr. L. KrishnaKumar as an Executive Director for a period of five years i.e. from April 1, 2018 to March 31, 2023. Mr. Siraj Azmat Chaudhry was appointed as Independent Director at the Annual General Meeting of the Company held on August 18, 2017 for a period of 5 years i.e. from July 3, 2017 to July 2, 2022.

Mrs. Ireena Vittal (Independent Director) resigned from the Board with effect from June 30, 2018, due to personal reasons. The Board placed on record its appreciation for the valuable services rendered by Mrs. Ireena Vittal during her tenure as Director of the Company.

The Independent Directors on the Board of the Company namely Mr. V. Leeladhar, Mrs. Ranjana Kumar, and Mrs. Mallika Srinivasan were appointed at the Annual General Meeting of the Company held on August 26, 2014 for a period of 5 years and thus they are holding their respective offices till August 25, 2019. The Board placed on record its appreciation for the valuable services rendered by Mr. V. Leeladhar, Mrs. Ranjana Kumar, and Mrs. Mallika Srinivasan during their respective tenure as Director of the Company.

Mr. N. Chandrasekaran retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Ajoy Misra was appointed as Managing Director for a period of five years in 2014 which ended on March 31, 2019 and is eligible for reappointment. Mr. Misra, however, had approached the Nomination and Remuneration Committee for an early retirement from his role and bearing in mind the above request as well as the time required for smooth succession planning, the Board at their meeting held on March 27, 2019, based on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Ajoy Misra for a further period of one year i.e. from April 1, 2019 to March 31, 2020, subject to the approval of the shareholders. The approval of the shareholders relating to Mr. Ajoy Misra's re-appointment and remuneration is being sought at the forthcoming Annual General Meeting.

During the year under review, Mr. V. Madan ceased to be Company Secretary w.e.f. August 6, 2018 consequent upon his retirement from the Company and Mr. Neelabja Chakrabarty was appointed as Company Secretary w.e.f. August 7, 2018.

Pursuant to the provisions of Section 203 of the Act, the KMP's of the Company as on March 31, 2019 are; Mr. Ajoy Misra, Managing Director & CEO, Mr. L. KrishnaKumar, Executive Director, Mr. John Jacob, Chief Financial officer and Mr. Neelabja Chakrabarty, Company Secretary.

Apart from the above, no other Director or KMP were appointed or had retired or resigned during FY 2018-19.

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

Independent Directors' Declaration

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and rules framed thereunder. The Independent Directors have also submitted a declaration that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist 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, pursuant to Regulation 25 of the Listing Regulations.

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2019:

1) Mr. V. Leeladhar
2) Mrs. Ranjana Kumar
3) Mrs. Mallika Srinivasan
4) Mr. S. Santhanakrishnan
5) Mr. Siraj Azmat Chaudhry

Committees of the Board

The Company has nine Board Committees as on March 31, 2019:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders Relationship Committee
4) Risk Management Committee
5) Corporate Social Responsibility Committee
6) Executive Committee
7) Ethics and Compliance Committee
8) M&A and Divestiture Committee
9) Committee for Special Projects

Details of all the committees along with their main terms, composition and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

Familiarisation programme for Independent Directors

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

The details for familiarisation program for the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarisation programmes conducted during FY 2018-19 is also put on the Company's website and the same can be accessed at the link : http://www.tataglobalbeverages.com/docs/default-source/default-document-library/familiarisation-programme-for-independent-directors.pdf?sfvrsn=0.

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 which sets out the approach to diversity of the Board of Directors.

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.

Corporate Social Responsibility ("CSR") and Sustainability initiatives

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

The Company aims to support development programs for a million people in its supply chain by 2022. It aspires to create sustainability leadership in its beverages production units through focus on zero waste to landfill, use of renewable energy and rain water harvesting. All packaging centers globally have focused on zero waste to landfill target in 2018-19. The Eaglescliffe factory utilises about 39% of its electricity requirement from a 4.6MW solar farm at a nearby location. The Company has also installed solar photovoltaic plants at its Water factory in Dhaula Kuan and Sampla Packeting Centre in India that account for about 25% of the energy used in those factories. Himalayan water for the USA market is CarbonNeutral® certified product by Natural Capital Partners. Through Project Jalodari, the Company supports the right to water for everyone i.e. "to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses." Under the Plastic Waste Management Rules, 2016 and amended in 2018, in India, EPR (Extended Producer Responsibility) Plan has been framed by your Company for collection and reprocessing of plastic packaging waste on a brand neutral basis across key markets. In October 2018, the Company joined the UK Plastics Pact - a collaborative initiative between UK businesses and stakeholders across the plastics value, to embed a circular economy for plastics in the UK by 2025. During the year under review, the Company spent Rs. 8.09 Crores (2.11% 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. In addition to the projects specified as CSR activities under Section 135 of Act, the Company has also carried out several other sustainability / responsible business initiatives and projects on a global scale. Salient features of the CSR Policy and details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure 1 forming part of this Report. The CSR Policy may be accessed on the Company's website at the link: http://tataglobalbeverages.com/docs/default-source/default-document-library/corporate-social-responsibility-policy7214b6881a2368caa65dff02001c5be1.pdf?sfvrsn=0.

BOARD'S REPORT CONTINUED

Particulars of Employees

The information as 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 2 which forms part of this report.

Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Director and the Executive Director from the Company's subsidiary company during FY 2018-19 are also given in Annexure 2 attached to this report.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in an Annexure forming part of this Report. In terms of the first provision to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure are related to any Director of the Company.

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.

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 Company has an elaborate Risk Charter and Risk policy defining risk management governance model, risk assessment and prioritisation process. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an oversight to the Board on Company's risks outlined in the risk registers.

The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified are addressed through mitigating actions.

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

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

During the year under review, the Company received one complaint of sexual harassment and the same was resolved. There was no complaint pending as on March 31, 2019.

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 public was outstanding as on March 31, 2019.

Secretarial Audit

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, to carry out the Secretarial Audit of the Company. The Report of the Secretarial Audit for FY 2018-19 is attached herewith as Annexure 4. There are no qualifications, observations or adverse remark or disclaimer in the said report.

Business Responsibility Report ("BRR")

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 500 listed companies based on market capitalisation. In compliance with the Listing Regulations, the Company has integrated BRR disclosures into the Annual Report.

Extract of Annual Return

As provided under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in Annexure 5 which forms part of this report.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website and can be accessed at http://www.tataglobalbeverages.com/investors/investor-information/mgt-9

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 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 FY 2018-19.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm:

(i) That in the preparation of the accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and that there are no material departures;

(ii) That the Directors 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) That the Directors have taken proper and sufficient care to the best of their knowledge and ability 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) That they have prepared the accounts for the financial year ended March 31, 2019 on a 'going concern basis;

(v) That the Directors have laid down internal financial controls for the Company which are adequate and are operating effectively;

(vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

Related Party Transactions

All related party transactions that were entered into during the financial year 2018-19, were on an arm's length basis and in the ordinary course of business. There are no material related party transactions made by the Company during the year that required shareholders' approval under Regulation 23(4) of the Listing Regulations or Section 188 of the Act. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and / or repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Given that the company does not have any thing to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 , therefore the same is not provided. The policy on Related Party Transactions as amended in line with the amendments issued by Securities and Exchange Board of India (SEBI) notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) on May 9, 2018 and as approved by the Board of Directors is available on the Company's website and may be accessed at the link: http://www.tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-related-party-transactions.pdf?sfvrsn=0.

The details of the transactions with related parties during FY 2018-19 are provided in the accompanying financial statements.

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, as applicable.

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

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 law. Pursuant to the recent 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.

M/s. 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 2019-20. 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.

BOARD'S REPORT CONTINUED

The Statutory Auditors' Report for FY 2018-19 on the financial statement of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2018-19 does not contain any qualifications, reservations or adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

Cost Auditors

Your Board has appointed Shome and Banerjee, 5A Nurulla Doctor Lane, 2nd Floor, Kolkata - 700 017 as Cost Auditors of the Company for conducting cost audit for the FY 2019-20. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2019-20 is provided in the Notice to the ensuing Annual General Meeting.

Cost Records

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

Disclosure Requirements

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 6 attached to this Report.

Appreciation

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 also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments for their cooperation.

On behalf of the Board of Directors

N Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
April 23, 2019

ANNEXURE 1 TO THE BOARD'S REPORT

Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Natural Beverages Policy

Tata Global Beverages (TGB) is committed to be the most admired natural beverage company in the world by making a big and lasting difference through Sustainability and Corporate Social Responsibility. The Company strives to achieve this by being the consumer's first choice in sustainable beverage production and consumption.

TGB focuses on Climate Change, Water Management, Sustainable Sourcing, Waste Management and Community Development. The Company undertakes programs focused on education and skills, healthcare and women empowerment. It also actively participate in TATA Group activities and programs for volunteering and affirmative action.

The objective of the Policy shall be achieved 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.

TGB aims to support sustainable livelihood and development programs for about one million people in its supply chain and for the tea communities.

The Corporate Social Responsibility (CSR) Policy of the Company is available at http://tataglobalbeverages.com/docs/default-source/default-document-library/corporate-social-responsibility-policy7214b6881a2368caa65dff02001c5be1.pdf?sfvrsn=0.

Overview of projects implemented during FY2018-19 as identified for the purpose of Section 135 of the Companies Act, 2013:

Education

Srishti is the umbrella under which Tata Global Beverages is enabling learning and economic opportunities for differently-abled youth, through its training and rehabilitation initiatives in Munnar, Kerala. Set up in 1991, Srishti comprises of 6 units - DARE, Nisarga (strawberry unit), Athulya (manufactures handmade paper and paper products), The Deli (confectionery unit), The Garden Project (fruits, vegetables and flowers cultivation) and Aranya Naturals (natural dye and special effects). Aranya Natural has been selected for the Nari Shakti Purashkar – the highest Civilan honour for Indian women on March 8, 2018.

Healthcare

Providing affordable healthcare has always been a key community intervention for TGB. The Referral Hospital and Research Centre (RHRC) Chubwa in Assam provides free or subsidised medical facilities to general population and the tea communities. The eHub, located at RHRC for the e-Healthcare Project in collaboration with Hewlett Packard, provides video consultation to estate hospitals. The hospital is recognised for safety, ethics, professionalism, and affordability. It has the lowest infant mortality rate (IMR) in the industry and in the state of Assam.

TGB supports the St. Jude's India Child Care Centres in Kolkata to extend help to the cancer affected children. St Jude's provides needy children under treatment for cancer with a clean, safe, hygienic place to stay, nutritional support, transportation to hospital for treatment, as well as recreation, education and counselling.

Women Empowerment

The UNICEF-ETP project aims to reduce the vulnerability of women in Assam to trafficking and abuse, and is co-funded by TGB, IDH, Tesco, OTG, Taylor's & Typhoo. Through our partnership, we set out to support the positive development of 104 tea estates in Assam, India. At the end of the first phase of the programme, we have exceeded our initial targets by ensuring that over 33,000 adolescent girls have the knowledge, skills and confidence to protect themselves, increase the options open to them and enable them to make informed decisions about their future. Approximately 30,000 community members are equipped to protect children from violence, abuse and exploitation through meetings and awareness drives within the community. To complement these community-based interventions, UNICEF and ETP have made significant progress by influencing policies and systems at all levels of government and industry to strengthen child protection measures and to ensure that these changes are sustainable and scalable. The next phase of the programme, Improving Lives, has been significantly scaled up. It will reach 250,000 women, children and families living on more than 250 tea estates in Assam.

ANNEXURE 1 TO THE BOARD'S REPORT CONTINUED

Project Jalodari

Project Jalodari is the water management program by TGB that has the aim to create sustainable water sources, raise awareness and build capacities on water and sanitation in the communities in which we operate. It is a multi-sectoral intervention that integrates livelihood with water and food security, sustainable agriculture, sustainable forestry and renewable energy into the developmental paradigm of the community. TGB is partnering with Tata Trust to develop the project which is being implemented by Himmotthan Society as a CSR initiative for Paonta Sahib region in Himachal Pradesh, India. Project Jalodari is piloting water security through integrated village development model for the community which could contribute to help augment natural resources of the region, by involving nearby village community and other stakeholder in conservations.

Affirmative Action

TGB has a clear focus and strategic approach towards driving Affirmative Action (AA). This means that the organisation is committed to directly conducting and supporting initiatives for socially and economically disadvantaged sections in the country at large, and in particular the AA initiatives are specifically focused on the Scheduled Caste and Scheduled Tribe communities in India. The Tata Affirmative Action Programme has defined criteria and the processes are driven through 4Es – Employment, Employability, Entrepreneurship and Education.

Skill Development

TGB supports Unnati (a Bangalore based NGO) a vocational training and transformation program which helps the underprivileged youth to secure stable employment. Unnati is a 50-day vocational training program offered at a subsidised cost to the underprivileged less educated, unemployed and economically backward youth with an assured job.

2. Composition of the CSR Committee

TGB has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of TGB is headed by CSR Committee of the Board. 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, 2019 are:

a. Ranjana Kumar (Mrs.) (Chairperson)

b. S. Santhanakrishnan

c. V. Leeladhar

d. Ajoy Misra

3. Average net profit of the company for last three financial years- Rs. 383 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

5. Details of CSR spent during the financial year

a. Total amount to be spent for the financial year – Rs. 7.66 Crores

b. Total amount spent during this year Rs. 8.09 Crores (2.11 % of Average net profit)

c. Amount unspent, if any – N.A.

d. Manner in which the amount spent during the financial year is as detailed herein:

CSR Project or Activity Identified	Relevant Section of Schedule VII in which the project is covered	Project or programs (1)Local area or other (2)Specify the State and District where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs. in Crores)	Amount Spent on the projects or program subheads (Rs. in Crores)	Cumulative Expenditure upto the reporting period (Rs. in Crores)	Amount Spent: Direct or through Implementing Agency
Employment, skill development trainings to AA youth	(ii)	Bangalore, Karnataka	0.20	0.23	1.17	Unnati
Skill development training to differently abled	(ii)	Munnar, Kerala	2.65	3.04	9.57	Direct
Affordable Healthcare for all	(i)	Chubwa, Assam	3.00	3.10	14.01	Associate Company
Formation and strengthening of women self-help groups	(iii)	Haveri, Karnataka	0.08	0.05	0.27	Secure Giving
Creating awareness on child rights and human trafficking	(iii)	Assam	0.50	0.36	1.79	UNICEF and ETP
Enhancing Skills of women in up cycling of laminates	(ii)	Chennai, Tamil Nadu	0.12	0.12	0.61	Exanora, Green Pammal
Supporting Cancer-affected children	(i)	Kolkata, West Bengal	0.20	0.2	1.02	St. Jude's, India Child Care Centres
Swachha Abhiyan	(iv)	Pune, Maharashtra	0.60	0.08	0.21	Arts Alive Foundation
Skill Training	(ii)	All India	0.12	0.06	0.28	Direct
Water and Sanitation	(iv)	Paonta Sahib, Himachal Pradesh	0.50	0.80	0.80	Tata Trust/ Himmothan
Development of park	(iv)	Paonta Sahib, Himachal Pradesh	0.05	0.05	0.05	Deputy Commissioner, Sirmour
Skill development training for QSR industries	(ii)	Chennai, Tamil Nadu	-	-	2.00	Tata Communities Initiatives Trust
Total			**8.02**	**8.09**	**31.78**	

Activities provided in Schedule VII as adopted in CSR Policy of TGB are as below:

i. Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation and making available safe drinking water (including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation) and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).

CSR Committee responsibility statement

Through this report, TGB seeks to communicate its commitment towards CSR. The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and Policy as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above.

Ajoy Misra

Managing Director and
Chief Executive Officer
(DIN 00050557)

Ranjana Kumar

Chairperson
CSR Committee
(DIN 02930881)

Mumbai
April 23, 2019

ANNEXURE 2 TO THE BOARD'S REPORT

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 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^	-
Mr. Harish Bhat^	-
Mrs Mallika Srinivasan	24.41
Mr V Leeladhar	43.90
Mrs Ranjana Kumar	37.92
Mr S Santhanakrishnan	31.60
Ms Ireena Vittal^^	-
Mr. Siraj Azmat Chaudhry	25.80

Executive directors	Ratio to median remuneration*
Mr. Ajoy Misra	225.29
Mr. L KrishnaKumar	206.74

*Median salary computation is based on a total employee head count of 2409, 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. 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 full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

^^ Since the remuneration of Ms. Ireena Vittal is only for part of the year, the ratio of her remuneration to median remuneration is not comparable

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#	-
Mr. Harish Bhat #	-
Mrs Mallika Srinivasan	93%
Mr V Leeladhar	(17%)
Mrs Ranjana Kumar	(15%)
Mr S Santhanakrishnan	(1%)
Ms Ireena Vittal	@
Mr. Siraj Azmat Chaudhry	@
Mr. Ajoy Misra, Chief Executive Officer and Managing Director**	1.32%
Mr. L KrishnaKumar, Executuve Director and Group CFO**	1.74%
Mr. John Jacob , Chief Financial Officer	7.1%
Mr. V Madan , Company Secretary (Till 6th August 2018)	@
Mr. Neelabja Chakrabarty, Company Secretary (w.e.f 7th August 2018)	@

$ For the purposes of these computations, incentive remuneration has been considered based on accruals and payments relating to earlier years have been excluded.

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 full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

** Compensation paid from a Subsidiary Company in UK has also been considered for computation of increase.

@ Increase in remuneration is not given as the concerned directors/ KMPs were only for the part of the current or previous year.

c) The percentage increase in median remuneration of employees in the financial year: 11%

d) The number of permanent employees on the rolls of the Company: 2409

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 unionised staff) works to around 8.8% the percentage increase for all employees was 7.4%. Increase in the managerial remuneration was 1.5% 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. Ajoy Misra, Managing Director, and Mr. L. KrishnaKumar, Executive Director, received remuneration of Rs.65.44 lakhs and Rs.26.78 lakhs respectively from the Company's overseas subsidiary, Tata Global Beverages (GB) Ltd. during the year 2018-19. (The remuneration drawn in GBP has been converted into INR at average exchange rate).

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
April 23, 2019

ANNEXURE 3 TO THE BOARD'S REPORT

Requirement pursuant to Section 186 of the Companies Act, 2013

Particulars of Investment made and Guarantee/loan given during the year

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	35.80	Not Applicable
Guarantee	-	-	-
Loans Given	-	-	-
Inter Corporate Deposits	Tata Housing Development Company Limited^	50.00	General purpose deposit

^ Placed and redeemed during the year

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
April 23, 2019

ANNEXURE 4 TO THE BOARD'S REPORT

Secretarial Auditor's Report
For the Financial Year ended March 31, 2019
[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 Global Beverages Limited
1, Bishop Lefroy Road,
Kolkata – 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 31st March 2019 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 Global Beverages Limited for the financial year ended 31st March 2019 according to the provisions as may be applicable to the company of:

(i) The Companies Act, 2013 and the Companies Amendment Act, 2017 (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;

d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - not applicable to the company during the period under review;

e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - not applicable to the company during the period under review;

f. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations , 2014- not applicable to the company 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 to the company during the period under review;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- not applicable to the company during the period under review; and

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

(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 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.

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary
FCS No. 2303
Date: April 23, 2019 Certificate of Practice No. 880

ANNEXURE

(To the Secretarial Auditor's Report of Tata Global Beverages Limited for the Financial year ended 31st March 2019)

To,
The Members
Tata Global Beverages Limited
1, Bishop Lefroy Road
Kolkata 700 020

My Report for the financial year ended 31st March 2019 of even date is to be read along with this letter.

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

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary
FCS No. 2303
Date: April 23, 2019 Certificate of Practice No. 880

ANNEXURE 5 TO THE BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L15491WB1962PLC031425
ii)	Registration Date	October 18, 1962
iii)	Name of the Company	Tata Global Beverages Limited
iv)	Category / Sub Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	Tata Global Beverages Limited 1, Bishop Lefroy Road, Kolkata – 700 020 Tel: 033-22836917 Fax: –033-22833032 Email : investor.relations@tgbl.com
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Ind. Estate 20 Dr. E Moses Road, Mahalaxmi Mumbai – 400 011 Telephone : 022-66568484 Fax : 66568494 Website : www.tsrdarashaw.com E-mail : csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Processing and blending of tea including manufacture of Instant tea	10791	99.01%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2019:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate/Joint Venture	% of shares held	Applicable Section
1	Tata Global Beverages Group Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	89.10	2 (87)
2	Tata Global Beverages Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
3	Tata Global Beverages Services Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
4	Tata Global Beverages GB Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
5	Tata Global Beverages Overseas Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate/Joint Venture	% of shares held	Applicable Section
6	Tata Global Beverages Overseas Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
7	Lyons Tetley Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
8	Drassington Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
9	Teapigs Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
10	Teapigs US LLC 195 Chrystie Street, #602E, New York, New York 10002, USA	N.A	Subsidiary	100	2 (87)
11	Stansand Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
12	Stansand (Brokers) Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
13	Stansand (Africa) Limited 3rd Floor Tea House, Nyerere Abenue, P. O. Box 90683-80100 Mombasa, Kenya	N.A.	Subsidiary	100	2 (87)
14	Stansand (Central Africa) Limited Along Masauko Chipembere Highway- Maselema Area- Limbe,P. O. Box 546, Blantyre,Malawi	N.A.	Subsidiary	100	2 (87)
15	Joekels Tea Packers (Proprietary) Limited 12 Caversham Road, Pinetown, 3610 Kwazulu Natal, South Africa	N.A.	Subsidiary	51.70	2 (87)
16	Tata Global Beverages Polska Sp.zo.o. UL Zolny 33, 02-815 Warszwa, Poland	N.A	Subsidiary	100	2 (87)
17	Tata Global Beverages Czech Republic a.s. Znojemska 687, 675 31 Jemnice Czech Republic	N.A.	Subsidiary	100	2 (87)
18	Tata Global Beverages US Holdings Inc. 155 Chestnut Ridge Road Montvale New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
19	Tata Waters US LLC 155 Chestnut Ridge Road Montvale New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
20	Tetley USA Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
21	Good Earth Corporation 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)

ANNEXURE 5 TO THE BOARD'S REPORT CONTINUED

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate/Joint Venture	% of shares held	Applicable Section
22	Good Earth Teas Inc 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
23	Empirical Group, LLC 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	56	2 (87)
24	Tata Global Beverages Canada Inc. 10 Carlson street, Etobicoke, Ontario M9W6L2, Canada	N.A.	Subsidiary	100	2 (87)
25	Tata Global Beverages, Australia Pty. Limited 620 Church Street, Richmond, Victoria 3121, Australia	N.A.	Subsidiary	100	2 (87)
26	Earth Rules Pty. Limited 620 Church Street, Richmond, Victoria 3121, Australia	N.A.	Subsidiary	100	2 (87)
27	Tata Global Beverages Investments Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
28	Campestres Holdings Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
29	Kahutara Holdings Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	65	2 (87)
30	Suntyco Holding Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
31	Onomento Co. Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
32	Coffee Trade LLC Prospect Mira Street, 69 Building 1, Moscow, 129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
33	Tata Global Beverages Capital Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
34	Tata Coffee Ltd Pollibetta, Kodagu,Karnataka, India	L01131KA1943PLC000833	Subsidiary	57.48	2 (87)
35	Tata Coffee Vietnam Company Limited No 12 VSIP II – A Street 32, Vietnam Singapore Industrial Park II-A, Tan Binh Commune, Bac Tan Uyen Town, Binh Doung Province, Vietnam	N.A.	Subsidiary	100	2 (87)
36	Consolidated Coffee Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
37	Eight 'O Clock Holdings Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate/Joint Venture	% of shares held	Applicable Section
38	Eight ' O Clock Coffee Company 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
39	Tata Tea Extractions Inc 1001 W Dr M L King Jr Blvd Plant City, Florida 33563, USA	N.A.	Subsidiary	100	2 (87)
40	Tata Tea Holdings Private Limited 4th Floor, New Excelsior Building, Amrit Keshav Nayak Marg Fort, Mumbai – 400 001, India	U67190MH2008PTC187767	Subsidiary	100	2 (87)
41	TRIL Constructions Limited Elphinstone Building, 2nd Floor, 10 Veer Nariman Road, Mumbai - 400 001, India	U45201MH2007PLC171985	Associate	48.40@	2 (6)
42	Amalgamated Plantations Private Ltd 1, Bishop Lefroy Road, Kolkata – 700 020, India	U01132WB2007PTC112852	Associate	41.03	2 (6)
43	Kanan Devan Hills Plantations Private Ltd KDHP House, Munnar, Kerala- 685612, India	U01132KL2005PTC018014	Associate	28.52	2 (6)
44	NourishCo Beverages Limited Lelve-3, Pioneer Square, Sector-62 Near Golf Course Extension Road Gurugram 122101, Haryana, India	U15500HR2010PLC041616	Joint Venture	50	2 (6)
45	Tata Starbucks Private Limited 4th Floor, New Excelsior Building, Amrit Keshav Nayak Marg Fort, Mumbai – 400 001, India	U74900MH2011PTC222589	Joint Venture	50	2 (6)
46	Tetley ACI (Bangladesh) Limited 245 Tejgaon Industrial Area, Dhaka – 1208, Bangladesh	N.A.	Joint Venture	50	2 (6)
47	Southern Tea, LLC 1267 Cobb Industrial Drive, Marietta, Georgia 30066, USA	N.A.	Joint Venture	50	2(6)
48	Tetley Clover (Private) Limited Lakson Square Building No 2 Sarwar Shaheed Road, Karachi, Pakistan	N.A.	Joint Venture	50	2 (6)

% of shares held shown above is based on the voting power held by the Group (Tata Global Beverages Limited and its subsidiaries together referred as 'the Group').
@ includes investments in Preference Shares

ANNEXURE 5 TO THE BOARD'S REPORT CONTINUED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year .i.e 01.04.2018				No. of Shares held at the end of the year .i.e 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1)	**Indian**									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	217,445,190	0	217,445,190	34.45	217,445,190	0	217,445,190	34.45	0.00
(e)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)		**217,445,190**	**0**	**217,445,190**	**34.45**	**217,445,190**	**0**	**217,445,190**	**34.45**	**0.00**
(2)	**Foreign**									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**217,445,190**	**0**	**217,445,190**	**34.45**	**217,445,190**	**0**	**217,445,190**	**34.45**	**0.00**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	64,129,841	105,415	64,235,256	10.18	60,193,798	105,415	60,299,213	9.55	-0.62
(b)	Banks / Financial Institutions	30,455,428	62,055	30,517,483	4.84	24,197,309	38,805	24,236,114	3.84	-1.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	5,850	5,850	0.00	0	5,850	5,850	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	983,200	0	983,200	0.16	1,574,632	0	1,574,632	0.25	0.09
(g	Foreign Institutional Investors	929,304	6,260	935,564	0.15	2,295,350	6,260	2,301,610	0.36	0.22
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Portfolio Investors (Corporate)	128,567,293	0	128,567,293	20.37	157,799,811	0	157,799,811	25.00	4.63
Sub-Total (B) (1)		**225,065,066**	**179,580**	**225,244,646**	**35.69**	**246,060,900**	**156,330**	**246,217,230**	**39.01**	**3.32**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
	I. Indian	9,526,230	174,405	9,700,635	1.54	6,657,200	167,815	6,825,015	1.08	-0.46
	ii. Overseas	3,521	50,100	53,621	0.01	975	50,100	51,075	0.01	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	114,954,739	11,234,124	126,188,863	19.99	113,770,770	9,537,548	123,308,318	19.54	-0.46

Category of Shareholders		No. of Shares held at the beginning of the year .i.e 01.04.2018				No. of Shares held at the end of the year .i.e 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9,872,577	118,450	9,991,027	1.58	8,278,245	118,450	8,396,695	1.33	-0.25
(c)	Any Other (specify)									
(i)	Trusts	8,266,144	4,000	8,270,144	1.31	12,192,750	4,000	12,196,750	1.93	0.62
(ii)	Directors & their relatives	0	0	0	0	0	0	0	0.00	0.00
(iii)	Non-Resident Individuals	5,878,287	121,587	5,999,874	0.95	6,188,947	110,727	6,299,674	1.00	0.05
(iv)	Foreign Portfolio Investors-Individuals	2,400	0	2,400	0.00	2,400	0	2,400	0.00	0.00
(v)	Foreign Institutional Investors-DR	0	0	0	0.00	0	0	0	0.00	0.00
(vi)	Foreign Nationals-DR	500	0	500	0.00	6,000	0	6,000	0.00	0.00
(vii)	HUF	4,011,578	725	4,012,303	0.64	3,824,964	2,825	3,827,789	0.61	-0.03
(viii)	Clearing Members	3,069,029	0	3,069,029	0.49	4,026,806	0	4,026,806	0.64	0.15
(ix)	Bodies Corporate - NBFC	136,414	0	136,414	0.02	136,811	0	136,811	0.02	0.00
(x)	Limited Liability Partnership-LLP	442,634	0	442,634	0.07	339,650	0	339,650	0.05	-0.02
(xi)	Alternate Investment Funds	180,000	0	180,000	0.03	180,000	0	180,000	0.03	0.00
(xii)	IEPF Suspense Account	1,594,515	0	1,594,515	0.25	1,847,433	0	1,847,433	0.29	0.04
Sub-total (B) (2)		**157,938,568**	**11,703,391**	**169,641,959**	**26.88**	**157,452,951**	**9,991,465**	**167,444,416**	**26.53**	**-0.35**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**383,003,634**	**11,882,971**	**394,886,605**	**62.57**	**403,513,851**	**10,147,795**	**413,661,646**	**65.54**	**2.98**
TOTAL (A)+(B)		**600,448,824**	**11,882,971**	**612,331,795**	**97.02**	**620,959,041**	**10,147,795**	**631,106,836**	**100.00**	**2.98**
(C)	Shares held by Custodians for GDRs and ADRs	**18,797,934**	**0**	**18,797,934**	**2.98**	**22,893**	**0**	**22,893**	**0.00**	**-2.97**
GRAND TOTAL (A)+(B)+(C)		**619,246,758**	**11,882,971**	**631,129,729**	**100.00**	**620,981,934**	**10,147,795**	**631,129,729**	**100.00**	**0.00**

(ii) Shareholding of Promoters (including promoter group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e 01.04.2018			Shareholding at the end of the year i.e 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Private Limited	186,029,710	29.48	1.82	186,029,710	29.48	1.37	0.00
2	Tata Investment Corporation Limited*	26,945,000	4.27	0.00	26,945,000	4.27	0.00	0.00
3	Ewart Investments Limited*	3,733,360	0.59	0.00	3,733,360	0.59	0.00	0.00
4	Tata Industries Limited*	731,120	0.11	0.00	731,120	0.11	0.00	0.00
5	Titan Company Limited*	6,000	0.00	0.00	6,000	0.00	0.00	0.00
	Total	**217,445,190**	**34.45**	**1.82**	**217,445,190**	**34.45**	**1.37**	**0.00**

*part of Promoter Group

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(iii) Change in Promoters' Shareholding (including promoter group) (please specify, if there is no change)

Sl. No	Particulars	Shareholding at the beginningof the year as on 01.04.2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year	217,445,190	34.45	217,445,190	34.45
2	Date wise Increase/ Decrease in Promoter Shareholding during the year specifying the reasons for increase/ decrease (Eg. Allotment/ Transfer/ Bonus/ Sweat Equity, etc)	No Movement During the Financial Year 2018-19			
3	At the end of the Year	217,445,190	34.45	217,445,190	34.45

(iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
1	First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund				
	No. of Shares at the Beginning of the Year	4,655,723	0.74	4,655,723	0.74
	Bought during the year	16,334,446	2.59	20,990,169	3.33
	Sold during the year	(3,463,275)	(0.55)	17,526,894	2.78
	At the end of year	17,526,894	2.78	17,526,894	2.78
2	Mirae Asset Tax Saver Fund Mirae Asset India Equity Fund Mirae Asset Emerging Bluechip Fund Mirae Asset Great Consumer Fund Mirae Asset Hybrid - Equity Fund Mirae Asset Equity Savings Fund				
	No. of Shares at the Beginning of the Year	12,374,323	1.96	12,374,323	1.96
	Bought during the year	6,192,080	0.98	18,566,403	2.94
	Sold during the year	(1,601,608)	(0.25)	16,964,795	2.69
	At the end of year	16,964,795	2.69	16,964,795	2.69
3	Government Pension Fund Global				
	No. of Shares at the Beginning of the Year	11,982,045	1.90	11,982,045	1.90
	Bought during the year	1,689,866	0.27	13,671,911	2.17
	Sold during the year	(100,000)	(0.02)	13,571,911	2.15
	At the end of year	13,571,911	2.15	13,571,911	2.15
4	First State Investments Icvc- Stewart Investors Asia Pacific Fund				
	No. of Shares at the Beginning of the Year	9,077,713	1.44	9,077,713	1.44
	Bought during the year	3,133,798	0.50	12,211,511	1.93
	Sold during the year	0	-	12,211,511	1.93
	At the end of year	12,211,511	1.93	12,211,511	1.93

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
5	NPS Trust- A/C LIC Pension Fund Scheme - Central Govt; NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme E - Tier NPS Trust- A/C LIC Pension Fund Scheme - State Govt NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme - State Govt NPS Trust- A/C UTI Retirement Solutions Scheme E - Tier II NPS Trust A/C - LIC Pension Fund Limited - NPS Lite Scheme - Govt. Pattern NPS Trust - A/C LIC Pension Fund Scheme - Corporate Cg NPS Trust- A/C LIC Pension Fund Scheme E - Tier I NPS Trust- A/C LIC Pension Fund Scheme E - Tier II NPS Trust - A/C UTI Retirement Solutions Ltd Scheme - Atal Pension Yojana (Apy) NPS Trust - A/C LIC Pension Fund Scheme - Atal Pension Yojana (Apy)				
	No. of Shares at the Beginning of the Year	6,452,646	1.02	6,452,646	1.02
	Bought during the year	4,223,688	0.67	10,676,334	1.69
	Sold during the year	(302,204)	(0.05)	10,374,130	1.64
	At the end of year	10,374,130	1.64	10,374,130	1.64
6	Stewart Investors Global Emerging Markets Leaders Fund				
	No. of Shares at the Beginning of the Year	1,631,772	0.26	1,631,772	0.26
	Bought during the year	8,390,400	1.33	10,022,172	1.59
	Sold during the year	0	0.00	10,022,172	1.59
	At the end of year	10,022,172	1.59	10,022,172	1.59
7	LIC of India Child Fortune Plus Growth Fund LIC of India Profit Plus Balanced Fund Life Insurance Corporation of India LIC of India Market Plus 1 Growth Fund Life Insurance Corporation of India - Ulif002180912licflx+Mix512 Life Insurance Corporation of India				
	No. of Shares at the Beginning of the Year	17,851,960	2.83	17,851,960	2.83
	Bought during the year	0	0.00	17,851,960	2.83
	Sold during the year	(9,200,000)	(1.46)	8,651,960	1.37
	At the end of year	8,651,960	1.37	8,651,960	1.37
8	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund Reliance Capital Trustee Company Limited A/C Reliance Vision Fund. Reliance Capital Trustee Co Ltd.A/C Reliance Consumption Fund Reliance Capital Trustee Co Ltd.A/C Reliance Balanced Advantage Fund Reliance Capital Trustee Co Ltd.A/C Reliance Quant Fund Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund 2 Sr B				
	No. of Shares at the Beginning of the Year	238,500	0.04	238,500	0.04
	Bought during the year	10,559,693	1.67	10,798,193	2.41
	Sold during the year	(2,302,743)	(0.36)	8,495,450	1.35
	At the end of year	8,495,450	1.35	8,495,450	1.35

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Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
9	Baron Emerging Markets Fund				
	No. of Shares at the Beginning of the Year	19,110,656	3.03	19,110,656	3.03
	Bought during the year	370,000	0.06	19,480,656	3.09
	Sold during the year	(11,534,286)	(1.83)	7,946,370	1.26
	At the end of year	7,946,370	1.26	7,946,370	1.26
10	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund Sundaram Mutual Fund A/C Sundaram Rural And Consumption Fund Sundaram Mutual Fund A/C Sundaram Long Term Tax Advantage Fund Sundaram Mutual Fund A/C Sundaram Value Fund Series - II Sundaram Mutual Fund A/C Sundaram Select Small Cap Series - III Sundaram Mutual Fund A/C Sundaram Select Small Cap Series - IV Sundaram Mutual Fund A/C Sundaram Long Term Tax Advantage Fund-Series-II Sundaram Mutual Fund A/C Sundaram Value Fund - Series – III Sundaram Mutual Fund A/C Sundaram Select Small Cap - Series - V Sundaram Mutual Fund A/C Sundaram Select Small Cap - Series - VI				
	No. of Shares at the Beginning of the Year	5,578,662	0.88	5,578,662	0.88
	Bought during the year	1,359,125	0.22	6,937,787	1.10
	Sold during the year	0	0.00	6,937,787	1.10
	At the end of year	6,937,787	1.10	6,937,787	1.10
11	UTI-Unit Scheme For Charitable And Religious Trusts And Registered Societies UTI - Long Term Equity Fund (Tax Saving) UTI - Core Equity Fund UTI -Mid Cap Fund UTI - Regular Savings Fund UTI - Hybrid Equity Fund UTI - Arbitrage Fund UTI - India Lifestyle Fund UTI - Retirement Benefit Pension Fund UTI - Ccf -Savings Plan UTI - Multi Asset Fund UTI - Dual Advantage Fixed Term Fund Series I - II (1145 Days) UTI - Capital Protection Oriented Scheme - Series V - II (1135 Days) UTI - Dual Advantage Fixed Term Fund Series I - V (1099 Days) UTI - Capital Protection Oriented Scheme - Series VI - I (1098 Days) UTI - Dual Advantage Fixed Term Fund Series II - I (1998 Days) UTI - Dual Advantage Fixed Term Fund Series II - II (1997 Days) UTI - Dual Advantage Fixed Term Fund Series II - III (1998 Days) UTI - Capital Protection Oriented Scheme - Series VI - III (1098 Days) UTI -Dual Advantage Fixed Term Fund Series II - IV (1997 Days) UTI - Capital Protection Oriented Scheme - Series VII - I (1098 Days) UTI - Dual Advantage Fixed Term Fund Series II - V (1997 Days) UTI - Dual Advantage Fixed Term Fund Series III - I (1998 Days) UTI - Capital Protection Oriented Scheme - Series VII - IV (1278 Days) UTI - Capital Protection Oriented Scheme - Series VII - V (1281 Days) UTI - Dual Advantage Fixed Term Fund Series Iii - II (1278 Days) UTI - Dual Advantage Fixed Term Fund Series Iii - III (1102 Days) UTI - Capital Protection Oriented Scheme - Series VIII - I (1278 Days) UTI - Capital Protection Oriented Scheme - Series VIII - II (1831 Days) UTI - Capital Protection Oriented Scheme - Series VIII - IV (1996 Days) UTI - S&P BSE Sensex Next 50 Exchange Traded Fund				

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
	No. of Shares at the Beginning of the Year	9,745,731	1.54	9,745,731	1.54
	Bought during the year	1,772,069	0.28	11,517,800	1.82
	Sold during the year	(5,596,969)	(0.89)	5,920,831	0.94
	At the end of year	5,920,831	0.94	5,920,831	0.94
12	General Insurance Corporation Of India				
	No. of Shares at the Beginning of the Year	4,902,120	0.78	4,902,120	0.78
	Bought during the year	967,406	0.15	5,869,526	0.93
	Sold during the year	0	0.00	5,869,526	0.93
	At the end of year	5,869,526	0.93	5,869,526	0.93
13	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust				
	No. of Shares at the Beginning of the Year	4,561,690	0.72	4,561,690	0.72
	Bought during the year	116,738	0.17	5,612,328	0.89
	Sold during the year	0	0.00	5,612,328	0.89
	At the end of year	5,612,328	0.89	5,612,328	0.89
14	Mahout Global Emerging Markets Leaders Fund, A Sub-Fund Of The Mahout Delaware Statutory Trust				
	No. of Shares at the Beginning of the Year	1,212,158	0.19	1,212,158	0.19
	Bought during the year	4,213,932	0.67	5,426,090	0.86
	Sold during the year	0	0.00	5,426,090	0.86
	At the end of year	5,426,090	0.86	5,426,090	0.86
15	National Westminster Bank Plc As Trustee Of St. James'S Place Global Smaller Companies Unit Trust Managed By Paradice Investment Management Ll				
	No. of Shares at the Beginning of the Year	917,592	0.15	917,592	0.15
	Bought during the year	4,182,743	0.66	5,100,335	0.81
	Sold during the year	0	0.00	5,100,335	0.81
	At the end of year	5,100,335	0.81	5,100,335	0.81
16	Kotak Small Cap Fund Kotak Emerging Equity Scheme Kotak Equity Arbitrage Fund Kotak Equity Savings Fund Kotak Balanced Advantage Fund				
	No. of Shares at the Beginning of the Year	4,628,000	0.73	4,628,000	0.73
	Bought during the year	9,783,618	1.55	14,411,618	2.28
	Sold during the year	(10,031,467)	(1.59)	4,380,151	0.69
	At the end of year	4,380,151	0.69	4,380,151	0.69
17	First State Investments ICVC- Stewart Investors Global Emerging Markets Fund				
	No. of Shares at the Beginning of the Year	2,401,086	0.38	2,401,086	0.38
	Bought during the year	2,311,472	0.37	4,712,558	0.75
	Sold during the year	(365,042)	(0.06)	4,347,516	0.69
	At the end of year	4,347,516	0.69	4,347,516	0.69

ANNEXURE 5 TO THE BOARD'S REPORT CONTINUED

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
18	MFS International New Discovery Fund				
	No. of Shares at the Beginning of the Year	0	0.00	0	0.00
	Bought during the year	4,258,744	0.67	4,258,744	0.67
	Sold during the year	0	0.00	4,258,744	0.67
	At the end of year	4,258,744	0.67	4,258,744	0.67
19	Mirae Asset India Mid Cap Equity Fund				
	No. of Shares at the Beginning of the Year	3,306,399	0.52	3,306,399	0.52
	Bought during the year	775,603	0.12	4,082,002	0.65
	Sold during the year	0	0.00	4,082,002	0.65
	At the end of year	4,082,002	0.65	4,082,002	0.65
20	Paradice Global Small Mid Cap Fund				
	No. of Shares at the Beginning of the Year	2,927,877	0.46	2,927,877	0.46
	Bought during the year	1,005,422	0.16	3,933,299	0.62
	Sold during the year	0	0.00	3,933,299	0.62
	At the end of year	3,933,299	0.62	3,933,299	0.62
21	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Arbitrage Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life India Gennext Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Midcap Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 1 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 2 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 3 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 4 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 5				
	No. of Shares at the Beginning of the Year	5,695,500	0.90	5,695,500	0.90
	Bought during the year	4,829,000	0.77	10,524,500	1.67
	Sold during the year	(6,665,500)	(1.06)	3,859,000	0.61
	At the end of year	3,859,000	0.61	3,859,000	0.61
22	The New India Assurance Company Limited				
	No. of Shares at the Beginning of the Year	3,559,130	0.56	3,559,130	0.56
	Bought during the year	250,000	0.04	3,809,130	0.60
	Sold during the year	0	0.00	3,809,130	0.60
	At the end of year	3,809,130	0.60	3,809,130	0.60

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
23	Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc.				
	No. of Shares at the Beginning of the Year	3,415,341	0.54	3,415,341	0.54
	Bought during the year	274,742	0.04	3,690,083	0.58
	Sold during the year	(104,418)	(0.02)	3,585,665	0.57
	At the end of year	3,585,665	0.57	3,585,665	0.57
24	ICICI Prudential Value Fund - Series 19 ICICI Prudential Bharat Consumption Fund-Series 3 ICICI Prudential Manufacture In India Fund ICICI Prudential Bharat Consumption Fund - Series 5 ICICI Prudential Mutual Fund ICICI Prudential Equity Arbitrage Fund ICICI Prudential Midcap Select ETF ICICI Prudential Equity Savings Fund ICICI Prudential FMCG Fund ICICI Prudential Top 100 Fund ICICI Prudential Bharat Consumption Fund - Series 2 ICICI Prudential S&P BSE 500 ETF				
	No. of Shares at the Beginning of the Year	1,435,656	0.23	1,435,656	0.23
	Bought during the year	4837206	0.77	6,272,862	0.99
	Sold during the year	(2,807,857)	(0.44)	3,465,005	0.55
	At the end of year	3,465,005	0.55	3,465,005	0.55
25	Ishares Core Emerging Markets Mauritius Co				
	No. of Shares at the Beginning of the Year	3,249,408	0.51	3,249,408	0.51
	Bought during the year	713,733	0.11	3,963,141	0.63
	Sold during the year	(709,194)	(0.11)	3,253,947	0.52
	At the end of year	3,253,947	0.52	3,253,947	0.52
26	Dimensional Emerging Markets Value Fund				
	No. of Shares at the Beginning of the Year	5,236,799	0.83	5,236,799	0.83
	Bought during the year	56,414	0.01	5,293,213	0.84
	Sold during the year	(2,076,854)	(0.33)	3,216,359	0.51
	At the end of year	3,216,359	0.51	3,216,359	0.51
27	The Emerging Markets Small Cap Series of the DFA Investment Trust Company				
	No. of Shares at the Beginning of the Year	2,778,424	0.44	2,778,424	0.44
	Bought during the year	124,418	0.02	2,902,842	0.46
	Sold during the year	(482,239)	(0.08)	2,420,603	0.38
	At the end of year	2,420,603	0.38	2,420,603	0.38
28	The State Teachers Retirement System Of Ohio				
	No. of Shares at the Beginning of the Year	1,785,373	0.28	1,785,373	0.28
	Bought during the year	292,398	0.05	2,077,771	0.33
	Sold during the year	0	0.00	2,077,771	0.33
	At the end of year	2,077,771	0.33	2,077,771	0.33

ANNEXURE 5 TO THE BOARD'S REPORT CONTINUED

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
29	IDFC Arbitrage Fund				
	No. of Shares at the Beginning of the Year	895,500	0.14	895,500	0.14
	Bought during the year	2,196,000	0.35	3,091,500	0.49
	Sold during the year	(1,311,750)	(0.21)	1,779,750	0.28
	At the end of year	1,779,750	0.28	1,779,750	0.28
30	L&T Mutual Fund Trustee Ltd-L And T Equity Savings Fund L&T Mutual Fund Trustee Limited -L And T Large And Midcap Fund L&T Mutual Fund Trustee Ltd-L And T Dynamic Equity Fund L&T Mutual Fund Trustee Ltd-L And T India Value Fund L&T Mutual Fund Trustee Limited-L&T Arbitrage Opportunities Fund				
	No. of Shares at the Beginning of the Year	4,522,200	0.72	4,522,200	0.72
	Bought during the year	314,850	0.05	4,837,050	0.77
	Sold during the year	(3,072,350)	(0.49)	1,764,700	0.28
	At the end of year	1,764,700	0.28	1,764,700	0.28
31	National Insurance Company Ltd				
	No. of Shares at the Beginning of the Year	1,272,230	0.20	1,272,230	0.20
	Bought during the year	0	0.00	1,272,230	0.20
	Sold during the year	0	0.00	1,272,230	0.20
	At the end of year	1,272,230	0.20	1,272,230	0.20
32	Tata Equity Savings Fund Tata Large And Mid-Cap Fund Tata Retirement Savings Fund-Progressive Plan Tata Retirement Savings Fund-Moderate Plan Tata Retirement Savings Fund-Conservative Plan Tata Mutual Fund- Tata Equity P/E Fund Tata Mutual Fund - Tata India Tax Savings Fund Tata Large And Mid-Cap Fund Tata Mid Cap Growth Fund Tata Ethical Fund Tata India Consumer Fund Tata Offshore India Opportunities Scheme Tata Offshore India Sharia Scheme				
	No. of Shares at the Beginning of the Year	6,697,000	1.06	6,697,000	1.06
	Bought during the year	1,050,000	0.17	7,747,000	1.23
	Sold during the year	(7,210,000)	(1.14)	537,000	0.09
	At the end of year	537,000	0.09	537,000	0.09
33	JM Financial Mutual Fund - JM Equity Hybrid Fund JM Financial Mutual Fund - JM Arbitrage Fund				
	No. of Shares at the Beginning of the Year	3,757,500	0.60	3,757,500	0.60
	Bought during the year	310,500	0.05	4,068,000	0.64
	Sold during the year	(4,068,000)	(0.64)	0	0.00
	At the end of year	0	0.00	0	0.00

Sl. No.	Name of Shareholder	Shareholding		Cumulative	
		No. of Shares	% Total shares of Company	No. of Shares	% Total shares of Company
34	Credit Suisse (Singapore) Limited				
	No. of Shares at the Beginning of the Year	430,622	0.07	430,622	0.07
	Bought during the year	13,026	0.00	443,648	0.07
	Sold during the year	(443,648)	(0.07)	0	0.00
	At the end of year	0	0.00	0.00	0.00
35	Goldman Sachs (Singapore) Pte				
	No. of Shares at the Beginning of the Year	47,015	0.01	47,015	0.01
	Bought during the year	0	0.00	47,015	0.01
	Sold during the year	(47,015)	(0.01)	0	0.00
	At the end of year	0	0.00	0.00	0.00

Note:

1. The above information is based on the weekly beneficiary position received from the depositories
2. The date wise increase/decrease in shareholding of the top 10 shareholders is available on the website of the Company www.tataglobalbeverages.com

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on 1.4.2018		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding at the end of the year as on 31.03.2019.	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Director**	----------NIL----------							
	Key Managerial Personnel								
2	Mr. V. Madan * Company Secretary	112	0.00	No Movement during 2018-19				112	0.00

*Mr. V. Madan ceased to be Company Secretary w.e.f. 06.08.2018 consequent upon his retirement.

Other Key Managerial Personnels of the Company do not hold shares in the Company

ANNEXURE 5 TO THE BOARD'S REPORT CONTINUED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Crores)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	24.25	60.00	-	84.25
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	0.22	-	0.22
	Total (i+ii+iii)	24.25	60.22	-	84.47
	Change in Indebtedness during the financial year				
	- Addition	4.53	35.00	-	39.53
	- Reduction	(24.25)	(95.22)	-	(119.47)
	Net Change	(19.72)	(60.22)	-	(79.94)
	Indebtedness at the end of the financial year				
i)	Principal Amount*	4.53	-	-	4.53
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	4.53	-	-	4.53

* Represents Bank overdraft

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ajoy Misra (Managing Director)	L. KrishnaKumar (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.54	247.58	517.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	84.29	80.04	164.33
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify.....	-	-	-
5	Others (contribution to PF, Gratuity and superannuation)	34.68	28.91	63.59
	Total (A)	**388.51**	**356.53**	**745.04**
	Ceiling as per the Act			5821.23
	Payment from overseas subsidiary	65.44	26.78	92.22

b. Remuneration to other Directors:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. N. Chandrasekaran	Mrs. M Srinivasan	Mr. V. Leeladhar	Mrs. Ranjana Kumar	Mrs. Ireena Vittal#	Mr. Siraj Azmat Chaudhry	Mr. S. Santhana krishnan	Mr. Harish Bhat	
1	**Independent Directors**									
	Fee for attending board/ committee meetings	-	2.10	5.70	5.40	0.30	4.50	4.50	-	22.50
	Commission	-	40.00	70.00	60.00	5.00	40.00	50.00	-	265.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	**-**	**42.10**	**75.70**	**65.40**	**5.30**	**44.50**	**54.50**	**-**	**287.50**
2	**Other Non-Executive Directors**									
	Fee for attending board/ committee meetings	2.20	-	-	-	-	-	-	4.20	6.40
	Commission	-*	-	-	-	-	-	-	-*	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	**2.20**	**-**	**-**	**-**	**-**	**-**	**-**	**4.20**	**6.40**
	Total (B)=(1+2)	**2.20**	**42.10**	**75.70**	**65.40**	**5.30**	**44.50**	**54.50**	**4.20**	**293.90**
	Total Managerial Remuneration									**293.90**
	Overall Ceiling as per the Act									**582.13**

#Mrs. Ireena Vittal resigned from the Board of Directors of the Company w.e.f. June 30, 2018.

* 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 full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

c. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in Lakhs)

Sl No	Particulars of Remuneration	Key Managerial Personnel			Total
		John Jacob Chief Financial Officer	V. Madan Company Secretary (up to 06.08.2018)	Neelabja Chakrabarty Company Secretary (w.e.f. 07.08.2018)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	137.30	24.13	46.79	208.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	31.91	7.97	8.03	47.91
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others (contribution to PF, Gratuity and superannuation)	17.57	4.69	2.72	24.98
	Total	**186.78**	**36.79**	**57.54**	**281.11**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the breach of any sections of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during FY 2018-19.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
April 23, 2019

ANNEXURE 6 TO THE BOARD'S REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY:

Energy conservation measures taken during FY 2018-19

1. Steps taken or impact on conservation of energy:

Pullivasal and Periakanal Estates, Munnar

- Replacement of fluorescent tubes with LED Lights

Packing Centres

- Replacement of fluorescent tubes with LED Lights
- Replacement of Metal Halide/Sodium vapour lights with LED lights
- Replaced 24 single track machines with 3 multi track machines

Tata Tetley Division, Cochin

- Replacement of all fluorescent tube fittings and bulbs with LED fixtures

Instant Tea Division, Munnar (ITD)

- Installation of Auto Start Delta convertor for some of the heavy duty motors to reduce Power consumption.

Water division

- Replacement of existing light Fittings with LED light fittings

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

Pullivasal Estates, Munnar

- Installation of 150 KW solar power plants.

Packing Centre

- Commissioned 300 KW solar power plant for alternate source of energy which involves a total investment of Rs 1.33 Crores.

3. Capital investment on Energy Conservation Equipment

Energy savings initiatives at Instant tea division involved a capital expenditure of Rs. 1.4 Crores during FY 2018- 19. In addition, the division will take the following initiatives during FY 2019-20:

- Installation of 3 x 200 KVA , 600 KVA(with Erected standby 200KVA) three phase UPS Stations with associated accessories for process sustenance expected to give a benefit of Rs. 35.92 lacs per year.
- Installation of dedicated air receiver for ETP air compressor.
- Energy savings initiatives at various packing centres and its estates in Munnar involved a total cost outlay of around Rs. 2 Crores.

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 and process development, new packaging development and analytical service support. Technical discussions were held to identify the appropriate technologies, solutions and development and process improvement support. Company has entered into MOU with many other 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 under review, the Company launched number of new products –Tata Tea Quick chai, Chakra Gold Elaichi, Chakra Gold Acti+, Kanan Devan Duet, Re-formulated Tata Fruski in new bottle design, Tata Coffee Grand in new jar design. This has been achieved through the efforts taken on technology and product development and collaborations with different business partners..

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

Collaboration with major flavor houses like Givaudan, IFF, Firmenich and Synthite continued during the year for the development of newer flavor formulations. Collaborated with Zeon Life Sciences and Imperial Malt for the development and launch of newer product formats and with GAT Foods and Sunsip for development of fruit based beverages. Collaborated with Lanxess for the development and adoption of cold fill technology for beverages.

Projects were taken up with Central Food Technological Research Institute (CFTRI), Mysore for studying shelf life characteristics of Coffee in new packaging. Collaboration with M/s Anthem Cellutions and Otsil, Chennai continued during the year for providing inputs for tea quality improvement and functional ingredients.

Service agreements were entered between Analytical labs – Eurofins, Bangalore, TUV-SUD, Bangalore, TUV-Nord, Pune, ITC, Labs Gurgaon, Vimta Labs, Hyderabad, Intertek, Hyderabad and Neogen, Cochin for analytical support.

Active engagement with different companies were taken up during the year for packaging development:

Engagement with Dow Chemicals continued for options on sustainable packaging. 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 development of rigid packaging we have engaged with Tata Elxsi.

For developing printing options, designing and developments involving re-engineering of packing material, we have engaged with ITC, Uflex, Paharpur, Creative Polypack, Amcor and GLS (for Flexible Packaging) and with ITC and IPP, Sidel, Manjushree Technopack Limited, Hitesh Plastics, Piramal Glass, Hindustan National Glass, Beri Cap, Arol India (for Rigid Packaging).

For designing Pack artwork, we have engaged with ICARUS, Bangalore and ENCEPT, Mumbai. During the year under review, online artwork approval system from Alia Premedia Services has been deployed.

(iii) In case of imported Technology (imported during the last three years reckoned from the beginning of the financial year 2018-19):

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:

Capital Expenditure	Rs. 0.25 Crores
Revenue Expenditure	Rs. 5.95 Crores
Total R&D expenditure as a % of Net Sales	0.19%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned	Rs. 324.84 Crores
Outgo of foreign Exchange	Rs. 104.69 Crores

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
April 23, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global

The world economy grew by 3.6% in 2018, according to the International Monetary Fund (IMF). The marginal moderation in growth from 2017 was primarily on account of a slowdown in Europe and Asia (particularly China). On the other hand, propelled by a fiscal stimulus, the US economy grew by 2.9% in 2018 as compared to 2.2% in 2017. China's deceleration follows tightening of economy-wide regulatory controls and rising trade tensions with the US. The Euro Area economy (Germany, France, Italy and Spain) navigated weakening consumer and investor sentiments, together with softening export demand. Geo-political risks increasingly took a toll on business confidence globally.

Outlook
Global growth is projected to moderate further to 3.3% in 2019, reflecting concerns over potential escalation of trade tensions between US and China, unwinding of fiscal stimulus in US, weakening financial market sentiment, uncertainty about BREXIT outcome and possible slowdown in Chinese economy.

India

At 7.3%, India outperformed China (6.6%) in the year and emerged as the fastest-growing large economy. The key contributors to this growth include its robust private consumption, the implementation of GST, an array of structural reforms and low food inflation that was partly offset by disruption caused by the floods in Kerala.

India's ranking in the World Bank's Ease of Doing Business Index continued to improve, jumping 23 places in the 2018 edition to assume the 77th position. Another indication of the growing investor confidence is that the total FDI inflow in India in 2018 was recorded at ~US$38 billion, surpassing China for the first time in 20 years.

Outlook
India is projected to remain robust and grow at a rate of 7.1% in 2019, benefitting from lower oil prices, sustained growth in private consumption and favourable monetary policy. Risk to forecast includes outcome of the general election in May 2019, monsoons and slowdown in the global economy.

INDUSTRY REVIEW

Tea

Overview
Euromonitor estimates that the Hot tea category (excluding Ready-to-Drink) is a ~US$44billion industry; projected to grow at a CAGR of 5% between 2019 and 2023. Black/ Everyday Black tea forms the largest category sub-segment globally, accounting for ~42% of sales (by value) followed by Non-Black tea like Green, Fruit & Herbal, Rooibos, Decaf, etc. However, Non-Black tea commands a much higher value-per-serve in comparison to Black tea.

In the developed markets, whilst Non-Black tea category is growing, Everyday Black tea category is shrinking (with different markets witnessing varying rates of decline). Growth within the Non-Black tea segment is observed in the Fruit & Herbal and Speciality segment. Green tea category reflects a mixed trends with declines in some developed countries.

Black tea category in India continues to enjoy good growth.

Hot tea category (excluding Ready-to-Drink) is a ~US$44billion industry; projected to grow at a CAGR of 5% between 2019 and 2023.

Production and Prices
In terms of production, the global crop position in 2018 was at similar levels as 2017, with record crop production in Kenya at ~500 million kg. Thereafter, internationally, the year opened with lower Kenyan price levels. The market is projected to see continued softness in prices, as compared to the previous year.

Indian tea production closed at ~1,312 million kg, lower than last year by 10.2 million kg (equivalent to 2016 levels, which was one of the lowest in recent times). The production was impacted by the unprecedented floods in Kerala (August 2018) and lower harvest in South India. Crop output in North India was higher by 6 million kg, despite deficits in the later part of the calendar year – due to an early closure of production in December following a directive issued by the Tea Board to curb the supply of low-quality end-of-season teas and to lend price support.

The year saw an increase in both the North and South Indian crop prices, with North Indian teas seeing the highest prices in the last five years (auction average at Rs. 152.2 vis-à-vis Rs. 144.7 in previous year). The North Indian teas prices

firmed up at start of the year with strong domestic demand and exports. Demand for Indian orthodox teas witnessed an upswing in the international markets, since Sri Lankan tea production remained stagnant and the competitively-priced Indian teas were able to find entry in the Middle East/ Persian Gulf regions.

Growth Drivers

Income Levels

A growing number of middle-income and high-income households will transform the consumption profile of India.

Urbanisation

Rural per capita consumption in India will grow faster than its urban counterpart, emulating urban consumption patterns, as metros and emerging towns drive economic growth.

Favourable Demographics

India's median age strongly indicates that it will remain one of the youngest nations in the world with one of the largest working-age populations.

Premiumisation and Convenience

World over, there is discernible shift in preferences towards premium products, with a conscious choice for healthier 'good-for-you' products. Convenience also continues to play a key role in international markets. Young consumers increasingly seek interesting flavours and functional benefits from their teas.

Out-of-home Channels

New quick-service restaurant concepts are steadily gaining ground in consumer mindsets across the globe; offering a niche variety of innovative meal and beverage options.

Outlook

We expect the current trends to continue going forward. International markets will see growth in the widening Non-Black tea category. The Indian tea industry will see broad-based growth from unbranded as well as branded business, while more consumers shift to premium products. However, Everyday Black tea category in the developed markets will reflect a declining trend mainly due to change in consumer preference.

We will address each of these opportunities with our existing product portfolio, while also launching new products and product variants to leverage consumer trends, expand the market and attract the millennial consumer group. Tea will remain a durable everyday beverage choice especially in a developing economy and face limited competition from other alternatives.

Tea will remain a durable everyday beverage choice.

Coffee

Overview

Globally, with a total size of ~US$85 billion, the coffee industry is much larger than the tea industry. Coffee has been able to better leverage premiumisation and is growing faster than tea, with a rise in out-of-home consumption at retail outlets (e.g. Starbucks and Costa) and a greater adoption of technology to recreate café experiences at home (e.g. Nespresso). Coffee is also the favourite beverage in most developed countries where affordability does not constrain consumption, as compared to tea which is the preferred beverage in developing countries. The coffee industry has lately seen a wave of consolidation driven by leading players like Nestle and JAB, across geographies.

Coffee has four sub-segments overall: Roast & Ground, Beans, Pods and Instant Coffee. Depending on the maturity of the market, consumers either prefer Instant Coffee (early stage market) or Roast & Ground and Pods (evolved café culture). At ~US$12 billion, USA is the largest coffee market by value and is projected to remain a significant contributor to the global pie. Comparatively, at ~US$0.4 billion, India is still a nascent market.

Coffee industry is estimated to be worth ~US$85 billion, with four sub-segments: Roast & Ground, Beans, Pods and Instant Coffee.

Production and Prices

Global coffee production for the 2018-19 season estimated at 167.47 million bags, exceeded world consumption, estimated at 165.18 million bags. However, given the stronger growth in demand, the surplus for 2018-19 is projected to be 2.29 million bags, around 1 million bags less than in 2017-18. This excess in supply continues to put downward pressure on prices that is likely to continue over the next few months. The year saw an increase in both Arabica and Robusta output – supported by strong Brazilian production. In case of Arabica, there was a bumper Brazilian crop, since it entered the 'on' year of the alternating 'on' and 'off' seasons. Robusta output was driven by a good crop in both Brazil and Vietnam. In case of Vietnam, there were some initial concerns around yields, given the rains; but the region saw healthy coffee production,

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

as compared to previous year. The higher crop put pressure on prices which declined vis-à-vis the previous year levels.

Growth drivers

Maturing Coffee Preferences
Coffee drinkers in developed markets seek to celebrate coffee for its unique flavours and specific origins.
This transition is also attributed to the younger population who are more likely to consume out of home.

In the US, market growth is being led by: (a) premium or quick-service brands (e.g. Starbucks and Dunkin Donut) who are over-investing in promotions and discounts; (b) small niche brands who are capitalising on the trend towards artisanal, single-origin coffees and (c) private label-retailers who are looking at improving their margins and providing consumers with 'value for money' offerings.

Sustainable Sourcing
There is also an increased emphasis on sustainable methods of roasting and brewing, on the relationship of the farmer to the coffee industry and on the desire to inform coffee drinkers on where their coffee is sourced from and how it got to where they are.

Outlook
We expect the coffee category to enjoy sustained growth. There will possibly be greater consolidation resulting in competitive pressure on small niche players. In the US market, growth is expected to arise in the case of premium or value brands, with coffee chains leveraging scale to continue offering value through promotions to consumers and increase their market dominance.

Water

Overview
The Indian Liquid Refreshment Beverage (LRB) market (including packaged water, carbonated drinks, fruit and dairy based beverages and energy and sport drinks) grew at ~9% in calendar year 2018. Within this market, packaged water is growing faster than carbonated drinks.

Packaged water is growing faster than carbonated drinks in India.

Growth drivers

- Increasing disposable incomes
- Rising consumer awareness about safe drinking water
- Greater need for out-of-home convenience
- Shift in preferences towards healthier drinking choices (such as fruit and bottled water that have lower sugar content in comparison to carbonates/soft drinks)

Outlook
Since the underlying trends for the growth of bottled water category is robust, it is expected that the category will continue to expand in tandem with greater penetration.

Other Factors
Interest Rates and Exchange Rates
Besides the above, there are other factors that influence our industry outlook. We operate in multiple geographies; and thus, both interest rates and exchange rates across countries are of significant importance to our business.

The interest rate in India started easing out towards the later part of the year, when the country's central bank cut the benchmark rates to boost a slowing economy with inflation remaining below target. The UK continues to witness low interest rates given the volatility and uncertainty looming around the country's exit from the European Union. In USA, amid concerns about ongoing trade talks and the economic slowdown, the expectation of subsequent interest rate hike faded away.

The Indian rupee traded weak against most of the currencies in the initial part of the year, given the expectation of interest rate hike in USA and weak data releases in India. But it recouped some of these losses on the fading probability of an interest rate hike in the US. The currency is expected to remain volatile due to upcoming general elections in India. The British pound continued to trade with a weak bias over BREXIT uncertainty and is expected to remain volatile.

The Company did well in mitigating the currency and interest rate exposures by adhering to the approved treasury policies and are also reasonably covered in respect of its immediate trade flows.

BUSINESS REVIEW

Tata Global Beverages (TGB)

Overview
TGB is the world's second largest branded tea company; a coffee company with a growing water portfolio. Our vision is to be a world-class good-for-you natural beverages player admired globally for our innovation and quality, a company that provides magical beverage moments to its consumers.

We are at an important stage in our journey as we look at pushing for more growth from our businesses, supporting our brands as well as identifying potential cost opportunities to ensure we are operating in the most efficient manner possible.

We remain aligned and committed to our five stated strategic pillars.

Rejuvenating the Base Business
We continue to focus on our core brands in tea, coffee and water for achieving sustainable profitable growth. We are also emphasising on brand building, premiumisation, improving distribution and developing alternate channels for growth, in key markets (particularly, India).

Investing for Growth
We are building a larger play of successful innovations across our different markets and piloting new launches to obtain consumer feedback, implement the learnings with agility to scale them up subsequently.

Driving Innovation
We are driving innovation by leveraging on the industry growth trends, building on our existing brands, fulfilling evolving consumer aspirations and creating eco-efficient, quality products.

Operating Effectively
We are exploring the right operational business structures, efficiently managing spends including commodity costs and evaluating additional avenues for creating synergies at the back end.

Reviewing Portfolio Options
We are supporting a broad and balanced portfolio of multi-category brands; while also pursuing accelerated growth in creating pan-India retail experiences through Tata Cha and Tata Starbucks.

Initiatives:
During the year under review, in line with our strategic business objectives, we focused on investing behind core brands in India as well as international markets. We kept up the momentum on leveraging innovation to build scale in the Non-Black tea category – launching Cold Infusions in UK, piloting new variants of Eight O'Clock coffee in US, piloting Kombucha in Australia, entering USA with Himalayan water and expanding the 'Supers' range into Canada.

To improve effectiveness, unlock synergies, optimise costs and streamline operations we restructured our international operations – EMEA (UK, Europe, Middle East and Africa) and CAA (Canada, Australia, and Americas) under a single business operating unit "International". Most of the markets are in the similar stage of category evolution and have similar characteristics and can benefit from cross-pollination of winning ideas and strategies across countries.

Along similar lines as above, we also embarked on Corporate Entity reduction plan to simplify the corporate legal entity structure and for better administration of UK subsidiaries. Accordingly, Tata Global Beverages Services Limited, Tata Global Beverages Investments Limited and Tata Global Beverages Holdings Limited transferred its net assets and activities to its UK holding company, Tata Global Beverages Group Limited / fellow subsidiary, namely, Tata Global Beverages GB Ltd. It is expected that in the absence of any future transactions, the restructured entities will cease to trade and plan to be dormant in the foreseeable future.

Brand and Product Performance

Branded Tea

India

During FY2018-19, the Branded tea business delivered strong volume and revenue growth. Every quarter saw a marked improvement in performance and growth trajectory against corresponding quarter of the previous year. We continue to hold volume leadership position.

We achieved robust rates of growth and remained relevant to consumers, through increased support to the base business and through new product launches.

The year saw lot of investment activity for the regional brands: Tata Tea Chakra Gold (premium brand with strong equity in Tamil Nadu and Greater Andhra Pradesh) and Kanan Devan (mainstream brand with strong equity in Karnataka and Kerala). We launched two new variants in April 2018 – Tata Tea Chakra Gold Activ+ and Kanan Devan Duet – which was supported with media campaigns to drive consumer awareness.

We launched Tata Tea Chakra Gold Elaichi in Tamil Nadu and Greater Andhra Pradesh in December 2018, similar to Tata Tea Elaichi launch in North India. The product has received positive response and repeat off takes.

For the first time, we introduced a Jaago Re (Meluku) campaign for Chakra Gold. Developed specifically for the women of Andhra Pradesh, the TV commercial endeavoured to awaken women unto their own strength and self-empowerment while battling debilitating patriarchy and discriminatory societal norms.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

During the year, we re-introduced our premium national brand – Tata Tea Gold – with a bold new packaging design in a premium and sophisticated golden hue. This was supported with a TV campaign that commenced from the New Year, developed along the lines of 'dil ko na kahoge to pachtaoge'.

The spice mix portfolio (Tata Tea Elaichi and Tata Tea Masala) continued to perform well in the market, having exceeded a milestone gross sales number in the reporting year. We supported our new launch: Tata Tea Teaveda (tea with the goodness of Ayurveda).

A pilot campaign with Tata Tea Quick Chai in the beginning of 2019 was started; the product is a '3-in-1' tea mix that offers taste of boilable tea. This was launched with both Ginger and Classic variants in premium general trade and standalone modern stores outlets in Mumbai. Having received encouraging response to Quick Chai, we are going to step up marketing activities for increasing awareness in the next fiscal.

Tetley Green Tea achieved significant growth post an ad campaign with Deepika Padukone as the new brand ambassador. We saw a hike in the market share, improved brand awareness and increased store outlet reach.

The FY 2018-19 marked the second pilot year for Tata Fruski – our Ready-to-Drink fruit-based drink infused with green tea. It is currently available in National Capital Region of Delhi. We grew our volumes by double digit over the previous year (albeit on a smaller base).

Tata Cha – marking our foray in the out-of-home beverage space – now operates six stores in Bangalore spanning three different formats: high street, kiosk and abbreviated. The stores have been well received by customers.

Among other noteworthy achievements of the year, Tata Tea's iconic campaign Jaago Re 2.0 - 'Alarm Bajne Se Pehle, Jaago Re'– was awarded with 4 EMVIES in partnership with its media agency, Wavemaker. The EMVIES is one of the advertising industry's most prestigious awards in India, honouring the year's best measurable and most significant contributions to the field of media.

International

In the UK, in the first half of the year, whilst we faced volume pressure in our Hot Tea business because of the prolonged summer, there was a good recovery in the second half of the year with sales exceeding expectation. UK value market share also recorded an improvement in the overall tea category especially in the declining Everyday Black tea. We launched the innovative Tetley Cold Infusions. It provides a refreshing taste, is easy to make and offers on-the-go product proposition that is healthier than soft drinks and takes 'tea' out of the commonly known hot consumption and into a new cold usage occasion. We launched it with four fruit flavours: Raspberry & Cranberry; Passionfruit & Mango; Orange & Peach; and Mint, Lemon & Cucumber – with consumers having the option to either buy starter pack (which included a reusable drinking bottle and instruction on product usage) or refill packs. We received very encouraging response and already captured good market share in this nascent category.

In Canada, we introduced Super Teas with three variants: Immune, Boost and Antioxidant. These are Canada's first line of teas fortified with vitamins and minerals. We recorded a good growth in Tetley Super Teas , post launch (even before the integrated campaigns began across platforms i.e. TV, Digital, Print, PR and in-store marketing). Tetley Super Teas received the 2019 Best New Product Award from BrandSpark (wherein over 18,000 Canadians surveyed) and also has 95% positive consumer reviews via Chick Advisor (Chick Advisor is one of Canada's trusted ratings and reviews platform for women which provides ratings by women users across a number of categories including food, fashion and beauty products).

Teapigs, our super premium tea brand, achieved good growth led by expansion of markets and channels. Building on the success of a Teapigs pop-up shop in Hong Kong in 2016, we opened a pop-up shop in Yitian Holiday Plaza, Shenzhen, a tier-I city in China between December 6, 2018 to January 20, 2019. Customers could sample hot and blended iced teas as well as purchase any of the several of the gifting options in the run-up to Chinese New Year.

Building on the health and wellness platform in Poland, we re-launched the Vitax Health Secret line with a new packaging design. Vitax Health Secret is a range of functional, high quality infusions with five unique fruit flavour blends loaded with the goodness of natural ingredients.

Road Ahead

Indian market continues to provide lot of growth opportunities and will remain a key focus for us. The Company is looking at strengthening its presence in tea and entering adjacent natural beverage categories by leveraging brands such as Tata Fruski and also leveraging from the Tata Cha platform.

During the year, the Company also embarked on an exercise to benchmark our Sales and Distribution infrastructure in India, to identify gaps and find ways to improve.

Digital capability building was identified as one of the key areas where we needed to build proficiency; it now forms an integral part of our Sales and Distribution Transformation project starting in the next fiscal. Post completion, it is expected to increase productivity for the business by increasing visibility with real-time reporting, improving efficiency and enabling faster decision making.

Tata Global Beverages Limited has entered into a non-binding term sheet to acquire the branded tea business of Dhunseri Tea & Industries Limited (DTIL) for an aggregate consideration of upto Rs 101 crores. The tea market of Rajasthan is dominated by strong local brands. Lal Ghoda and Kala Ghoda, brands owned by DTIL, are among the leading local brands in Rajasthan. This proposed acquisition will help the Indian tea branded business gain a foothold in the market. Further, the sales and distribution network of the proposed acquisition can further bolster the growth of other Tata Tea brands in that market. The proposed acquisition shall be subject to due-diligence, definitive binding agreements and applicable board, shareholder, statutory/ regulatory and other third party approvals, as may be applicable.

Tetley remains a key power brand for your Company and we will keep supporting its growth. We will build on the success of Cold Infusions in the UK, by expanding the range and entering different geographies. We look to scaling up new product launches like Supers and Kombucha. We will continue to invest in our innovation platform to identify new products to build market share in tea as well as look for additional opportunities to build efficiencies across the supply chain with cost-transformative projects.

We will continue to invest in our innovation platform to identify new products to build market share in tea as well as look for additional opportunities to build efficiencies across the supply chain with cost-transformative projects.

Branded Coffee

International

USA

The FY 2018-19 was the first full year of business operation post the change in the Pods agreement with Keurig for Eight O' Clock (at the start of 2018). The result reflects higher sales due to direct billing to customers in many channels. The profitability was impacted by one-time costs for transitioning into the new arrangement, as well as higher industry competition following lower commodity costs. After a gap of few years, we started advertising again for Eight O' Clock brand. The brand campaign was launched for both Television and Digital channels and also led to uplift in the coffee sales with an objective of improving our brand image with our customers.

Australia

We had entered into a licensing agreement with Caffitaly in 2014 (with the acquisition of MAP brand) for coffee capsules. In the past few years, we had been facing challenges in ramping up the MAP coffee capsules business post the entry of second licensee. We terminated the relationship as of December 31, 2018 and entered into a licensing agreement with K-fee, owned by global innovator and quality supplier Kruger (currently #2 system in Australia). This change is expected to further fuel our growth aspirations in coffee in Australia.

India

The year saw good growth for Roast & Ground and Hot Tea Shops (HTS) (albeit on a smaller base); however, the business faced pressure in the Instant Coffee segment. We changed the packaging for our Instant Coffee product, while improving the communication of our product proposition to consumers.

Road Ahead

Eight O' Clock remains a key power brand for TGB and we will keep supporting its growth. A detailed plan to improve market share in the US coffee category has been developed and will be executed over the next few years.

We believe that K-fee represents a better capsule category opportunity in the Australian market; the first branded K-fee capsule plays to be launched in 2019.

We remain committed to growing our branded coffee business in India and will focus on increasing distribution and share in the southern states before expanding to the rest of the country.

Other Branded Business – Water

India

NourishCo Beverages, our joint venture with Pepsi in India delivered good growth on account of improved performances by Tata Gluco Plus (TGP) and Tata Water Plus. TGP remains a star performer product with milestone sale achieved during the year. This year also marked our entry into Odisha market where we were able to replicate the successful business model established in Andhra Pradesh, Telangana and Tamil Nadu. The product is in

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

the process of being rolled out in West Bengal, Bihar, Jharkhand and Delhi.

International

The FY 2018-19 was the first full year of pilot for Himalayan in USA's premium water space. The performance of the pilot has been mixed and the Company is evaluating alternate routes to market.

Road Ahead

Our water business and liquid beverages are an important category for future growth. We will explore opportunities to further scale up this business.

Tata Starbucks

Our 50:50 JV with Starbucks Coffee improved sales through good growth in same store sales and expansion of stores. Tata Starbucks kept up the momentum in expanding the store base and added 30 new stores to reach 146 stores by the end of FY2018-19; this is in excess of the 25 new stores we added in FY2017-18. We entered a new city market: Chandigarh. The new stores were added across multiple formats, including (a) smaller footprint stores to increase penetration in existing cities (e.g. Mumbai and Bangalore), (b) new formats (highways such as Mumbai-Pune and Bangalore-Tirupati and shop-in-shop such as Westside Bangalore) and (c) high-profile coffee-forward stores (e.g. store in Vittal Mallya Road in Bangalore).

Road Ahead

Tata Starbucks will continue with the accelerated store growth, entering new cities and exploring new store formats.

Non-Branded Business

The FY 2018-19 ended on a better note for our unbranded business, in comparison to 2017-18 despite the crop loss following adverse weather conditions. The Extraction business performed well (both tea and coffee), Operating profits improved over previous year driven by improved extraction business performance, strong focus on cost management and monetisation of non-core assets whilst Plantation performance was impacted (impact of floods and drop in price realisation of Pepper and Arabica offset by improved performance in Robusta).

Tata Coffee Limited's state-of-the-art freeze-dried Instant Coffee plant in Vietnam has been inaugurated. Freeze-dried coffee is a growing segment worldwide in the premium Instant Coffee space. This expansion is expected to strengthen our capabilities and facilitate growth in coffee extraction and further expand our global footprint.

Tata Coffee's expansion into Vietnam is expected to strengthen our capabilities in the premium Instant Coffee space, facilitate growth in coffee extraction and further expand our global footprint.

Tata Coffee has received various rewards and recognition during the FY 2018-19. Noteworthy among them is "Best Green Business Award" from Economic Times Now, for the Sustainable and Green practices at Coffee, Tea and Pepper Plantations. This is an acknowledgement of the Company's efforts and best practices for judicious use of the natural resources and the Company's initiatives for water conservation, conservation of natural resources and the focus on staying carbon negative. In addition, Nespresso has released the Limited-Edition sleeve of Nespresso Mylemoney. This coffee had the Iconic Kent's with the larger Arabica lot from Tata Coffee's Mylemoney Estate.

Road Ahead

We expect our non-branded businesses to perform steadily, going forward, driven by the onset of Vietnam operations along with normal weather condition and crop output expectation. It will be critical to build the customer pipeline and meet revenue targets at the Vietnam plant; however, the price realisations are expected to be soft for most of the year.

FINANCIAL REVIEW

During the reporting year, we achieved strong revenue growth despite intense competitor activity across markets. We were driven to gain volumes and reinforce brands with investment to ensure long term health of the business.

Consolidated business

Key financials

- **Revenue from operations** at Rs. 7252 Crores, higher than the previous year by 6% (3% on a constant-currency basis). Excluding the impact of business exit, Revenue from operations grew by 8% (5% on constant currency basis). The increase in revenue is led by the growth in Indian tea brands, the Pods model change in US coffee and improvements in Coffee Extractions business in India.
- **Profit before exceptional items and taxes** at Rs. 768 Crores, marginally lower than previous year. This is due to higher tea commodity costs in India and increase in promotion and advertisement spend to support brands, which was partly

offset by some softening of tea and coffee commodity costs in the international market.

- **Exceptional items** include redundancy costs due to organisational restructuring in international operations to the tune of Rs. 25 Crores and past service cost for the UK Pension scheme of Rs. 8 Crores (pursuant to a recent judicial ruling).
- **Group net profit for the year** at Rs. 457 Crores, lower than previous year mainly due to higher exceptional items, one-time tax credit mainly in the US in the previous year coupled with the lower share of profits from associate companies and joint ventures, due to one-off items.

Performance Snapshot

The consolidated financial highlights for FY 2018-19 are as follows:

Rs. in crore

	2019	2018	Variance
Revenue from operations	7,252	6,815	437
Profit before exceptional items and taxes	768	774	(6)
Exceptional items (net)	(33)	(21)	(12)
Profit before tax	735	753	(18)
Profit after tax	474	567	(93)
Group net profit	457	557	(100)

Key Financial Ratios

Ratios	2019	2018	Change
Debtors Turnover	10.91	10.99	-1%
Inventory Turnover	2.62	2.55	3%
Interest Coverage Ratio	15.64	19.11	-18%
Current Ratio	2.93	2.54	15%
Debt Equity Ratio	0.14	0.13	3%
Operating Profit Margin %	9.9%	10.8%	-9%
Net Profit Margin %	6.2%	8.1%	-23%
Return on Net Worth %	5.7%	7.5%	-24%

Note:
Change in Return on Net Worth is mainly on account of lower group net profit, as explained above.

Standalone business

Key financials

- **Revenue from operations** at Rs. 3430 Crores, higher than the previous year by 7%. This was driven by improvement across all major brands in the Indian Branded tea portfolio.
- **Profit before exceptional items and taxes** at Rs. 576 Crores, lower than previous year mainly on account of higher tea commodity costs and discretionary/one-off items.
- **Profit after tax** at Rs. 411 Crores, lower than previous year due to exceptional profits on divestment of our investment stake in an associate and a subsidiary in the previous year.

Performance Snapshot

The standalone financial highlights for FY 2018-19 are as follows:

Rs. in crore

	2019	2018	Variance
Revenue from operations	3430	3217	213
Profit before exceptional items and taxes	576	608	(32)
Exceptional items (net)	-	115	(115)
Profit before tax	576	723	(147)
Profit after tax	411	534	(123)

Key Financial Ratios

Ratios	2019	2018	Change
Debtors Turnover	21.53	27.23	-21%
Inventory Turnover	2.61	2.52	4%
Interest Coverage Ratio	44.70	45.55	-2%
Current Ratio	3.92	3.21	22%
Debt Equity Ratio	0.00	0.02	-95%
Operating Profit Margin %	12.6%	14.7%	-15%
Net Profit Margin %	11.4%	15.9%	-28%
Return on Net Worth %	9.5%	13.4%	-29%

Note:
Change in debt equity ratio is on account of lower debts.
Net profit margin and return on net worth are lower mainly on account of exceptional items in the previous year.

RISK MANAGEMENT

We have a system of documenting and reviewing key risks. Apart from management reviews, the risks are also periodically reviewed by the Board and Risk Management Committee. The Audit Committee has additional oversight in the area of financial risks and controls.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Some of the key risks and uncertainties that our businesses deal with, are explained below:

Changing Preferences

Over the past few years, in UK, USA and other developed markets, there is a decline in the Black Tea category. Our portfolio has a higher weightage of Black Teas. The non-black category is growing and we are rejigging our portfolio with various innovative products in keeping with this trend.

Customer consolidation and competition

Customer consolidation coupled with intense competition may adversely affect market dynamics and put pressure on pricing and promotion. We review and monitor the pricing and promotion strategy very closely and benchmark against industry practices to manage intense competition and increasing costs. Further, we collaborate with key customers to enhance our performance and relationship. We continually focus on improving cost efficiency and our ability to meet customer expectations, to reinforce leadership positions in core markets.

Product Innovation

Innovation fundamentally carries inherent risks attached to its success, to minimise such risks we have a structured innovation process from ideation to post launch.

Product safety and integrity

As a natural beverage company, we ensure that our products comply with product safety regulations, which is essential to bring them into a supply chain or marketplace and uphold our reputation. We have established a company-wide Quality Assurance programme, along with product testing and product traceability programmes. Our suppliers are directed to comply with clear and stringent norms for raw material safety and quality. Product compliance is supported by seeking external accreditation programmes.

Plantation Yield

Dependence on rainfall, aging of crops and exposure to pest attacks are challenges faced by the plantation verticals of key subsidiary. These factors along with internal cultivation process could impact sustainable incremental yield and profitability. Our subsidiary undertakes various initiatives such as irrigation facilities, replantation of crops with new varieties, implementation of integrated pest management processes and other cost management initiatives to improve plantation yield and profitability.

Market Volatility

Tea is a multi-harvest agricultural commodity and is sold through public auction or by private agreements. There is no futures market in tea. Price levels reflect supply/demand position and as an agricultural crop supply/demand balance may change quickly when weather conditions are adverse. To manage supply risk, the Company spread its buying between public auction and private agreements.

Cyclical swings in coffee commodity markets are common and the most recent years have been especially volatile for the price of coffee. Increases in the cost of green coffee could reduce our gross margin and profit. There can be no guarantee that we will be successful in passing commodity price increases on to our customers without losses in sales volume or gross margin. Precipitous decreases in the cost of green coffee could result in significant headwinds causing us to lower sales prices before realising cost reductions in our green coffee inventory. We have a robust framework in place to protect our interests from risks arising out of market volatility. The Strategy and Planning team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility. We have an established commodity risk management framework and hedging policy that guides us to manage such risks.

Volatility in commodity prices will also have an impact on the business. Further, political, social and weather changes may impact commodity availability as well. We focus on development of market relationships, innovation of alternate supplier channels and exploring alternate sources of teas in other parts of the world to safeguard the earnings and availability.

Currency volatility

Volatility in currency exchange movements like USD GBP, CAD and AUD can pose challenges to our operations through earnings dilution. We have established currency hedging policies and practices to manage these risks.

Cyber Security

As a global organisation, we are increasingly dependent on IT systems and are exposed to breach of information security that can cause interruption to operations or breach of sensitive information through unforeseen and ever-evolving cyber-attacks.

We have a robust information and security policy and insurance along with renewed monitoring system to safeguard our resources against any unforeseen events.

Legal Non-Compliance

Being in the beverage industry, we are subject to extensive laws and regulations which are complex and changing. As these regulations could affect our performance and reputation, we have developed a legal organisation at the regional levels.

TGB and its subsidiaries are assisted by their legal departments and/or external legal advisors to take steps to ensure that they comply with applicable laws and regulations. The emerging regulations are closely monitored to help the business for compliance readiness. In addition, we have developed and implemented internal policies and procedures to ensure compliance.

HUMAN RESOURCES

As we continue our journey towards higher business growth, we focus on building a more agile and effective organisation. We restructured our business operations from three regions with support functions managed globally, into a two-region structure (India and International Business) with direct line reporting of support functions to Regional/Country Heads resulting in re-alignment of the matrix structure.

Our leadership is committed to drive the following as the four pillars of our people philosophy.

High performance culture

As part of the Global Reward Strategy we continue to sharpen our focus on rewards differentiation for our top performers. The Global Reward strategy has a strong linkage to actual business performance and is aligned to external market realities.

Build and develop talent

We have taken steps to help employees upgrade skills and capabilities through multiple internal and external platforms globally. We have launched 'Edge for Me' – TGB's e-learning platform to augment the classroom programs and promote anytime learning. We have institutionalised the Management Trainee programme 'Emerging Leaders Plus' this year, for building the leadership pipeline.

Drive high levels of engagement

We continue to focus on engagement activities across geographies with the implementation of the learnings from employee engagement survey (YOU Survey) at three levels – global, country and manager levels. Engagement building initiatives like talks on health & wellbeing in the UK; team get-togethers, employee meets with leadership, wellness initiatives in India; and targeted lunch & learns and team activities in the US continued in the last year.

Rewards and recognition

Perfect Cup celebrations (TGB's awards programme) along with the Strategy Cascade meet were held across India, the UK and the US. Additionally, 3,900 monetary and non-monetary peer-to-peer rewards were shared globally on our online rewards and recognition platform 'Brewing Brilliance'.

The overall industrial relations environment across the organisation has been productive and stable.

INTERNAL CONTROL AND GOVERNANCE

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

The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by us. TGB and its senior management have affirmed adherence to the Code.

INTERNAL AUDIT

The internal audit function carries out a focused and risk based annual internal audit plan approved by the Audit Committee. The internal audit primarily focuses on the adequacy of appropriate systems and controls. The internal audit reports are reviewed by the Audit Committee periodically.

Cautionary statement

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19

1. Company's Philosophy on Code of Governance

The corporate governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. The Company's policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies.

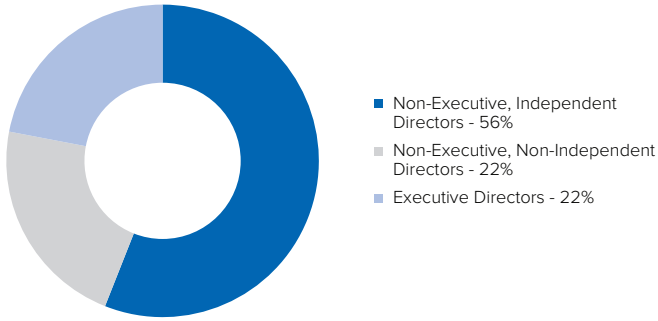
As a global organisation, the corporate governance practices followed by your Company are comparable with international standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighboring community etc. These actions have become an integral part of your Company's operating plans and are not meant for building of image or publicity.

2. Board of Directors and Governance Framework

a. Composition & Category of Directors

The Company has an optimum combination of executive and non-executive directors. As on March 31, 2019, the Company has 9 directors and the composition of the Board of Directors is as provided herein. The Chairman of the Board is a non-executive director. 78% of the Board comprises of non-executive directors. In terms of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), at least 50% of the Board should comprise of non-executive Independent Directors with at least one woman director. The non-executive Independent Directors constitute 56% of the Board as at March 31, 2019. The Company has two women directors on the Board who are holding offices as Non-Executive, Independent Directors.

Composition of the Board



Category	Names of Directors	No. of Directors	% of total strength of the Board
Non-Executive, Non-Independent Directors	1) Mr. N.Chandrasekaran, (Chairman) 2) Mr. Harish Bhat	2	22
Non-Executive, Independent Directors	1) Mr. V. Leeladhar 2) Mr. S. Santhanakrishnan 3) Mrs. Ranjana Kumar 4) Mrs. Mallika Srinivasan 5) Mr. Siraj Azmat Chaudhry	5	56
Managing & Executive Directors	1) Mr. Ajoy Misra (MD & CEO) 2) Mr. L. KrishnaKumar (ED & Group CFO)	2	22
Total		**9**	**100**

b. Category of each Director and details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting:

Name of Directors	AGM	Board Meetings							
	05-07-2018	11-05-2018	01-08-2018	09-10-2018	30-10-2018	05-02-2019	06-03-2019	27-03-2019	% of attendance
Mr. N. Chandrasekaran	Y	Y	Y	Y	Y	Y	Y	Y	100
Mrs. M. Srinivasan	Y	Y	Y	Y	Y	A	Y	Y	86
Mr. V. Leeladhar	Y	Y	Y	Y	Y	A	Y	A	71
Mrs. Ranjana Kumar	Y	Y	A	Y	Y	Y	Y	Y	86
Mr. S. Santhanakrishnan[$]	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Siraj Azmat Chaudhry	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Harish Bhat	Y	Y	Y	Y	Y	Y	Y	Y	100
Mrs. Ireena Vittal[*]	N.A.	A	Resigned w.e.f. June 30, 2018						-
Mr. Ajoy Misra	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. L. KrishnaKumar	Y	Y	Y	Y	Y	Y	Y	Y	100

Y- Attended, A - Absent, N.A. - Not Applicable.
[*]Mrs. Ireena Vittal resigned from the Board w.e.f. June 30, 2018.
[$]Mr. S. Santhanakrishnan became Independent Director of the Company w.e.f. May 11, 2018.

c. Details of Directorships and Chairman/Membership of Board Committees including Tata Global Beverages Limited (TGBL) showing the position as on March 31, 2019 are given in the following table:

Name of Directors	Directorships and Chairman/ Membership of Board Committees in Indian Public Companies				
	Names of the Listed entities where Directors are on Board		No. of Directorships in Public Co. including TGBL	Committee Membership[@]	Committee Chairmanship [@]
	Name of Listed Company	Category		in Public Companies (whether listed or not)	
Mr. N. Chandrasekaran	Tata Consultancy Services Limited	Non-Executive Director & Chairman	6	-	-
	Tata Steel Limited				
	Tata Motors Limited				
	The Indian Hotels Company Limited				
	The Tata Power Company Limited				
	Tata Global Beverages Limited				
Mrs. M. Srinivasan	Tata Steel Limited	Independent Director	3	-	-
	The United Nilgiri Tea Estates Company Limited	Non-Executive, Non-Independent Director & Chairperson			
	Tata Global Beverages Limited	Independent Director			
Mr. V. Leeladhar	Tata Coffee Limited	Independent Director	2	3	2
	Tata Global Beverages Limited				

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

Name of Directors	Directorships and Chairman/ Membership of Board Committees in Indian Public Companies				
	Names of the Listed entities where Directors are on Board		No. of Directorships in Public Co. including TGBL	Committee Membership[@]	Committee Chairmanship [@]
	Name of Listed Company	Category		in Public Companies (whether listed or not)	
Mrs. Ranjana Kumar	Britannia Industries Limited	Independent Director	3	1	-
	Rane Brake Lining Limited				
	Tata Global Beverages Limited				
Mr. S. Santhanakrishnan	Tata Coffee Limited	Independent Director	3	5	3
	ICICI Home Finance Co. Limited				
	Tata Global Beverages Limited				
Mr. Siraj Azmat Chaudhry	Tata Coffee Limited	Independent Director	3	2	-
	IndusInd Bank Limited				
	Tata Global Beverages Limited				
Mr. Harish Bhat	Tata Coffee Limited	Non-Executive Director & Chairman	4	4	1
	Titan Company Limited	Non-Executive & Non-Independent Director			
	Trent Limited				
	Tata Global Beverages Limited				
Mr. Ajoy Misra	Tata Global Beverages Limited	Managing Director & CEO	1	-	-
Mr. L. KrishnaKumar	Tata Coffee Limited	Non-Executive & Non-Independent Director	2	1	-
	Tata Global Beverages Limited	Executive Director & Group CFO			

Note: Number of Directorships do not include Directorships of private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013.

[@] for the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Listing Regulations.

None of the Directors of the Company holds any shares and / or convertible instruments in the Company.

Video / teleconferencing facilities are used as and when required to facilitate Directors at other locations to participate in the meetings.

Particulars about Directors retiring by rotation and eligible for re-appointment and seeking re-appointment are given in the Annexure to the Notice.

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16 (1) (b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2019.

Mr. S. Santhanakrishnan who was Non-Executive, Non-Independent Director was re-categorised as Independent Director of the Company w.e.f. May 11, 2018 in accordance with Section 149 of the Act and Regulation 16 (1) (b) of the Listing Regulations. The shareholders of the Company in their last Annual General Meeting held on July 5, 2018 have appointed Mr. Santhanakrishnan as Independent Director of the Company for a period of five years w.e.f May 11, 2018 to May 10, 2023.

As may be noted from the table, no Director is a member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all public limited companies where he/she is a Director. For this purpose, membership/chairmanship in Audit Committee and Stakeholders Relationship Committee is considered. Further, no Independent Director serves as Independent Director in more than 7 listed companies.

d. Number of board meetings and dates on which held

During FY 2018-19, the Board met seven times on May 11, 2018, Aug 1, 2018, October 9, 2018, October 30, 2018, February 5, 2019, March 6, 2019 and March 27, 2019. The maximum time gap between two board meetings was less than 120 days. Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

e. No director of the Company is related to any other director of the Company.

f. During FY 2018-19, Mrs. Ireena Vittal resigned from the Board of Directors of the Company, effective June 30, 2018, due to personal reasons.

g. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

h. Familiarisation programme for Independent Directors

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. During FY 2018-19, Independent Directors were taken through various aspects of the Company's business and operations. The details of familiarisation programmes imparted to the Independent Directors during FY 2018-19 are put up on the website of the Company and can be accessed at http://www.tataglobalbeverages.com/docs/default-source/default-document-library/familiarisation-programme-for-independent-directors.pdf?sfvrsn=0.

i. The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

i) Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

iii) Strategic thinking and decision making,

iv) Financial Skills,

v) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

j) Compliance Framework:

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and to provide updates to senior management and the Board on a periodic basis. The Audit Committee and the Board periodically reviews the status of the compliances with the applicable laws.

k) Code of Conduct

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

A separate code of conduct applicable to the Non-Executive Directors was adopted by the Board which include Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

Both Tata Code of Conduct and the Code of Conduct for Non-Executive Directors have been posted on the website of the Company and can be accessed at http://tataglobalbeverages.com/investors/boardofdirectors/code-of-conduct.

In respect of FY 2018-19, all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them and a declaration to this effect signed by the Managing Director & CEO is published in this Annual Report.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

l) Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. John Jacob, Chief Financial Officer, as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

m) Formal letter of appointment to the Independent Directors

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors have been hosted on the website of the Company and can be accessed at http://tataglobalbeverages.com/investors/boardofdirectors/terms-conditions-of-appointment-of-independent-directors.

n) Separate meeting of Independent Directors

During FY 2018-19, the Independent Directors met separately on March 27, 2019 without the presence of Non-Independent Directors and members of the management in compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act. At the said meeting, the Independent Directors, *inter-alia*, considered the following:

i. Reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;

iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the Company management and the Board.

3. Audit Committee

a. Brief description of terms of reference

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The role of the Audit Committee are as under:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;

iii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

iv. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:

(a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinion(s) in the draft audit report;

v. Review of the quarterly, half yearly and annual financial results with the management and the statutory auditors;

vi. Examination of the financial statement and the auditors' report thereon;

vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Review of valuation of undertakings or assets of the company wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

xiv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;

xvi. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

xvii. Review the functioning of the whistle blower mechanism;

xviii. Review and monitor the end use of funds raised through public offers and related matters;

xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;

xxi. Review of the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses;

(5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;

(6) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations, if applicable

xxii. Carrying out any other function as may be referred to the Committee by the Board.

xxiii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

b. Composition, names of members, Chairman and Attendance of the Committee

As on March 31, 2019, all members of the Audit Committee are Non-Executive Directors and four of them, including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Regulation 18(1)(c) of the Listing Regulations.

Mr. V Leeladhar is the Chairman of the Audit Committee. He has expert knowledge in banking and financial matters. He was present at the last Annual General Meeting of the Company held on July 5, 2018.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

The composition of the Audit Committee and particulars of attendance by the members at the meetings of the Committee held in FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V Leeladhar, Chairman	Non-Executive, Independent	5	4
Mrs. Ranjana Kumar	Non-Executive, Independent	5	4
Mr. S Santhanakrishnan	Non-Executive, Independent	5	4
Mrs. Ireena Vittal$	Non-Executive, Independent	1	1
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	5	5
Mr. Harish Bhat	Non-Executive, Non-Independent	5	5

$ Mrs. Ireena Vittal resigned as a Director w.e.f. June 30, 2018.

c. Meetings during FY 2018-19

During 2018-19, five Audit Committee meetings were held on May 11, 2018, July 31, 2018 , October 30, 2018, February 4, 2019 and March 19, 2019. The Audit Committee Meetings are attended by invitation by the Managing Director, Executive Director, Chief Financial Officer, Chief Internal Auditor and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

4. Nomination and Remuneration Committee

a. Brief description of terms of reference

The Nomination and Remuneration Committee set up by the Board is responsible for:

i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

iii. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

iv. devising a policy on diversity of Board of Directors;

v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;

vii. Identify Independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time;

viii. Recommending to the Board, the remuneration package of Managing and Whole-time Directors, including their annual increment and commission after reviewing their performance.

ix. Recommending to the Board, all remuneration, in whatever form, payable to senior management

x. Such other matters as may be specified by the Board from time to time

b. Composition, name of members, Chairperson and Attendance of the Committee

As on March 31, 2019, the Nomination and Remuneration Committee consisted of four directors, all of whom are Non-Executive Directors. Mrs. Ranjana Kumar, Independent Director is the Chairperson of the Committee.

The composition of the Committee and particulars of attendance by the members at the meetings of the Committee held in FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mrs. Ranjana Kumar, Chairperson	Non-Executive, Independent	4	3
Mr. N. Chandrasekaran	Non-Executive, Non- Independent	4	4
Mr. V Leeladhar	Non-Executive, Independent	4	3
Mr. Harish Bhat	Non-Executive, Non- Independent	4	4

c. Meetings during FY 2018-19

The Nomination and Remuneration Committee met four times during 2018-19 on May 11, 2018, Aug 1, 2018, October 30, 2018 and March 27, 2019.

d. Performance Evaluation

Pursuant to the provisions of the Act and the applicable provisions of the Listing Regulations, the Annual performance evaluation was carried out for 2018-19 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management Committees. A structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared based on the Guidance note issued by SEBI vide circular no. CMD/ CIR/P/2017/004 dated January 5, 2017.

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

In the annual evaluation of the Board and Board Committees, the following major observations/suggestions emerged:

i) The Board and Board Committees had been functioning in a professional manner, under the effective guidance of the respective Chairpersons. Deliberations at these meetings have been constructive with active participation by Board / Committee members. Board meetings were crisp and focused, and were exceedingly well conducted by the Chairman. There has been strong focus on compliance and governance, good engagement on key business issues, and increasing focus on the core business;

ii) In order to strategise for the next level of profitable growth, plan and execute such growth, the Board needed to consider talent across various functions including management, technical and operational;

iii) Management performance should be benchmarked with industry standards, and selection of the right benchmarks was critically important. Management remuneration should also be in line with its performance, and with industry peers;

iv) An increased focus on Safety is essential, and should be emphasized across the Company;

v) The Company should follow a policy of Zero tolerance for all ethical violations or misconducts and any such violation should be promptly reported by the Chief Ethics Officer to the Chairman of the Audit Committee and the Chairman of the Board.

e. Remuneration Policy

The Company's Remuneration policy for Directors, Key Managerial Personnel and other employees is mentioned in the Board's Report.

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

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

5. Remuneration of Directors

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

b) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a sitting fee of Rs. 30,000 per meeting per director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs. 20,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director, being employees of other Tata companies). For meetings of all other Committees of the Board, a sitting fee of Rs. 15,000 per meeting per director is paid (Rs. 10,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director being employees of other Tata companies). The Company also pays sitting fees to the Independent Directors for attending the Independent Directors' meeting.

Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Act, certain Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is determined 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/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company at the Annual General Meeting held on July 5, 2018 had approved payment of commission to the Non-Executive directors of the Company for all subsequent financial years commencing from April 1, 2019. No Stock option has been granted to the Non-Executive Directors.

The details of the Commission and sitting fees paid to Non -Executive Directors is given below:-

Non-Executive Directors' Remuneration

Rs. in Lakhs

	Commission* (Relating to 2017-18)	Commission# (Relating to 2018-19)	Sitting Fees
Mr. N. Chandrasekaran	-	-	2.20
Mrs. Mallika Srinivasan	20.00	40.00	2.10
Mr. V. Leeladhar	84.00	70.00	5.70
Mrs. Ranjana Kumar	70.00	60.00	5.40
Mr. S. Santhanakrishnan	50.00	50.00	4.50
Mrs. Ireena Vittal$	21.00	5.00	0.30
Mr. Siraj Azmat Chaudhry	15.00	40.00	4.50
Mr. Harish Bhat	-	-	4.20

* Paid in FY 2018-19, # Payable in FY 2019-20

$ Mrs. Ireena Vittal resigned as a Director w.e.f. June 30, 2018.

Note: 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 full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

c) (i) & (ii) The Remuneration details of Managing / Executive Directors are mentioned below:

Rs. in Lakhs

	Mr. Ajoy Misra, Managing Director & CEO	Mr. L KrishnaKumar, Executive Director
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	269.54	247.58
Allowances and perquisites	84.29	80.04
Contribution to Retiral Funds	34.68	28.91
Incentive	-	-
Stock option	-	-
No. of Shares held	Nil	Nil
Terms of Service Contract	1 year from April 1, 2019 *	5 years from April 1, 2018
Notice period	6 months	6 months

*subject to shareholders' approval.

In addition, both Mr. Ajoy Misra and Mr. L. KrishnaKumar drew the following remuneration during 2018-19 from an overseas subsidiary of the Company:

Salary and Benefits	65.44	26.78

Note: The remuneration drawn in GBP has been converted into INR at average exchange rate.

(iii) The terms of appointment of the Managing Director and Executive Director provide that the appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months remuneration in lieu thereof.

Note: The resolutions appointing these directors do not provide for payment of severance fees.

(iv) Stock options

The Company has not granted Stock Option to any of its Directors.

6. Stakeholders Relationship Committee:

a. Composition, name of members, Chairman and Attendance of the Committee

As on March 31, 2019, the Stakeholders Relationship Committee comprised of 3 members. Mr. V. Leeladhar is the Chairman and Mr. S. Santhanakrishnan and Mr. L. KrishnaKumar are the other members of the said Committee.

The Committee held three meetings during FY 2018-19 on July 31, 2018, October 29, 2018 and February 4, 2019

The Committee's role includes :

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings etc;

(2) Approve issue of duplicate share certificates either at meetings or through circular resolution;

(3) Frame guidelines for waiver of documents / requirements prescribed in cases of:

a) Transmission of shares

b) Issue of duplicate share certificates

c) Recording of updation of signatures by shareholders

(4) Review of measures taken for effective exercise of voting rights by shareholders;

(5) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

(6) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

(7) Such other matter as may be specified by the Board from time to time.

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

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

The composition of the Committee and details of attendance by its members at the meetings of the Committee held in FY2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V. Leeladhar, Chairman	Non-Executive, Independent	3	2
Mr. S. Santhanakrishnan	Non-Executive, Independent	3	2
Mr. L. KrishnaKumar	Executive	3	3

b. Name and designation of Compliance Officer

Mr. V. Madan was the Company Secretary and Compliance Officer up to August 6, 2018 and consequent upon his retirement, Mr. Neelabja Chakrabarty was appointed as the Company Secretary and Compliance Officer w.e.f. August 7, 2018.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

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

Given below are the position of queries/complaints and other correspondences received and attended to during 2018-19 in respect of equity shares:

	Complaints	Queries/ Other Correspondence
For non-receipt of dividend / shares lodged for transfer, demat	22	2065
Other Queries / Requests received from shareholders	4	2458
Queries / Complaints redressed	25	4388
Pending queries / Complaints as on 31/03/2019*	1	135

*Replied in April, 2019

Every letter received from the investors is replied and the response time for shareholders' queries/correspondences during 2018 -19 is shown in the following table:

	Number	%
Total number of correspondence received during 2018-19	4549	100.00
Replied within 1 to 4 days of receipt	1435	31.54
Replied within 5 to 7 days of receipt	942	20.71
Replied within 8 to 15 days of receipt	994	21.85
Replied after 15 days of receipt	1042	22.91
Received in last week of March 2019 and replied in April 2019	136	2.99

7. Other Board Committees

The Board has constituted following other Board committees besides the committees mentioned above:

a) Ethics and Compliance Committee:

The Board has constituted an Ethics and Compliance Committee to look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct. Two meetings of the said Committee were held during 2018-19 on October 29, 2018 and February 4, 2019. The composition of the Committee and details of attendance by its members at the meetings during FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V. Leeladhar, Chairman	Non-Executive, Independent	2	1
Mrs. Ranjana Kumar	Non-Executive, Independent	2	2
Mr. Ajoy Misra	Managing Director & CEO	2	2

b) Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee to look into the following:

(1) Matters specified in Section 135 of the Act, which *inter-alia* includes:

(a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) Monitor the CSR Policy of the Company from time to time.

(2) Monitor and provide guidance on Company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc.

(3) Provide guidance on welfare activities in and around Munnar.

Two meetings of the CSR Committee were held during FY 2018-19 on October 29, 2018 and March 19, 2019. The composition of the Committee and details of attendance by its members at the meetings during FY 2018- 19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mrs. Ranjana Kumar, Chairperson	Non-Executive, Independent	2	2
Mr. V Leeladhar	Non-Executive, Independent	2	2
Mr. S Santhanakrishnan	Non-Executive, Independent	2	1
Mr. Ajoy Misra	Managing Director & CEO	2	2

c) Executive Committee

The Board has constituted an Executive Committee to review business and strategy, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment, business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate. No meetings of the said committee were held during FY 2018-19. However the matters mentioned above, as and when required, was reviewed by the Board from time to time. The composition of the Committee during FY 2018-19 is given below:

Name	Category
Mr. Harish Bhat, Chairman	Non-Executive, Non-Independent
Mrs. Ireena Vittal*	Non-Executive, Independent
Mr. Ajoy Misra	Managing Director & CEO
Mr. L KrishnaKumar	Executive Director

*Mrs. Ireena Vittal resigned as a Director w.e.f.June 30, 2018.

d) Risk Management Committee

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk policy and a Risk Register detailing the risks that the Company faces under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of Risk Management Committee shall inter-alia include cyber security. The Risk Management Committee reviews the key risks and the risk register and the mitigation measures periodically.

The role of the Committee is as below:

i. Assessing the risk management procedures relating to identification and evaluation of all types of risks, namely, strategic, operational, legal and regulatory, Information systems and external risks that the Company / Group is exposed to;

ii. Review and oversee the risk management, compliance and control procedures;

iii. Review the risk assessment and mitigation procedures;

iv. Recommend to the Board a risk management plan for the company and monitor the functioning of the said plan;

v. Determine and finalize the risks that the Company and that of its subsidiaries is exposed to and review their mitigation measures;

vi. Review the legal compliance system;

vii. Such other terms as the Board may indicate from time to time.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

Three meetings of the Risk Management Committee were held during FY 2018-19 on July 31, 2018, February 4, 2019 and March 19, 2019. The composition of the Risk Management Committee and particulars of attendance by the members at the meetings held in FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V Leeladhar, Chairman	Non-Executive, Independent	3	2
Mrs. Ranjana Kumar	Non-Executive, Independent	3	2
Mr. S Santhanakrishnan	Non-Executive, Independent	3	3
Mrs. Ireena Vittal*	Non-Executive, Independent	-	-
Mr. Harish Bhat	Non-Executive, Non-Independent	3	3
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	3	2

*Mrs. Ireena Vittal resigned as a director w.e.f. June 30, 2018.

e) Committee for Special Projects

The Committee for special Projects of the Board of Directors has been entrusted with the responsibility to *inter alia* discuss and review various matters pertaining to development of the Bangalore Property of the Company, Treasury / Forex matters, activities relating to the welfare centres in Munnar, the High Range School activities etc.

Three meetings of the Committee for Special Projects were held during FY 2018-19 on July 31, 2018, October 29, 2018 and March 19, 2019. The composition of the Committee for Special Projects and particulars of attendance by the members at the meetings held in FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V Leeladhar, Chairman	Non-Executive, Independent	3	3
Mrs. Ranjana Kumar	Non-Executive, Independent	3	2
Mr. Harish Bhat	Non-Executive, Non-Independent	3	3
Mr. Ajoy Misra	Managing Director & CEO	3	3
Mr. L. KrishnaKumar	Executive Director	3	2

f) M & A and Divestiture Committee

The M & A and Divestiture Committee of the Board of Directors has been entrusted with the responsibility to inter alia consider opportunities to grow inorganically and evaluate proposals in this regard, approve and submit non-binding bids in connection with proposed acquisitions subject to satisfactory completion of customary due diligence, considering investments in companies which are in similar lines of business and make recommendations to the Board. The Committee is also mandated to consider the Company's diversification / entry into new lines of business / new product lines/ entry into new geographies as well as to consider divestments / exiting from certain businesses and make recommendations to the Board.

Four meetings of the M&A and Divestiture Committee were held during FY 2018-19 on May 4, 2018, July 12, 2018, October 8, 2018 and November 22, 2018. The composition of the M&A and Divestiture Committee and particulars of attendance by the members at the meetings held in FY 2018-19 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V. Leeladhar	Non-Executive, Independent	4	4
Mr. Harish Bhat	Non-Executive, Non-Independent	4	4
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	4	2
Mr. Ajoy Misra	Managing Director & CEO	4	4
Mr. L. KrishnaKumar	Executive Director	4	4

8. General Body Meetings

a. Location and time where last three AGMs were held, whether any special resolutions passed in the previous 3 AGMs

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

Year	Location	Date	Time	Number of Special Resolutions approved at the AGM
2015-2016	The Oberoi Grand 15, Jawahar Lal Nehru Road, Kolkata – 700 013	August 24, 2016	10.30 am	1
2016-2017	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027	August 18, 2017	10.30 am	1
2017-2018	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027	July 5, 2018	10.30 am	1

b. Whether any special resolution passed last year through postal ballot – details of voting pattern - No special resolutions were passed during FY 2018-19 through postal ballot.

c. Person who conducted the postal ballot exercise: NA

d. Whether any special resolution is proposed to be conducted through postal ballot- At present there is no proposal to pass any special resolution through postal ballot.

e. Procedure for postal ballot - Does not arise

9. Means of Communication

a	Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website.
b	Newspapers wherein results normally published	The quarterly results are generally published in Business Standard (All India Edition) (English) and Sangbad Pratidin (Bengali).
c	Any website, where displayed	The quarterly results of the Company are put on the website of the Company after these are submitted to the Stock Exchanges. Our website address is http://tataglobalbeverages.com/investors/financial-performance/results-and-presentation.
d	Whether it also displays official news releases	Yes
e	The presentations made to institutional investors or to analysts	The Company made a presentation to financial analysts on May 11, 2018 after the results for the financial year 2017-18 were approved by the Board. A similar presentation was made to analysts on October 30, 2018 after the results for the quarter and half year ended September 30, 2018 were approved by the Board. There was a conference call with financial analysts on August 2, 2018 and February 5, 2018, after the financials for the quarters ended June 30, 2018 and December 31, 2018 were approved by the Board.
f	Half Yearly results	The half yearly results for the six months ended September 30, 2018 was sent by email / post to all the shareholders in November, 2018.
g	Quarterly Results	All quarterly results were sent by email to those shareholders whose email ids are registered with the Company.

10. General Shareholder information

a. Annual General Meeting

Day	Date	Time	Venue	Book Closure Period	Dividend payment date
Tuesday	June 11, 2019	10.30 a.m.	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027.	May 28, 2019 till June 4, 2019 (both days inclusive)	On or after June 13, 2019

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

b. Financial Year: April 1 to March 31

c. Financial calendar

Board Meetings for approval of	Tentative dates
Annual Accounts for 2018-19 and Financial Results for 4th Quarter for 2018-19	April 23, 2019
Financial Results for 1st Quarter 2019-20	Before August 14, 2019
Financial Results for 2nd Quarter 2019 -20	Before November 14, 2019
Financial Results for 3rd Quarter 2019-20	Before February 14, 2020
Annual Accounts 2019-20	Before end of May, 2020

d. Name and address of each Stock Exchange at which Company Shares are listed and Stock Code

Listing on Stock Exchanges	Name	Address	Stock Code
Equity Shares	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500800
	National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	'TATAGLOBAL'
	The Calcutta Stock Exchange Association Limited	7, Lyons Range, Kolkata – 700 001	27 (For Physical); 10000027 (For Demat)
Global Depository Shares	Luxembourg Stock Exchange		
	London Stock Exchange		

Dematerialisation:

Name	Address	ISIN
National Securities Depository Limited	Trade World, 5th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	INE 192A01025
Central Depository Services Limited	17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023	INE 192A01025

Listing Fees

Annual listing fees for FY 2019-20 have been paid to all the Stock Exchanges where the securities of the Company are listed.

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

Month	BSE			NSE		
	High Rs.	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April 2018	298.90	260.00	5181010	298.50	292.05	3046154
May 2018	299.80	237.70	6624278	272.00	260.70	3469905
June 2018	280.95	253.80	6074652	270.15	262.70	2077927
July 2018	284.70	228.60	4222584	249.65	241.50	4422342
August 2018	254.85	230.45	3646668	239.75	232.95	3353833
September 2018	243.50	212.75	4891821	235.95	230.20	3069914
October 2018	240.50	205.75	3388438	220.90	205.00	9609975
November 2018	225.20	209.00	2374026	220.60	216.25	1044674
December 2018	224.50	195.00	2501650	223.65	218.85	965858
January 2019	220.35	201.00	2231195	206.00	200.80	2584783
February 2019	207.70	177.50	3644508	195.00	191.55	1090108
March 2019	211.85	192.50	3322558	206.20	198.85	2889335

The market share price data in comparison to broad-based indices like BSE Sensex and Nifty are given below:

i. Comparison of TGBL Share price with BSE Sensex in FY 2018-19:

Months	TGBL closing price at BSE	BSE Sensex
April 2018	297.60	35,160.36
May 2018	268.10	35,322.38
June 2018	269.45	35,423.48
July 2018	247.00	37,606.58
August 2018	234.90	38,645.07
September 2018	233.20	36,227.14
October 2018	218.05	34,442.05
November 2018	219.00	36,194.30
December 2018	219.40	36,068.33
January 2019	204.60	36,256.69
February 2019	193.95	35,867.44
March 2019	203.15	38,672.91

ii. Comparison of TGBL Share price with NSE NIFTY in FY 2018-19:

Months	TGBL closing price at NSE	NIFTY
April 2018	297.55	10739.35
May 2018	269.20	10736.15
June 2018	269.35	10714.30
July 2018	246.90	11356.50
August 2018	234.30	11680.50
September 2018	233.75	10930.45
October 2018	217.85	10386.60
November 2018	218.65	10876.75
December 2018	219.40	10862.55
January 2019	203.80	10830.95
February 2019	193.70	10792.50
March 2019	203.95	11623.90

There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2018-19.

f. Performance in comparison to broad-based indices

One year performance	NSE	BSE
Company's share price		
- As at April 2, 2018	259.35	260.00
- As at March 29, 2019	203.95	203.15
- Change	(21.36%)	(21.87%)
	NIFTY 50	S & P Sensex
Indices		
- As at April 2, 2018	10151.65	33030.87
- As at March 29, 2019	11623.90	38672.91
- Change	14.50%	17.08%
Five year performance	NSE	BSE
Company's share price		
- As at April 1, 2014	151.45	151.05
- As at March 29, 2019	203.95	203.15
- Change	34.66%	34.49%
	NIFTY 50	S & P Sensex
Indices		
- As at April 1, 2014	6729.05	22455.23
- As at March 29, 2019	11623.90	38672.91
- Change	72.73%	72.22%

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

g. (i) Registrar & Transfer Agents

Particulars	Address	Contact details
Registered office:	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Ind. Estate, 20 Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011	Telephone: 022-66568484 Fax: 022-66568494 Website: www.tsrdarashaw.com E-mail: csg-unit@tsrdarashaw.com
Branch Offices at :		
South	TSR Darashaw Limited 503, Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore – 560 001	Tel: 080-25320321 Fax: 080-25580019 E-mail:tsrdlbang@tsrdarashaw.com
East	TSR Darashaw Limited Tata Centre, 43, J L Nehru Road, Kolkata – 700 071	Tel: 033-22883087 Fax: 033-22883062 E-mail: tsrdlcal@tsrdarashaw.com
	TSR Darashaw Limited Bungalow No. 1, 'E' Road, Northern Town, Bistupur, Jamshedpur – 831 001	Tel: 0657-2426616 Fax: 0657-2426937 E-mail: tsrdljsr@tsrdarashaw.com
North	TSR Darashaw Limited 2/42 Ansari Road, 1st Floor Daryaganj, Sant Vihar New Delhi – 110 002	Tel: 011-23271805 Fax: 011-23271802 E-mail: tsrdldel@tsrdarashaw.com
Agent of the Registrar: Shah Consultancy Services Limited	3, Sumathinath Complex, 2nd Dhal, Pritam Nagar, Ellisbridge Ahmedabad – 380 006	Telefax: 079-26576038 E-mail: shahconsultancy8154@gmail.com

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank/public holidays)

(ii) Shareholders' Relation Cell

Contact Person	Address	Contact details
Mr. Neelabja Chakrabarty Vice President & Company Secretary	Tata Global Beverages Ltd 11/13, Botawala Building, 1st Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001	Tel: +91 22 61218400 Website: www.tataglobalbeverages.com Email : neelabja.c@tgbl.com
Ms. Deepika Srivastava Manager-Legal and Secretarial	Tata Global Beverages Limited Kirloskar Business Park, 4th Floor, Block "C", New Airport Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: www.tataglobalbeverages.com E-mail:investor.relations@tgbl.com
Mr. Shibshankar Roy	Tata Global Beverages Limited 1, Bishop Lefroy Road, Kolkata – 700 020	Tel: 033-22836917 Fax: 033-22833032

h. Share transfer system

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited, Mumbai or at their branch offices at the addresses given above or at the registered office of the Company. The transfers are processed if found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form.

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

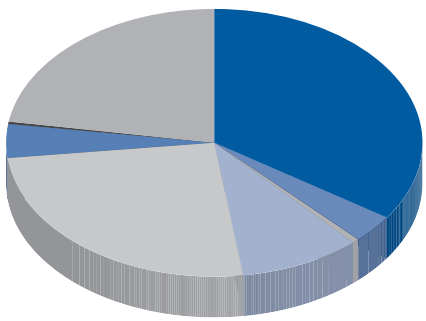
i. Distribution of Shareholding

Distribution of Shareholding as at March 31, 2019

No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	21,351,938	21,351,938	3.38	172,245	82.18
501 to 1000	12,111,776	12,111,776	1.92	14,848	7.08
1001 to 2000	14,416,117	14,416,117	2.28	9,444	4.51
2001 to 3000	9,909,999	9,909,999	1.57	3,931	1.88
3001 to 4000	7,489,453	7,489,453	1.19	2,115	1.01
4001 to 5000	7,493,998	7,493,998	1.19	1,612	0.77
5001 to 10000	20,481,554	20,481,554	3.25	2,868	1.37
Greater than 10000	537,874,894	537,874,894	85.22	2,531	1.21
Total	**631,129,729**	**631,129,729**	**100.00**	**209,594**	**100.00**

Categories of Shareholders as at March 31, 2019

Sl. No.	Particulars	No. of Accounts	Holdings/Shares held	% to Capital
1	Tata Group Companies	10	217,445,190	34.45
2	Indian Financial Institutions	22	21,311,705	3.38
3	State Government	1	5,850	0.00
4	Alternative Investment Funds	1	180,000	0.03
5	Nationalised Banks	23	3,390,601	0.54
6	Mutual Funds	113	59,257,173	9.39
7	Foreign Institutional Investors/ Foreign Companies / Foreign Bodies DR	185	160,160,896	25.38
8	GDS Depositories	1	22,893	0.00
9	Other Companies	2077	25,675,512	4.07
10	IEPF Suspense Account	1	1,847,433	0.29
11	Individuals & Others	207,160	141,832,476	22.47
	Total	**209,594**	**631,129,729**	**100.00**



Tata Group Companies	217,445,190
Indian Financial Instituions	21,311,705
State Government	5,850
Alternative Investment Funds	180,000
Nationalised Banks	3,390,601
Mutual Funds	59,257,173
Foreign Institutional Investors / Foreign Companies / Foreign Bodies DR	160,160,896
GDR Depositories	22,893
Other Companies	25,675,512
IEPF Suspense A/C	1,847,433
Individuals & Others	141,832,476

j. Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

k. Non-resident Shareholders

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

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

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

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

As on March 31, 2019, the outstanding Global Depository Shares were 22,893. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on March 31, 2019.

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

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

n. Commodity risk faced by the company during the year and how they are managed -

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

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

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

The company's exposure to market risks for commodities and currencies are detailed in Note 35B under "Financial Risk Management" forming part of Notes to the Consolidated Financial Statements.

o. Plant locations:

1.	Bangalore Packeting centre	Survey No. 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka – 562123
2.	Periakanal Estate	PO Munnar, Dist. Idukki, Kerala – 685612
3.	Pullivasal Estate & Packeting centre	PO Munnar, Dist. Idukki, Kerala – 685612
4.	Instant Tea Operations (including Nullatani factory)	Post Box no. 3, Idukki District, Munnar, Kerala – 685612
5.	Tetley (Tea Bag) Division	73/74 KPK Menon Road, Willingdon Island, Kochi, Kerala – 682 003
6.	Mineral Water Plant	Village Dhaula Kuan, District Sirmour, Himachal Pradesh – 173 025

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

p. Address for correspondence Given against 10(g)(ii) above.

q. The following is the list of credit ratings obtained by the Company during financial year 2018-19:

Instrument Details	Amount (Rs. in Crores)	Rating
Long-Term Debt (including Non-Convertible Debenture)	350	ICRA AA+ (with stable outlook)
Fund-Based WC Limits*	400	ICRA AA+ (with stable outlook)/ A1 +
Non-Fund Based Limits	24	ICRA A1+
Short-Term Debt /Commercial Paper (CP)*	715	ICRA A1+ and CARE A1 +

*Total Borrowing under CP and fund based facilities from banks to be limited to Rs. 715 crore.

11. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2011 have been transferred to the IEFP. The details of the unclaimed dividends so transferred are available on the Company's website, http://tataglobalbeverages.com/investors/investor-information/unclaimed-dividend and in the website of the Ministry of Corporate Affairs at www.mca.gov.in.

It may be noted that the unclaimed dividend for the financial year 2011-12 declared on August 31, 2012 is due to be transferred to the IEPF by October 2019. The same can, however, be claimed by the Members by September 21, 2019.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed are transferred to the IEPF. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during financial year 2018-19. The details of such shares transferred have been uploaded in the Company's website http://www.tataglobalbeverages.com/investors/investor-information/iepf-related-matters.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on iepf.gov. in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Last date for claiming Unpaid dividend	Transfer to IEP Fund in
31st March 2012	03.09.2012	21.09. 2019	October 2019
31st March 2013	18.07.2013	06.08. 2020	August 2020
31st March 2014	28.08.2014	15.09. 2021	September 2021
31st March 2015	19.08.2015	05.09. 2022	September 2022
31st March 2016	26.08.2016	13.09. 2023	September 2023
31st March 2017	21.08.2017	06.09. 2024	September 2024
31st March 2018	09.07.2018	25.07. 2025	August 2025

Following are the details of unpaid dividend which will be due for transfer to IEPF upto March 31, 2020:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	03.09.2012	21.09.2019	October 2019

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

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

Top Ten Shareholders

As at March 31, 2019, the top ten shareholders of the Company were as follows:-

S.No.	Name of the Shareholder	No. of Shares	%
1	Tata Sons Private Limited	186,029,710	29.48
2	Tata Investment Corporation Limited	26,945,000	4.27
3	First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund	17,526,894	2.78
4	Mirae Asset(*)	16,964,795	2.69
5	Government Pension Fund Global	13,571,911	2.15
6	First State Investments Icvc- Stewart Investors Asia Pacific Fund	12,211,511	1.93
7	NPS Trust (*)	10,374,130	1.64
8	Stewart Investors Global Emerging Markets Leaders Fund	10,022,172	1.59
9	Life Insurance Corporation of India (*)	8,651,960	1.37
10	Reliance Capital Trustee Company Limited (*)	8,495,450	1.35

(*) Various Sub Accounts

12. Other disclosures

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

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

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There was no such instance in the last three years.

c. Whistle-blower policy and affirmation that no personnel has been denied access to the Audit Committee:

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

All Directors and employees have access to the Chairman of the Audit Committee.

The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees.

No employee has been denied access to the Chairman of the Audit Committee.

The whistle Blower policy can be accessed at http://tataglobalbeverages.com/docs/default-source/default-document-library/tgbl_-whistle-blower-policy.pdf?sfvrsn=0.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2018-19.

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

i) **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO. Further, the same is maintained by the Chairman himself.

ii) **Shareholders' Rights:** The quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website and the same are also emailed to the shareholders who have registered their emails ids with the Company.

iii) **Modified Opinion in Auditors Report:** The Company's financial statements for the year ended March 31, 2019 do not contain any modified audit opinion.

iv) **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.

v) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and he attends in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee.

e. Web link where policy for determining 'material' subsidiaries is disclosed: http://tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0.

f. Web link where policy on dealing with related party transactions is disclosed: http://tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-related-party-transactions.pdf?sfvrsn=0.

g. Disclosure of commodity price risks and commodity hedging activities**:** Given in 10 (m) above

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not Applicable

i. Certificate from Dr. Asim Chattopadhyay, Practicing Company Secretary is attached (which forms integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

j. There was no such instance during FY 2018-19 when the board had not accepted any recommendation of any committee of the board.

k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

Rs. in Crores

Payment to Statutory Auditors	FY 2018/19
Statutory Audit	8.67
Other Services including reimbursement of expenses	1.89
Total	**10.56**

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

a. No. of Complaints filed during the financial year - 1

b. No. of Complaints disposed of during the financial year - 1

c. No. of Complaints pending as on end of the financial year - Nil

m. Compliance with Accounting Standard:

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

n. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: NIL.

o. Extent to which the discretionary requirements specified in Part E of Schedule II of the Listing Regulations have been adopted**:** Given in 12 (d).

p. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable.

q. Name of the Debenture Trustees : Not Applicable

r. The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub- regulation (2) of Regulation 46 of the Listing Regulations.

13. Related Party Transactions

All transactions entered into with related parties as defined under the Act, and Regulation 23 of the Listing Regulations during FY 2018-19 were in the ordinary course of business and on arm's length pricing basis and therefore no approval of the Board of Directors/ Shareholders is applicable under the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year 2018-19 which were in conflict with the interest of Company. Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link http://www.tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-related-party-transactions.pdf?sfvrsn=0

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19 CONTINUED

14. Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary as defined in Regulation 24(1) of the Listing Regulations. In line with the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link http://tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0. The minutes of the Board meetings of unlisted subsidiary companies are placed in the Board meetings of the Company.

15. CEO/CFO Certification

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

16. Certificate on Corporate Governance

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of corporate governance is attached.

Declaration by the CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ajoy Misra, Managing Director and CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2018-19.

For Tata Global Beverages Limited

Ajoy Misra
Managing Director and CEO
(DIN 00050557)

Mumbai
April 23, 2019

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON INDEPENDENT DIRECTORS

To the Members of Tata Global Beverages Limited

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Dr. Asim Kumar Chattopadhyay
FCS No. 2303
CP No. 880

Mumbai
April 23, 2019

Practising Company Secretary's Certificate on Corporate Governance

To the Members of Tata Global Beverages Limited

I have examined the compliance of the conditions of Corporate Governance by Tata Global Beverages Limited ('the Company') for the year ended on 31st March 2019, as stipulated in The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as " Listing Regulations") ;

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations during the year ended 31st March, 2019.

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

Dr. Asim Kumar Chattopadhyay
FCS No. 2303
CP No. 880

Mumbai
April 23, 2019

CEO/CFO Certification in respect of Financial Statements and Cash Flow Statement

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

For the Financial Year ended March 31, 2019

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2018 and we hereby certify and confirm to the best of our knowledge and belief the following :

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended 31st March 2019 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the , management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Ajoy Misra
CEO and MANAGING DIRECTOR
DIN : 00050557

John Jacob
CHIEF FINANCIAL OFFICER

Mumbai
April 23, 2019

BUSINESS RESPONSIBILITY REPORT (2018-19)

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY			
1.	Corporate Identity Number (CIN) of the Company	L15491WB1962PLC031425	
2.	Name of the Company	Tata Global Beverages Limited	
3.	Registered address	1, Bishop Lefroy Road, Kolkata - 700020	
4.	Website	www.tataglobalbeverages.com	
5.	E-mail id	investor.relations@tgbl.com	
6.	Financial Year reported	2018-19	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Group	Description
		10791	Processing and blending of tea including manufacture of instant tea
		46306	Trading of coffee products
		01271	Growing of Tea
		11043	Manufacture of mineral water
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Tea, Coffee and Water	
9.	Total number of locations where business activity is undertaken by the Company	13	
	(a) Number of International Locations (Provide details of major 5)	NIL (on a standalone basis)	
	(b) Number of National Locations	13	
10.	Markets served by the Company – Local/State /National/ International	The Company sells its products across all states in India as well as several countries in the world.	
SECTION B: FINANCIAL DETAILS OF THE COMPANY			
1.	Paid up Capital	Rs. 63.11 Crores	
2.	Total Turnover	Rs. 3612.17 Crores	
3.	Total profit after taxes	Rs. 410.93 Crores	
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 8.09 Crores u/s 135 of Companies Act equivalent to 2.11% of Average Net Profit of the Company for last 3 financial years.	
5.	List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 1 of Board's Report for details	
SECTION C: OTHER DETAILS			
1.	Does the Company have any Subsidiary Company/ Companies?	Yes	
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s)	No	
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	60% of suppliers of tea participate in trustea - the India sustainable tea program, which is one of the BR initiatives of the Company.	
SECTION D: BR INFORMATION			
1.	**Details of Director/Directors responsible for BR**		
	(a) Details of the Director/Director responsible for implementation of the BR policy/policies		
	1. DIN Number	00050557	
	2. Name	Ajoy Misra	
	3. Designation	CEO and Managing Director	

(b)	Details of the BR head		
	1. DIN Number (if applicable)	06882414	-
	2. Name	Mr. K.S.Srinivasan (1 April – 30 Nov 2018)	Dr. Anurag Priyadarshi (1 Dec 2018 – 31 March 2019)
	3. Designation	Global Chief Human Resources Officer	Global Sustainability Manager
	4. Telephone number	+91-22-61218400	+91-80-67171200
	5. e-mail id	-	Anurag.priyadarshi@tgbl.com

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

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

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

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

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

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

P5: Businesses should respect and promote human rights.

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

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

P8: Businesses should support inclusive growth and equitable development.

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

Principles of the National Voluntary Guidelines

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

BUSINESS RESPONSIBILITY REPORT (2018-19) CONTINUED

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

Y* All policies applicable to Tata Global Beverages are evaluated internally.

@ The following policies can be accessed at :

1. The Tata Code of Conduct; http://tataglobalbeverages.com/docs/default-source/default-document-library/tcoc-booklet-2015.pdf?sfvrsn=2,
2. Tata whistle blower policy and vigil mechanism; http://www.tataglobalbeverages.com/docs/default-source/default-document-library/tgbl_-whistle-blower-policy.pdf?sfvrsn=0.
3. Affirmative Action Policy; http://www.tataglobalbeverages.com/docs/default-source/default-document-library/affirmative-action-policy-1.pdf?sfvrsn=0
4. Natural Beverages Policy; http://tataglobalbeverages.com/sustainability/sustainability-policy -

3.	**Governance related to BR**	
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The CSR Committee of the Board meets at least twice annually to review the sustainability and CSR performance of the Company. In addition the Board which meets four times in a year also reviews BR performance of the Company.
	(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	A report covering BR initiatives of the Company has been published up to 2015-16. It can be found on: http://tataglobalbeverages.com/investors/investor-information/annual-business-responsibility-reports?reload. From 2016-17, the BRR is merged with Company's Annual Report

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs /Others?	No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to subsidiaries, JVs, suppliers, contractors, vendors, etc.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	In 2018-19, 7 stakeholder complaints were received in India on the 3rd Party helpline. These were presented to the Ethics Committee of the Board and six of them were satisfactorily resolved and the investigation process is on in one case.

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Tea, Coffee and Water
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	
	(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Tata Global Beverages Limited is committed to sustainable beverages production and consumption. Our sustainability strategy is focused on the five pillars of sustainable sourcing, water management, waste management, climate change and community development. The truck utilization has improved by 2.63% for the product movement across all the plants to sales depot (primary leg) which has in turn reduced the carbon footprint. As part of water conservation all plant roofs are connected to ground water recharge. We have generated renewable energy through solar power to the tune of 3.43 lakh KWH which is 3.70% of total India Domestic factories KWH consumption. Initiatives were taken for Agni, Tata Tea Premium and dust, Kanan Devan etc. on moving to 'Multi track laminates' reducing usage of plastic for both primary and secondary packaging material.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, Tata Global Beverages Limited has a sustainable sourcing strategy and is a co-founder of the trustea program in India for sustainably transforming Indian tea. The trustea program has cumulative verified volumes till March 2018 at 600 million Kg of tea. See http://trustea.org/ for more details
	(a) If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	About 60% of Tea was sourced sustainably through the trustea program in 2018-19.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. The company makes a conscious and strategic effort to procure raw material (tea) from small tea growers, and civil and service requirements from local and Small scale industries.
	(a) If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?	1. Raw material (tea) – over 30,000 small tea growers have been trained on sustainable agricultural practices through trustea, please see 3 (a). 2. Goods and services: The Company buys some goods and services from local and small producers. At the Packing Centre locations in 10 cities, local procurement is done for Corrugated Boxes having an annual budgeted spend of Rs. 20 Crores. Local procurement for spares etc is also done for an annual spend of Rs. 3 Crores. For small scale Vendors, the payment terms are relaxed by up to 15 days when compared to the large vendors. A policy of 'positive differentiation' is practiced towards small scale Vendors, provided price and quality are on par with the bigger vendors.
5.	Does the company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	All the tea packeting factories in India are zero waste to landfill. i.e. no waste generated from the production process of packaging in the factories go to the landfill. This means 100% of the solid waste generated in the factories is recycled.
Principle 3 Businesses should promote the well being of all employees		
1.	Please indicate the Total number of employees.	2409 (including Plantations workers)
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1136
3.	Please indicate the Number of permanent women employees.	812 (including plantations workers)
4.	Please indicate the Number of permanent employees with disabilities	16
5.	Do you have an employee association that is recognized by management.	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	66%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	1. Child Labour/forced labour/involuntary labour	NIL
	2. Sexual Harassment	NIL
	3. Discriminatory employment	NIL
	4. No of Complaints filed during the financial year	ONE
	5. No of Complaints pending as on end of the financial year	NIL
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	
	(a) Permanent Employees	86%
	(b) Permanent Women Employees	98%
	(c) Casual/Temporary /Contractual Employees	72%
	(d) Employees with Disabilities	100%

BUSINESS RESPONSIBILITY REPORT (2018-19) CONTINUED

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	We have undertaken initiatives in Skill Development and job placements for SC /ST youth. We have projects for women empowerment, and we support charitable trust (Srishti trust) for the differently abled. Through our Partnership in the UNICEF-Ethical Tea Partnership Program, we are promoting child protection and empowerment of girls in tea estates of Assam. More details are available in annexure 1 of Board's Report and on www.tataglobalbeverages.com
Principle 5 Businesses should respect and promote human rights		
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	The Company's policy on human rights as detailed in the Tata Code of Conduct extends to JVs, Subsidiaries, Associates, suppliers, contractors, vendors, etc.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None was received
Principle 6 Business should respect, protect, and make efforts to restore the environment		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers /Contractors/ NGOs/others.	The Natural Beverages Policy is the apex sustainability and CSR policy of the Tata Global Beverages Limited. The Tata Code of Conduct which covers protection of environment is applicable to JV's and Suppliers.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give hyperlink for webpage etc.	Yes. http://www.tataglobalbeverages.com/sustainability/climatechange http://tataglobalbeverages.com/investors/investor-information/annual-business-responsibility-reports?reload.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If Yes, please give hyperlink for web page etc.	Yes. http://www.tataglobalbeverages.com/sustainability http://tataglobalbeverages.com/investors/investor-information/annual-business-responsibility-reports?reload.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes.
7.	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	One legal notice was received in respect of a factory from the Pollution Control Board alleging violation of sound levels. This matter has been stayed by the High Court of Karnataka for invalid and non-substantiated charges by the Pollution Control Board and the High Court has referred the matter to the Lower Court. The matter is currently pending in the Lower Court.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. Some organisations are: Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI), National Safety Council, Kerala State Productivity Council, Bombay Chamber of Commerce, Bangalore Chamber Of Industry and Commerce, Indian Tea Association - Kolkata, The Bengal Chamber of commerce & Industry, Tea Board – Kolkata, Calcutta Tea Traders Association, The Tea Trade Association of Cochin, The Coimbatore Tea Trade Association, The Coonoor Tea Trade Association, Cochin Chamber of Commerce and Industry, Indian Chamber of Commerce and Industry, Guwahati Tea Auction Centre, Siliguri Tea Auction Centre, Guwahati Tea Buyers association and Export Promotion Council.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles.
Principle 8 Businesses should support inclusive growth and equitable development		
1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If Yes details thereof.	The Company's BR initiatives/projects undertaken pursuant to Section 135 of the Companies Act 2013 support inclusive growth. Additionally, the Company abides by the Tata Group Affirmative Action Policy, details of which are given in Annexure 1 to the Board's report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Please refer Annexure 1 to the Board's report for details.
3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Rs. 8.09 Crores u/s 135 of Companies Act, 2013. For more details please refer Annexure1 to the Board's report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The sustainability and CSR initiatives are also periodically reviewed by the Senior Management and the Board of Directors. Affirmative Action initiatives have been evaluated through impact assessment. The feedback loop provides the basis for which the deployment of programmes is continuously improved.
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	9% of consumer complaints were pending on March 31, 2019.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	Some of our products contain information over and above that is mandated as per local laws.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

DIVIDEND DISTRIBUTION POLICY

1. Scope and Purpose of this Policy

The Securities Exchange Board of India ("SEBI") on 8th July, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Tata Global Beverages Limited (TGBL) being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objective of this Policy

The objective of this Policy is to lay down the parameters to be kept into consideration by the Board of Directors while declaring the dividend. It further ensures that the dividend payout is in line with long term strategic objective of the Company.

3. Parameters for declaration of dividend

The Board of Directors shall consider the following parameters for declaration of dividend:

a. Standalone and Consolidated profitability of the Company

b. Liquidity and outstanding borrowing position

c. Future business plans of the Company

d. Cash to be retained for future investments and outlays

e. Changes in the external environment impacting the business

In addition to above, the dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

4. General

a. Based on the above parameters, the Board of Directors may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

b. In case the Board of Directors proposes not to distribute the profit in any year; the grounds thereof shall be disclosed to the shareholders in the Annual Report of the Company.

c. The retained earnings will be utilized in accordance with the applicable provisions of the Companies Act 2013, the applicable Rules thereunder, SEBI regulations and the Articles of Association of the Company.

d. The Company presently has only one class of shares namely Equity Shares of Re. 1 each.

e. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Global Beverages Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Tata Global Beverages Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of investments in an associate** - During the current financial year, an associate has incurred significant losses as it has not been able to recover increase in input costs through increased prices. This has triggered an impairment assessment of carrying value of investments of Rs. 119 Crores (equity shares Rs. 71 Crores and preference shares Rs. 48 Crores) in the associate in standalone financial statements of the Company. The Company has engaged a valuation expert to evaluate the fair value of the investments.	**Procedures performed by the Principal Auditor:** Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment our procedures included the following:- a) We understood the methodology applied by management in performing its impairment test for the investment at cost and walked through the controls over the process. b) We challenged the assumptions made by management for the input data used by management's fair valuation expert through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT CONTINUED

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Company's ability 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)

Mumbai
April 23, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Global Beverages Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)

Mumbai
April 23, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits and hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no disputed dues of Customs Duty. Details of dues of Income-tax, Sales Tax, Service Tax and State Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT CONTINUED

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Kochi	2004-05, 2007-08 and 2008-09	2.10
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal ,New Delhi	2007-08 and 2009-10	0.01
West Bengal Sales Tax Act, 1994	Sales Tax	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata	1998-99 to 2000-01	0.02
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax, Maharashtra	2010-11	0.01
Karnataka Sales Tax Act, 1957	Sales Tax	The Supreme Court of India	1997-98	1.28
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Madras High Court	1998-99 to 2006-07	0.57
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Indore, Madhya Pradesh	2010-11 to 2013-14	1.97
Central Sales Tax Act, 1956	Sales Tax	The West Bengal Sales Taxes Appellate and Revisional Board, Kolkata	2014-15	0.42
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Tax, Indore Div 2, Indore	2014-15	0.24
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Appeals, Coimbatore	2012-13	0.05
Central Sales Tax Act, 1956	Sales Tax	The West Bengal Sales Taxes Appellate and Revisional Board, Kolkata	2015-16	0.05
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam	2011-12	0.35
Kerala Value Added Tax, 2003	Kerala Value Added Tax	Deputy Commissioner (Appeals) Commercial Taxes, Ernakulam	2010-11	0.31
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata	2007-08 and 2008-09	1.36
Himachal Pradesh Value Added Tax Act, 2005	Himachal Pradesh Value Added Tax	Additional Excise & Taxation Commissioner (Appeals) South Zone, Shimla	2007-08	0.08
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	Joint Commissioner of Sales Tax, Maharashtra	2008-09	0.02
Goa Value Added Tax Act, 2005	Goa Value Added Tax	Commissioner of Commercial Tax, Goa	2006-07	0.01
Karnataka Value Added Tax Act, 2003	Karnataka Value Added Tax	Joint Commissioner (Appeals), Bangalore	2013-14 and 2014-15	0.28

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Crores)
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The High Court of Madhya Pradesh	2010-11	2.06
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The Supreme Court of India	2011-12	0.82
Finance Act, 1994	Service Tax	Custom Excise and Service Tax Appellate Tribunal, Kolkata	2005-06	1.46
Finance Act, 1994	Service Tax	Commissioner Appeals, Bangalore	2013-14 and 2014-15	0.11
Finance Act, 1994	Service Tax	Commissioner Appeals, Kolkata	2008-09 and 2009-10	0.01

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year. Management is investigating certain claims relating to sales promotions expenses in certain markets and these investigations have not been fully concluded as of the year end. Except for these instances under investigations in respect of which no conclusions have been reached as of the year end, no fraud on the Company by its officers or employees has been noticed or reported during the year. Based on the information currently produced before us, the impact of the aforesaid lapses on the financial statements as at and for the year ended March 31, 2019, is not material.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Mumbai
April 23, 2019

BALANCE SHEET

as at March 31, 2019

Rs. in Crores

	Note	2019	2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	223.84	207.59
Capital work-in-progress		10.52	11.49
Investment Property	4	0.65	0.67
Intangible Assets	5	18.06	19.21
Intangible asset under development		6.73	1.16
Financial Assets			
Investments	6	2318.59	2284.28
Loans	7	16.77	20.44
Other Financial Assets	8	20.41	22.05
Deferred Tax Assets (Net)	20	33.86	99.01
Non-Current Tax Assets (Net)	20	63.38	42.90
Other Non-Current Assets	9	83.49	82.94
		2796.30	**2791.74**
Current Assets			
Inventories	10	846.91	744.40
Financial Assets			
Investments	6	497.74	536.98
Trade Receivables	11	181.92	136.66
Cash and Cash Equivalents	12	408.96	232.80
Other Bank Balances	13	63.99	302.47
Loans	7	8.13	8.10
Other Financial Assets	8	37.42	34.09
Other Current Assets	9	163.08	104.93
		2208.15	**2100.43**
TOTAL ASSETS		**5004.45**	**4892.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	63.11	63.11
Other Equity		4380.57	4150.24
TOTAL EQUITY		**4443.68**	**4213.35**
Non-Current Liabilities			
Provisions	17	115.25	109.65
		115.25	**109.65**
Current Liabilities			
Financial liabilities			
Borrowings	15	4.53	84.25
Trade Payables	18		
Total outstanding dues of Micro enterprises and Small enterprises		3.50	4.17
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		235.92	244.29
Other Financial Liabilities	16	99.17	91.33
Other Current Liabilities	19	65.31	71.88
Provisions	17	20.65	47.30
Current Tax Liability (Net)	20	16.44	25.95
		445.52	**569.17**
TOTAL EQUITY AND LIABILITIES		**5004.45**	**4892.17**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

V. Leeladhar
Director
(DIN 02630276)

S. Santhanakrishnan
Director
(DIN 00032049)

Ajoy Misra
Managing Director & CEO
(DIN 00050557)

L. KrishnaKumar
Executive Director
(DIN 00423616)

Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

Rs. in Crores

	Note	2019	2018
Income			
Revenue from Operations	21	3429.66	3217.32
Other Income	22	182.51	147.58
Total Income		**3612.17**	**3364.90**
Expenses			
Cost of Materials Consumed	23	2055.97	1871.55
Purchases of Stock-in-trade		23.65	33.00
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	24	0.16	(1.67)
Employee Benefits Expense	25	216.85	208.13
Finance Costs	26	13.18	13.65
Depreciaton and Amortisation Expense		31.68	27.20
Advertisement & Sales Charge		226.55	216.12
Other Expenses	27	468.21	388.81
Total Expenses		**3036.25**	**2756.79**
Profit before Exceptional Items and Taxes		**575.92**	**608.11**
Exceptional Items (Net)	28	-	115.36
Profit before Tax		**575.92**	**723.47**
Tax Expenses	20		
Current Tax		160.57	188.91
Deferred Tax		4.42	0.24
		164.99	**189.15**
Profit for the year		**410.93**	**534.32**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		4.67	19.24
Changes in fair valuation of equity instruments		(3.77)	53.33
		0.90	**72.57**
Tax Impact on above items		(1.80)	(6.68)
		(0.90)	**65.89**
Items that will be reclassified to profit or loss			
Gains/(loss) on effective portion of cash flow hedges		4.23	(2.69)
Tax Impact on above items		(1.48)	(0.93)
		2.75	**(1.76)**
Other Comprehensive Income for the year		**1.85**	**64.13**
Total Comprehensive Income for the year		**412.78**	**598.45**
Earnings per share	33		
Equity share of nominal value Re. 1 each			
Basic and Diluted		6.51	8.47

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

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Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

STATEMENT OF CHANGES IN EQUITY

as at March 31, 2019

Equity Share Capital and Other Equity (Refer Note 14)

Rs. in Crores

Particulars	Equity Share Capital	Reserves and Surplus						Other Comprehensive Income		Total Other Equity
		Capital Reserve	Securities Premium	Contingency Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of cash flow hedge	Fair Value gain/ (loss) on Equity Instruments	
Balance as at April 1, 2017	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1115.71**	**1576.79**	**2.28**	**626.96**	**3721.44**
Profit for the year	-	-	-	-	-	-	534.32	-	-	534.32
Other Comprehensive Income	-	-	-	-	-	-	12.58	(1.76)	53.31	64.13
Total Comprehensive Income for the year	-	-	-	-	-	-	**546.90**	**(1.76)**	**53.31**	**598.45**
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)	-	-	-	-	-	-	(169.65)	-	-	(169.65)
Realised gain on equity shares carried at Fair Value through OCI	-	-	-	-	-	-	625.46	-	(625.46)	-
Transfer to Retained Earnings	-	-	-	-	-	27.60	(27.60)	-	-	-
Balance as at April 1, 2018	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2551.90**	**0.52**	**54.81**	**4150.24**
Profit for the year	-	-	-	-	-	-	410.93	-	-	410.93
Other Comprehensive Income	-	-	-	-	-	-	3.04	2.75	(3.94)	1.85
Total Comprehensive Income for the year	-	-	-	-	-	-	**413.97**	**2.75**	**(3.94)**	**412.78**
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)	-	-	-	-	-	-	(182.45)	-	-	(182.45)
Realised gain on equity shares carried at Fair Value through OCI	-	-	-	-	-	-	0.99	-	(0.99)	-
Balance as at March 31, 2019	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2784.41**	**3.27**	**49.88**	**4380.57**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

V. Leeladhar
Director
(DIN 02630276)

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Director
(DIN 00032049)

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Managing Director & CEO
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L. Krishnakumar
Executive Director
(DIN 00423616)

Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

STATEMENT OF CASH FLOW

for the year ended March 31, 2019

Rs in Crores

		2019		2018	
A.	**Cash Flow from Operating Activities**				
	Net Profit before Tax		575.92		723.47
	Adjusted for :				
	Depreciation and Amortisation	31.68		27.20	
	Dividend Income	(81.25)		(95.40)	
	Unrealised Exchange Loss / (Gain)	0.17		(0.38)	
	Finance Cost	13.18		13.65	
	Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	(4.14)		(10.94)	
	Interest Income	(38.31)		(21.40)	
	Profit on sale of Current Investments (net)	(33.45)		(19.52)	
	Impairment loss recognised in trade receivables	0.51		0.06	
	(Profit) / Loss on sale of Property, Plant and Equipment (net)	0.40		(0.15)	
	Other Exceptional Expense/(Income) (net)	-		8.49	
	Other Non-Operating Income	(25.21)		-	
	Profit on Sale of Non-Current Investments	-		(123.85)	
			(136.42)		(222.24)
	Operating Profit before working capital changes		**439.50**		**501.23**
	Adjustments for :				
	Trade Receivables and Other Assets	(102.51)		(103.06)	
	Inventories	(102.51)		19.79	
	Trade Payables and Other Liabilities	(9.18)		(9.62)	
			(214.20)		(92.89)
	Cash generated from Operations		**225.30**		**408.34**
	Direct Taxes paid (net)	(127.83)		(209.64)	
			(127.83)		(209.64)
	Net Cash from / (used in) Operating Activities		**97.47**		**198.70**
B.	**Cash Flow from Investing Activities**				
	Payment for Property, Plant and Equipment and Intangibles	(53.52)		(40.97)	
	Sale of Property, Plant and Equipment	0.17		0.72	
	Sale of Non Current Investments carried at Fair value through OCI	1.16		672.61	
	Sale of Non Current Investments carried at Cost in a Subsidiary and an Associate	-		136.89	
	Investment in Joint Ventures	(35.80)		(10.00)	
	(Purchase) / Sale of Current Investments (net)	73.39		(442.98)	
	(Placement)/ Redemption Fixed deposits (net)	240.00		(295.00)	
	Dividend Income received	81.25		95.40	
	Interest Income received	35.42		17.77	
	Inter Corporate Deposits & Loans (Net)	3.50		8.25	
	Net Cash from / (used in) Investing Activities		**345.57**		**142.69**

STATEMENT OF CASH FLOW CONTINUED

for the year ended March 31, 2019

Rs in Crores

		2019		2018	
C.	**Cash Flow from Financing Activities**				
	Working Capital Facilities (net)	(60.00)		39.50	
	Dividend paid	(157.78)		(147.86)	
	Dividend Tax paid	(24.67)		(21.35)	
	Finance Cost paid	(4.71)		(5.13)	
	Net Cash from / (used in) Financing Activities		**(247.16)**		**(134.84)**
	Net increase / (decrease) in Cash and Cash Equivalents		**195.88**		**206.55**
D.	**Cash and Cash Equivalents balances**				
	Balances at the beginning of the year		208.55		2.00
	Balances at the end of the year		**404.43**		**208.55**

Rs in Crores

	2019	2018
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	404.43	208.55
Add : Bank Overdraft	4.53	24.25
Balances at the end of the year (Refer Note 12)	**408.96**	**232.80**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

V. Leeladhar
Director
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Executive Director
(DIN 00423616)

Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

NOTES TO FINANCIAL STATEMENTS

1. General Information

Tata Global Beverages Limited ("The Holding Company") and its subsidiaries (together referred to as 'The Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Tea, Coffee and Water. The Group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India and extraction business mainly in India and US.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Holding Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2019 were approved for issue by Company's board of directors on April 23, 2019.

2. Significant Accounting Policies:

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation of financial statements

(i) Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(ii) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

(b) Business Combination

The Company applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a business comprises the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business, and
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(c) Foreign currency and translations

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Indian Rupees (Rs.), which is the functional currency of the Company.

NOTES TO FINANCIAL STATEMENTS

ii) Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction.

(d) Property, Plant and Equipment

i) Recognition and measurement:

Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent expenditure is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Parts of an item of property, plant and equipment that have a cost that is significant in relation to the total cost of the asset are identified on initial recognition. These parts are depreciated on the basis of their separate useful lives. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation:

Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease and recognised in the statement of profit and loss. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till the asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Leasehold buildings/improvements	Lower of lease or useful life
Buildings	30 to 60 years
Plant and Machinery	10 to 25 years
Furniture and Fixtures and other Office Equipments	5 to 16 years
Computer, Printers and other IT Assets	2 to 5 years
Motor Vehicles	8 to 10 years

(e) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer assets.

The Company recognises tea bushes and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Depreciation is recognised in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 50 years. Depreciation is recognised in the statement of Profit and Loss.

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value upto the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

(f) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives and is recognised in the statement of profit and loss. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

(g) Intangible Assets

(i) Patent / Knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

(ii) Non-compete fees

Non-compete fees paid on acquisition of business is being amortised over a period of 10 years.

(iii) Computer software

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as incurred, developmental costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

(iv) Website Cost

The cost incurred for separate acquisition for website for Company's own use is capitalised in the books of accounts of the Company. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

These costs are amortised over their estimated useful lives of 5 years.

(v) Research and Development

Research expenditure is recognised in the statement of profit and loss as incurred. Development expenditure is capitalized only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

(h) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that

NOTES TO FINANCIAL STATEMENTS

the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(i) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset or disposal group;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(j) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories:

i) **Financial assets at amortised cost-** Assets that are held on specified dates for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments that are held within a business model whose objectives are achieved by both, collecting contractual cash flows and selling the debt instruments and the contractual terms of which give rise to cash flows that are solely payment of principal and interest on specified dates are subsequently measured at fair value through other comprehensive income.

All other debt instruments are measured at fair value and classified as fair value through profit or loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI) -** All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

iii) **Financial assets at fair value through profit or loss (FVTPL) -** Financial assets which are not classified in any of the categories above are fair value through profit or loss.

iv) **Impairment of financial assets -** The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are accounted at cost in the financial statements.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes in value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecast transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

NOTES TO FINANCIAL STATEMENTS

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Interest and dividend income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Income from investments are accounted on an accrual basis.

(k) Inventories

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/ privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and in accordance with Ind AS 41, on initial recognition, agricultural produce are measured at fair value less estimated point of sale costs.

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

(l) Employee Benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Company. With regard to Provident Fund contribution made by the Company to a Self-Administered Trust, the Company is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

The Company recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated

NOTES TO FINANCIAL STATEMENTS

absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

iii) Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(n) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in

NOTES TO FINANCIAL STATEMENTS

a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the normal income tax during the specified period.

(o) Revenue from contract with customers

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

(p) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to Property, Plant and Equipment are presented at fair value and grants are recognised as deferred income.

(q) Leases

As a lessee

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the Statement of Profit and Loss on a straight- line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(r) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

NOTES TO FINANCIAL STATEMENTS

(s) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(t) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(u) Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

(v) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(w) Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(x) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

(y) Key accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4 and 5)

Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

NOTES TO FINANCIAL STATEMENTS

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 39)

Carrying value of derivatives and other financial instruments

Financial instruments are required to be fair valued as at the balance sheet date as provided in Ind AS 109 and Ind AS 113. Investments in subsidiaries, associates and joint ventures are carried at cost. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 38)

(z) Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

3. Property, Plant and Equipment

	Land @	Buildings @	Plant & Equipment @	Furniture, Fixtures & Office Equipment	Motor Vehicles	Total
Cost						
As at April 1, 2017	**7.37**	**52.52**	**249.19**	**47.16**	**4.38**	**360.62**
Additions	-	0.95	26.35	4.12	0.25	31.67
Disposals	-	-	(7.24)	(1.01)	(0.10)	(8.35)
As at March 31, 2018	**7.37**	**53.47**	**268.30**	**50.27**	**4.53**	**383.94**
Additions	-	0.50	36.38	5.40	-	42.28
Disposals	-	-	(7.31)	(0.86)	(0.18)	(8.35)
At March 31, 2019	**7.37**	**53.97**	**297.37**	**54.81**	**4.35**	**417.87**
Accumulated Depreciation						
As at April 1, 2017	**-**	**15.44**	**121.56**	**23.46**	**2.40**	**162.86**
Depreciation expense	-	1.14	15.89	3.89	0.33	21.25
Disposals	-	-	(6.74)	(0.93)	(0.09)	(7.76)
As at March 31, 2018	**-**	**16.58**	**130.71**	**26.42**	**2.64**	**176.35**
Depreciation expense	-	1.20	19.24	4.48	0.55	25.47
Disposals	-	-	(6.82)	(0.80)	(0.17)	(7.79)
At March 31, 2019	**-**	**17.78**	**143.13**	**30.10**	**3.02**	**194.03**
Net carrying value as at March 31, 2019	**7.37**	**36.19**	**154.24**	**24.71**	**1.33**	**223.84**
Net carrying value as at March 31, 2018	**7.37**	**36.89**	**137.59**	**23.85**	**1.89**	**207.59**

1) Certain plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Company to its associate company Kanan Devan Hills Plantations Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operation.

2) Cost of Buildings include **Rs. 5.90 Crores** (Rs 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company.

3) (@) Includes amounts of **Rs. 1.26 Crores** (1.26 Crores), **Rs.0.62 Crores** (Rs. 0.62 Crores), **Rs. 0.08 Crores** (Rs.0.08 Crores) under land, buildings and plant and equipment respectively, jointly owned /held with a subsidiary company.

4) Land includes leasehold land amounting to **Rs. 0.17 Crores** (Rs. 0.17 Crores).

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
4. Investment Property		
Cost		
Opening Balance	1.02	1.02
Closing Balance	1.02	1.02
Accumulated Depreciation		
Opening Balance	0.35	0.33
Depreciation expense	0.02	0.02
Closing Balance	0.37	0.35
Net Book Value	**0.65**	**0.67**

Profit & Loss Statement of Investment Property	2019	2018
Rental Income	0.08	0.08
Profit from investment property before depreciation	0.08	0.08
Depreciation for the year	(0.02)	(0.02)
Profit/(loss) from Investment Property	**0.06**	**0.06**

Fair valuation of the investment property based on latest valuation is **Rs. 4.92 Crores**. Valuation was done by a recognized independent valuer based on Sales Comparable Approach (Level 2).

Rs. in Crores

5. Intangible assets	Capitalised Software/Website	Patent/ Knowhow	Non Compete Fees	Total
Cost				
At April 1, 2017	**33.76**	**17.63**	**3.00**	**54.39**
Additions	9.11	-	-	9.11
Disposals	-	-	-	-
At March 31, 2018	**42.87**	**17.63**	**3.00**	**63.50**
Additions	5.04	-	-	5.04
Disposals	-	-	(3.00)	(3.00)
At March 31, 2019	**47.91**	**17.63**	**-**	**65.54**
Accumulated Amortisation				
At April 1, 2017	**20.65**	**14.76**	**2.95**	**38.36**
Amortisation expense	5.30	0.58	0.05	5.93
Disposals	-	-	-	-
At March 31, 2018	**25.95**	**15.34**	**3.00**	**44.29**
Amortisation expense	5.61	0.58	-	6.19
Disposals	-	-	(3.00)	(3.00)
At March 31, 2019	**31.56**	**15.92**	**-**	**47.48**
Net carrying value as at March 31, 2019	**16.35**	**1.71**	**-**	**18.06**
Net carrying value as at March 31, 2018	**16.92**	**2.29**	**-**	**19.21**

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
6. Investments		
Non-current Investments		
Quoted Equity Instruments	215.26	220.98
Unquoted Equity Instruments	1988.16	1941.50
Unquoted Preference Shares	115.17	121.80
Unquoted Debentures (Refer footnote f)	0.00	0.00
Unquoted Government Securities (Refer footnote f)	0.00	0.00
	2318.59	**2284.28**
Current Investments		
Mutual Funds - Unquoted (Carried at Fair Value through Profit & Loss)	497.74	536.98
	497.74	**536.98**
Total Investments	**2816.33**	**2821.26**
Market Value of Quoted Investments	1022.67	1276.93
Aggregate amount of Unquoted Investments	2601.07	2600.28
Aggregate amount of Quoted Investments	215.26	220.98
Aggregate Amount of Impairment in Value of Investments	0.22	0.22

Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Tata Chemicals Ltd	Rs. 10	705522	705522	41.45	47.75
Tata Investment Corporation Ltd	Rs. 10	146872	158469	12.30	11.72
SBI Home Finance Ltd. (under liquidation)	Rs. 10	100000	100000	-	-
				53.75	**59.47**

Carried at Cost	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Investment in Subsidiary					
Tata Coffee Ltd (Refer footnote a)	Rs. 1	107359820	107359820	161.51	161.51
				161.51	161.51
Total Quoted Equity Instruments				**215.26**	**220.98**

NOTES TO FINANCIAL STATEMENTS

Unquoted Equity Instruments

Carried at fair value through Other Comprehensive Income:

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Tata Sons Pvt. Ltd. (Refer footnote b)	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.10	2.73
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. (Refer footnote b)	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	4200000	4200000	1.04	1.04
Anamallais Ropeways Company Ltd.	Rs. 100	2092	2092	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	2.84	2.65
The Valparai Co-operative Wholesale Stores Ltd.	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd (Refer footnote f)	Rs. 10	2146	2146	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re. 1) (Refer footnote f)	Rs. 10	60	60	0.00	0.00
GNRC Ltd	Rs. 10	50000	50000	0.30	0.18
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.82	0.72
Ritspin Synthetics Ltd	Rs. 10	100000	100000	-	-
TEASERVE (Refer footnote f)	Rs 5000	1	1	0.00	0.00
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd)					
Woodlands Hospital & Medical Res .Centre Ltd. (Refer footnote f)	Rs. 10	12280	12280	0.00	0.00
				133.74	**132.96**

Unquoted Equity Instruments

Carried at cost

		Face Value	Nos.		Rs. in Crores	
			2019	2018	2019	2018
Investment in Subsidiaries:						
Tata Tea Extractions Inc	US$	1	14000000	14000000	59.80	59.80
Tata Global Beverages Group Ltd.	GBP	1	70666290	70666290	500.71	500.71
Tata Global Beverages Capital Ltd.	GBP	1	89606732	89606732	763.89	763.89
Consolidated Coffee Inc.	US$	0.01	199	199	92.49	92.49
Tata Tea Holdings Private Ltd.	Rs.	10	50000	50000	0.05	0.05
Investment in Associates :						
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs.	10	61024400	61024400	71.10	61.02
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Rs.	10	3976563	3976563	12.33	12.33
TRIL Constructions Ltd.	Rs.	10	11748148	11748148	11.75	11.75
Investment in Joint Ventures :						
NourishCo Beverages Ltd.	Rs.	10	106500000	106500000	106.50	106.50
Tata Starbucks Private Ltd. (Refer footnote c)	Rs.	10	235800000	200000000	235.80	200.00
					1854.42	**1808.54**
Total Unquoted Equity Instruments					**1988.16**	**1941.50**

NOTES TO FINANCIAL STATEMENTS

Unquoted Preference Shares

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Investment in Associates					
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs. 10	67000000	67000000	48.42	55.05
TRIL Constructions Ltd. (Refer footnote e)	Rs. 10	66751852	66751852	66.75	66.75
Others					
Thakurbari Club Ltd (Cost Re 1) (Refer footnote f)	Rs. 100	26	26	0.00	0.00
				115.17	**121.80**
Total Unquoted Preference Shares				**115.17**	**121.80**

Unquoted Debentures & Government Securities

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Unquoted Debentures					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures (Refer footnote f)	Rs. 1000	7	7	0.00	0.00
Shillong Club Ltd - 5% Debentures - (Cost Rs 2)(Refer footnote f)	Rs. 100	31	31	0.00	0.00
				0.00	**0.00**
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond (Refer footnote f)				0.00	0.00
				0.00	**0.00**

a) Inclusive of **Rs. 21.86 Crores** (Rs. 21.86 Crores) kept in Revaluation Reserve.

b) Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range.

c) During the financial year 2018-19, the Company has invested an amount of **Rs. 35.80 Crores** towards equity capital in Tata Starbucks Private Ltd. which is a 50:50 joint venture.

d) Investment in preference shares of Amalgamated Plantations Pvt. Ltd., are now redeemable with a special redemption premium, on fulfilment of certain conditions, within 13 - 15 years from the date of the issue and are designated as fair value through profit and loss. During the year, fair value difference of **Rs 10.08 Crores** arising on extension of redemption period has been accounted as part of equity investment.

e) Preference shares of TRIL Constructions Ltd. are non-cumulative and mandatorily fully convertible within six years from the issue date, the same is carried at cost.

f) Investment carrying values are below Rs. 0.01 crores.

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
7.	**Loans**		
	Non-Current		
	(Secured and considered good)		
	Inter Corporate Loan to related party $	15.25	18.75
	(Unsecured and considered good)		
	Employee Loans and Advances	1.52	1.69
		16.77	**20.44**
	Current		
	(Secured and considered good)		
	Inter Corporate Loan to related party $	3.50	3.50
	Inter Corporate Deposits *	4.25	4.25
	(Unsecured and considered good)		
	Employee Loans and Advances	0.38	0.35
		8.13	**8.10**
	Total Loans	**24.90**	**28.54**

$ Secured by mortgage of rights on immovable assets.

* Secured by mortgage of land and given as trade deposit.

Rs. in Crores

		2019	2018
8.	**Other Financial Assets**		
	Non-Current		
	Considered Good		
	Security Deposits *	20.41	22.05
	Considered Doubtful		
	Security Deposits	0.29	0.29
	Less: Provision for Doubtful Deposits	(0.29)	(0.29)
		20.41	**22.05**
	Current		
	(Unsecured and considered good, unless otherwise stated)		
	Due from Related Parties	15.03	21.70
	Insurance Claims Receivable	3.11	-
	Interest Accrued	2.64	5.03
	Export Incentive Receivable	11.63	6.57
	Derivative Financial Assets	5.01	0.79
		37.42	**34.09**
	Total Other Financial Assets	**57.83**	**56.14**

* Includes deposit to related party **Rs. 1.23 Crores** (Rs. 1.23 Crores).

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
9.	**Other Assets**		
	Non-Current		
	(Unsecured and Considered Good, unless otherwise stated)		
	Capital Advances	4.88	3.28
	Property Rights Pending Development #	70.50	70.50
	Taxes Receivable	7.44	7.65
	Advance Rent	0.67	1.51
		83.49	**82.94**
	Current		
	Prepaid Expenses	22.76	17.01
	Taxes Receivable	125.69	71.99
	Advance Rent	0.31	0.56
	Other Trade Advances	13.10	15.37
	Considered Doubtful		
	Other Advances for Supply of Goods and Services	1.75	1.75
	Less: Provision for Advances	(0.53)	(1.75)
		163.08	**104.93**
	Total Other Assets	**246.57**	**187.87**

Property Rights pending development represents constructed office space to be delivered to the Company by TRIL Constructions Ltd., consequent to a development agreement.

Rs. in Crores

		2019	2018
10.	**Inventories**		
	(At lower of cost and net realisable value)		
	Raw Material		
	Tea	577.57	474.97
	Packing Materials	32.31	33.14
	Others	7.49	8.89
		617.37	**517.00**
	Finished Goods		
	Tea	213.81	212.43
	Others	1.57	1.88
		215.38	**214.31**
	Traded Goods		
	Formulations and Others	3.08	4.31
	Stores and Spare Parts	11.08	8.78
		846.91	**744.40**

Raw material includes in transit tea inventory of **Rs. 2.69 Crores** (Rs. 1.57 Crores).

Finished Goods include in transit inventory of **Rs. NIL** (Rs. 0.87 Crores).

During the year ended March 31, 2019 - **Rs. 5.86 Crores** (Rs. 2.76 Crores) was charged to statement of profit and loss for slow moving and obsolete inventories.

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
11. Trade Receivables		
Trade Receivables considered good - Secured	30.12	18.51
Trade Receivables considered good - Unsecured	151.80	118.15
Trade Receivables - Credit Impaired	4.14	3.63
	186.06	**140.29**
Less: Provision for Trade Receivables	4.14	3.63
	181.92	**136.66**

Secured receivables are backed by security deposit.

Includes due from Related Parties - **Rs. 43.12 crores** (Rs. 64.96 Crores).

Inventories and trade receivables have been hypothecated to banks for the working capital facilities availed.

Rs. in Crores

	2019	2018
12. Cash and Cash Equivalents		
Balances with banks:		
Current Account	3.93	2.78
Deposit Account	405.00	230.00
Cash/Cheques in hand	0.03	0.02
	408.96	**232.80**

Rs. in Crores

	2019	2018
13. Other Bank Balances		
Unclaimed Dividend Account	8.99	7.47
Deposit exceeding 3 months	55.00	295.00
	63.99	**302.47**

Rs. in Crores

	2019	2018
14. Equity Share Capital and Other Equity		
AUTHORISED		
110,00,00,000 Equity Shares of Re 1 each	110.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
63,11,29,729 Equity Shares of Re 1 each, fully paid-up	63.11	63.11
	63.11	**63.11**

a) The details of shareholders holding more than 5% shares as at March 31, 2019 is set out as below :

Name of shareholder	2019	2018
	No. of shares % of holding	No. of shares % of holding
Tata Sons Private Limited	186029710	186029710
	29.48%	29.48%

NOTES TO FINANCIAL STATEMENTS

b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2019) pursuant to contracts without payment being received in cash

1,27,31,159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Company.

d) Dividend paid

	2019	2018
Dividend Paid (Rs. in Crores)	157.78	148.31
Dividend per share (Rs.)	2.50	2.35

The Board of Directors in its meeting held on April 23, 2019 have recommended a final dividend payment of Rs. 2.50 per share for the financial year ended March 31, 2019.

e) Other Equity

Rs. in Crores

	2019	2018
Capital Reserve	15.79	15.79
Securities Premium	361.05	361.05
Contingency Reserve	1.00	1.00
Revaluation Reserve	21.86	21.86
General Reserve	1143.31	1143.31
Retained Earnings	2784.41	2551.90
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	3.27	0.52
- Fair value gains/(loss) on Equity Instruments	49.88	54.81
	4380.57	**4150.24**

f) Nature and Purpose of Reserve

i) Capital Reserve

Capital Reserve was created on acquisition of certain plantation business.

ii) Securities Premium Account

Security Premium Account was created on issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserves

Contingency Reserves are in the nature of free reserves.

iv) Revaluation Reserve

Revaluation Reserve was created on acquisition of shares of Tata Coffee Limited (Refer note 6).

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
15. Borrowings		
Current		
Loan From Banks - Unsecured		
Working Capital Facilities	-	60.00
Loan From Banks - Secured		
Bank Overdraft	4.53	24.25
Secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis		
	4.53	**84.25**

Note: Change in liabilities are on account of financing activities which have been disclosed in the Cash Flow Statement.

Rs. in Crores

	2019	2018
16. Other Financial Liabilities		
Current		
Unpaid Dividends *	8.99	7.47
Interest accrued but not due on borrowings	-	0.22
Security Deposits from Customers	47.20	41.49
Others	42.98	42.15
	99.17	**91.33**

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Rs. in Crores

	2019	2018
17. Provisions		
Non-Current		
Employee Benefits	115.25	109.65
	115.25	**109.65**
Current		
Employee Benefits	18.57	20.01
Other Provisions	2.08	27.29
	20.65	**47.30**
Total Provisions	**135.90**	**156.95**

NOTES TO FINANCIAL STATEMENTS

Movement in Other Provisions - Current

Rs. in Crores

Provision for Trade Obligations	2019	2018
Opening balance	26.95	25.58
Provision during the year	-	1.37
Amount written back during the year	(25.21)	-
Closing balance	**1.74**	**26.95**

Rs. in Crores

Restructuring Costs	2019	2018
Opening balance	0.34	1.76
Provision during the year	-	-
Amount paid/adjusted during the year	-	(1.42)
Closing balance	**0.34**	**0.34**

Rs. in Crores

	2019	2018
18. Trade Payables		
Total outstanding dues of creditors other than Micro enterprises and Small enterprises*	235.92	244.29
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note 31)	3.50	4.17
	239.42	**248.46**

* Includes dues to Related Parties - **Rs. 37.00 Crores** (Rs. 44.45 Crores).

Rs. in Crores

	2019	2018
19. Other Current Liabilities		
Current		
Statutory Liabilities	9.99	10.35
Others	55.32	61.53
Total Other Liabilities	**65.31**	**71.88**

Rs. in Crores

	2019	2018
20. Taxation		
a) Tax charge in the Statement of profit and loss:		
Current tax		
Current year	173.69	189.87
Less: Tax reversal of earlier years	(13.12)	(0.96)
	160.57	**188.91**
Deferred tax	4.42	0.24
Income Tax expense for the year	**164.99**	**189.15**

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
b)	**Reconciliation of effective tax rate:**		
	Profit before tax	**575.92**	**723.47**
	Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	201.25	250.38
	Tax effect of:		
	Income-tax at different rate	(10.76)	(10.78)
	Non-deductible tax expenses	5.66	3.89
	Tax-exempt income	(6.05)	(11.29)
	Income subject to Nil tax	-	(42.09)
	Recognition of tax effect of previously unrecognised tax losses	(11.99)	-
	Tax reversals of earlier years	(13.12)	(0.96)
		164.99	**189.15**

Rs. in Crores

		2019	2018
c)	**Non-Current Tax Asset:**		
	Income Tax	49.96	29.48
	Dividend Distribution Tax credit	13.42	13.42
		63.38	**42.90**

Rs. in Crores

		2019	2018
d)	**Current Tax Liability (Net):**		
	Income Tax	16.44	25.95
		16.44	**25.95**

Rs. in Crores

		2019	2018
e)	**The analysis of Deferred Tax Assets and Deferred Tax Liabilities is as follows:**		
	Deferred Tax Asset	58.14	122.81
	Deferred Tax Liability	(24.28)	(23.80)
	Net Deferred Tax Asset	**33.86**	**99.01**

NOTES TO FINANCIAL STATEMENTS

f) The movement in deferred income tax assets and liabilities during the year is as follows:

Rs. in Crores

	Depreciation	Other Liabilities	Provision for doubtful debts/ advances	Employee Benefits/ Trade Obligations	MAT Credit	Other Assets	Total
As at April 1, 2017	**(18.55)**	**(2.11)**	**1.94**	**56.44**	**-**	**1.14**	**38.86**
(Charged)/credited:							
- to Statement of profit or loss	(1.80)	(2.24)	0.02	4.15	-	(0.37)	(0.24)
- to Other comprehensive income	-	0.90	-	(5.77)	-	-	(4.87)
Adjustment for unutilised tax credits	-	-	-	-	65.26	-	65.26
As at March 31, 2018	**(20.35)**	**(3.45)**	**1.96**	**54.82**	**65.26**	**0.77**	**99.01**
(Charged)/credited:							
- to Statement of profit or loss	(1.24)	2.40	(0.43)	(6.03)		0.88	(4.42)
- to Other comprehensive income	-	(1.64)	-	(2.55)	-	-	(4.19)
Adjustment for unutilised tax credits	-	-	-	-	(56.54)	-	(56.54)
As at March 31, 2019	**(21.59)**	**(2.69)**	**1.53**	**46.24**	**8.72**	**1.65**	**33.86**

Rs. in Crores

	2019	2018
21. Revenue from Operations		
Revenue from contract with customers		
Revenue from sale of goods	3331.70	3131.03
Other Operating Revenues		
Miscellaneous receipts	36.65	29.32
Export incentive	17.39	12.62
Management services	43.91	43.70
Revenue from sale of services	0.01	0.65
	3429.66	**3217.32**

Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.

Rs. in Crores

	2019	2018
22. Other Income		
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	33.03	14.15
Interest Income on Income Tax refund	5.28	7.25
Dividend Income		
-Non-Current Investments designated at fair value through other comprehensive income	3.29	13.99
-Investment in Subsidiaries and Associates carried at cost	77.96	81.41
Profit on sale of Mutual Funds	33.45	19.52
Others		
Other non operating income	25.36	0.17
Profit on sale/discard of Fixed Assets (net)	-	0.15
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	4.14	10.94
	182.51	**147.58**

Includes dividend income on investment sold during the year **Rs. 0.02 Crores** (Rs. 11.52 Crores).

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
23. Cost of Materials Consumed		
Tea		
Opening Stock	474.97	495.56
Add: Purchases	1932.27	1631.15
Less: Closing Stock	577.57	474.97
	1829.67	**1651.74**
Green Leaf	23.24	23.21
Packing Material		
Opening Stock	33.14	39.23
Add: Purchases	166.76	158.77
Less: Closing Stock	32.31	33.14
	167.59	**164.86**
Others	35.47	31.74
	2055.97	**1871.55**

Includes excise duty amounting to NIL (Rs. 2.12 Crores).

Rs. in Crores

	2019	2018
24. Changes in Inventories of Finished Goods/Stock-in-trade/Work-in-progress		
Opening Stock		
Tea	212.43	211.02
Others	6.19	5.93
	218.62	**216.95**
Closing Stock		
Tea	213.81	212.43
Others	4.65	6.19
	218.46	**218.62**
	0.16	**(1.67)**

Rs. in Crores

	2019	2018
25. Employee Benefits Expense		
Salaries, Wages and Bonus *	181.43	175.76
Contribution to Provident Fund and other Funds	15.69	14.92
Workmen and Staff Welfare Expenses	19.73	17.45
	216.85	**208.13**

* Includes payment made to personnel engaged in qualifying CSR activities **Rs. 1.48 Crores** (Rs. 2.24 Crores).

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
26. Finance Costs		
Interest		
On Financial Instruments measured at amortised cost	4.93	5.31
Net interest on defined benefit plans	8.25	8.34
	13.18	**13.65**

Rs. in Crores

	2019	2018
27. Other Expenses		
Manufacturing and Contract Packing Expenses	75.81	69.45
Rent	49.69	47.98
Freight	63.15	46.52
Management Service Fees #	20.29	20.99
Professional/Legal fees	78.60	54.87
Miscellaneous Expenses ^	180.67	149.00
	468.21	**388.81**

Includes fee for technical support services **Rs. 5.21 Crores** (Rs. 7.17 Crores) and for other support service **Rs. 15.08 crores** (Rs. 12.95 Crores).

^ Includes exchange loss **Rs. 0.08 Crores** (Rs. 3.83 Crores gain), expense on CSR **Rs. 6.61 Crores** (Rs. 4.27 Crores) and contribution to an electoral trust **Rs. 10.00 Crores** (NIL).

Rs. in Crores

	2019	2018
28. Exceptional Items (Net)		
(Income)		
Profit on sale of Non-Current Investment held in a subsidiary and in an associate	-	(123.85)
Expenditure		
Business Restructure costs	-	8.49
	-	**(115.36)**

29. Capital Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2019 aggregated **Rs. 10.49 Crores** (Rs. 10.97 Crores).

(b) Commitment towards Share Capital contributions in Joint Ventures - **Rs. 25.40 Crores** (Rs. 40.00 Crores).

NOTES TO FINANCIAL STATEMENTS

30. Contingent Liabilities not provided for in respect of:

Rs. in Crores

		Gross	Net of Estimated Tax
(a)	**Claims under adjudication not acknowledged as debts:**		
(i)	Taxes, Statutory Duties/ Levies etc.	**15.99**	**11.61**
		(17.71)	(12.49)
(ii)	Commercial and other Claims	**2.60**	**1.58**
		(2.51)	(1.52)

(b) Past service liabilities and certain labour disputes under adjudication relating to some staff – amount not ascertainable.

31. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2019.

32. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company.

(a) Gross Amount required to be spent by the Company during the year **Rs. 7.66 Crores** (Rs. 6.14 Crores).

(b) Amount spent during the year:

Rs. in Crores

2019		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.76	1.33	8.09

Rs. in Crores

2018		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	5.91	0.60	6.51

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
33. Earnings Per Share		
Profit after taxation (Rs. in Crores)	410.93	534.32
Number of Equity Shares Outstanding	631129729	631129729
Earnings Per Share (Rs.)		
Basic	6.51	8.47
Diluted	6.51	8.47

Rs. in Crores

	2019	2018
34. Expenditure incurred in respect of the Company's Research and Development:		
Capital Expenditure	0.25	0.57
Revenue Expenditure	5.95	5.51
	6.20	**6.08**

35. Leases

The Company's leasing arrangements are in respect of operating leases for premises (residential, office,factory, godown, etc.) and motor car. These range between 5 months - 15 years and usually renewable on mutually agreed terms.

Rs. in Crores

	2019	2018
Minimum lease payments under Non-cancellable operating lease		
Within one year	1.15	1.74
Later than one year and not later than five years	2.34	2.19
Later than five years	2.89	3.01
Total	**6.38**	**6.94**
Lease payments recognised in the Statement of Profit and Loss	**53.52**	**52.04**

NOTES TO FINANCIAL STATEMENTS

36. a) Related Party Disclosure

Related Parties

Promoter

Tata Sons Private Limited

Subsidiaries

Tata Global Beverages Group Limited
- Tata Global Beverages Holdings
- Tata Global Beverages Services Limited
- Tata Global Beverages GB Limited
- Tata Global Beverages Overseas Holdings Limited
- Tata Global Beverages Overseas Limited
- Lyons Tetley Limited
- Tata Global Beverages U.S. Holdings, Inc.
  - Tata Water LLC
- Tetley USA Inc
  - Empirical Group LLC
- Tata Global Beverages Canada Inc
- Tata Global Beverages Australia Pty Limited
- Earth Rules Pty Ltd.
- Stansand Limited
- Stansand(Brokers) Limited
- Stansand(Africa) Limited
- Stansand(Central Africa) Limited
- Tata Global Beverages Polska Sp.z.o.o
- Drassington Limited, UK
- Good Earth Corporation
- Good Earth Teas Inc.
- Teapigs Limited.
- Teapigs US LLC.
- Tata Global Beverages Czech Republic a.s,
- Joekels Tea Packers (Proprietary) Limited. (South Africa)
- Tata Global Beverages Investments Limited
  - Campestres Holdings Limited
    - Kahutara Holdings Limited
    - Suntyco Holding Limited
    - Onomento Co Limited
    - Coffee Trade LLC (w.e.f 18.09.2017)
    - Tea Trade LLC (ceased w.e.f 03.11.2017)
    - Sunty LLC (ceased w.e.f 03.11.2017)

Tata Coffee Limited
- Tata Coffee Vietnam Company Limited
- Consolidated Coffee Inc.
  - Eight 'O Clock Coffee Company
  - Eight 'O Clock Holdings Inc

Tata Tea Extractions Inc

Tata Global Beverages Capital Limited

Tata Tea Holdings Private Limited

Associates

Amalgamated Plantations Private Limited

Kanan Devan Hills Plantations Company Private Limited

TRIL Constructions Limited

Estate Management Services Pvt Limited, Sri Lanka (ceased w.e.f 28.12.2017)
- Watawalla Plantations Plc (ceased w.e.f 28.12.2017)

Joint Ventures

NourishCo Beverages Limited

Tata Starbucks Private Limited

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited

Southern Tea LLC

Tetley Clover (Private) Limited

Key Management Personnel

Mr. Ajoy Misra - CEO & Managing Director

Mr L Krishna Kumar - Executive Director & Group CFO

Subsidiary and Joint Venture of Promoter Company

Tata Investment Corporation Limited

Ewart Investments Limited

Taj Air Limited

Tata AIG General Insurance Limited

Tata AIA Life Insurance Co Limited

Tata Consultancy Services Limited

Tata International Singapore PTE Limited

Tata Housing Development Company Limited

Tata Elxsi Limited

Tata Industries Limited

Tata Communications Limited

Tata Teleservices Limited

Tata Capital Forex Limited (ceased w.e.f 30.10.2017)

Infiniti Retail Limited

Tata Business Support Services Limited (ceased to be a subsidiary and is an associate w.e.f 27.11.2017)

Employee Benefit Plans

Tata Tea Limited Management Staff Gratuity Fund

Tata Tea Limited Management Staff Superannuation Fund

Tata Tea Limited Staff Pension Fund

Tata Tea Limited Gratuity Fund

Tata Tea Limited Calcutta Provident Fund

NOTES TO FINANCIAL STATEMENTS

36. b) Particulars of transactions entered into with Related Parties for the year ended March 31, 2019:

Rs. in Crores

	2019	2018
Sales of Goods and Services		
Subsidiaries	175.84	200.50
Associates	2.05	1.01
Joint Ventures	30.19	33.80
Joint Venture of Subsidiaries	-	0.14
Other Operating Income		
Subsidiaries	46.97	47.99
Associates	2.75	2.50
Joint Ventures	13.73	10.62
Sale of Fixed Asset		
Joint Venture of Subsidiaries	-	0.38
Rent Paid		
Associates	2.25	2.09
Purchase of Goods & Services		
Subsidiaries	68.03	81.10
Associates	216.29	259.98
Joint Ventures	0.16	-
Subsidiaries/Joint Ventures of Promoter	-	0.07
Other Expenses (Net)		
Subsidiaries	5.66	3.26
Joint Ventures	6.16	2.62
Associates	2.88	2.26
Promoter	10.62	8.83
Subsidiaries/Joint Ventures of Promoter	36.59	32.14
Reimbursement of Expenditure/(Income)		
Subsidiaries	(3.60)	(1.97)
Associates	(8.18)	(7.15)
Joint Ventures	(1.70)	(1.68)
Promoter	0.44	0.59
Dividend/Interest received		
Subsidiaries	77.64	81.07
Associates	2.47	2.79
Promoter	1.40	1.40
Subsidiaries/Joint Ventures of Promoter	1.34	0.32
Dividend Paid		
Promoter	46.50	33.57
Subsidiaries/Joint Ventures of Promoter	7.85	7.38
Sale of Investment		
Associates	-	52.95
Promoter	-	672.61
Subsidiaries/Joint Ventures of Promoter	1.16	-
Intercorporate Loan/ Deposits Given		
Subsidiaries/Joint Ventures of Promoter	50.00	-
Intercorporate Loan/ Deposits Redeemed		
Associates	3.50	1.75
Subsidiaries/Joint Ventures of Promoter	50.00	6.50
Joint Ventures	35.80	10.00
Directors Remuneration *		
Key Management Personnel	8.05	7.35
Contribution to Funds		
Post Employment Benefit Plans	15.04	24.43

NOTES TO FINANCIAL STATEMENTS

Outstanding at the year end:

Rs. in Crores

	2019		2018	
	Debit	Credit	Debit	Credit
Subsidiaries	53.19	14.07	69.44	17.86
Associates	18.89	6.46	26.12	7.50
Joint Ventures	5.92	-	15.32	-
Promoter	-	9.09	-	8.07
Joint Venture of Subsidiaries	0.01	-	0.04	-
Subsidiaries/Joint Ventures of Promoter	1.24	7.38	1.80	11.02
Employment Benefit Plans	1.06	-	1.07	-

* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

36. c) Particulars of material transactions entered into with Related Parties for the year ended March 31, 2019:

Rs. in Crores

	2019	2018
Sales of Goods and Services		
Subsidiaries		
Tata Global Beverages GB Limited	93.07	108.38
Tata Tea Extractions Inc	53.85	58.59
Joint Ventures		
NourishCo Beverages Limited	30.00	33.54
Other Operating Income		
Subsidiaries		
Tata Global Beverages Services Limited	30.55	43.70
Tata Global Beverages GB Limited	13.84	0.42
Tata Coffee Limited	2.58	3.87
Joint Ventures		
Tata Starbucks Private Limited	13.20	10.25
Sale of Fixed Asset		
Joint Venture of Subsidiaries		
Tetley ACI (Bangladesh) Limited	-	0.38
Rent Paid		
Associates		
Amalgamated Plantations Pvt Limited.	1.59	1.48
Purchase of Goods & Services		
Subsidiaries		
Tata Coffee Limited	28.97	34.01
Associates		
Kanan Devan Hills Plantations Company Private Limited	75.78	73.03
Amalgamated Plantations Pvt Limited.	140.52	186.29

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
Other Expenses (Net)		
Joint Ventures		
NourishCo Beverages Limited	6.16	2.62
Promoter		
Tata Sons Private Limited	10.62	8.83
Subsidiaries/Joint Ventures of Promoter		
Tata AIG General Insurance Limited	12.29	6.80
Tata Consultancy Services Limited	17.36	12.42
Tata Industries Limited	1.69	4.66
Reimbursement of Expenditure/(Income)		
Subsidiaries		
Tata Global Beverages Services Limited	(1.00)	-
Tata Global Beverages GB Limited	(2.01)	(1.93)
Tata Coffee Limited	(0.47)	0.05
Associates		
Kanan Devan Hills Plantations Company Private Limited	(1.70)	(1.81)
Amalgamated Plantations Pvt Limited.	(2.33)	(2.45)
TRIL Constructions Limited	(4.15)	(2.89)
Joint Ventures		
NourishCo Beverages Limited	(1.51)	(1.50)
Tata Starbucks Private Limited	(0.19)	(0.17)
Dividend/Interest received		
Subsidiaries		
Tata Coffee Limited	16.10	18.79
Consolidated Coffee Inc.	23.49	22.57
Tata Global Beverages Group Limited	16.36	15.00
Tata Global Beverages Capital Limited	15.93	19.96
Dividend Paid		
Promoter		
Tata Sons Pvt. Ltd.	46.50	33.57
Subsidiaries/Joint Ventures of Promoter		
Tata Investment Corporation Limited	6.73	6.33
Sale of Investment		
Associates		
Estate Management Services Pvt Limited	-	52.95

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
Promoter		
Tata Sons Private Limited	-	672.61
Subsidiaries/Joint Ventures of Promoter		
Tata Investment Corporation Limited	1.16	-
Intercorporate Loan/ Deposits Given		
Subsidiaries/Joint Ventures of Promoter		
Tata Housing Development Company Limited #	50.00	-
Intercorporate Loan/ Deposits redeemed		
Associates		
Kanan Devan Hills Plantations Company Private Limited	3.50	1.75
Subsidiaries/Joint Ventures of Promoter		
Taj Air Ltd.	-	6.50
Tata Housing Development Company Limited	50.00	-
Investments made		
Joint Ventures		
Tata Starbucks Private Limited	35.80	10.00
Directors Remuneration *		
Key Management Personnel	8.05	7.35
Contribution to Funds		
Post Employment Benefit Plans		
Tata Tea Limited Management Staff Gratuity Fund	-	6.30
Tata Tea Limited Management Staff Superannuation Fund	1.69	1.69
Tata Tea Limited Gratuity Fund	-	3.54
Tata Tea Limited Calcutta Provident Fund	13.32	12.78

The deposit was placed as a part of cash management and is a general purpose deposit with short-term maturity.

* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

36. d) Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015.

Amount of Loans and Advances in nature of loans outstanding from subsidiaries and associates as at March 31, 2019: Rs. in Crores

	Outstanding March 31, 2019	Maximum during the year
Associate Company		
Kanan Devan Hills Plantations Company Private Limited	18.75	22.25
	(22.25)	(24.00)

NOTES TO FINANCIAL STATEMENTS

37. Interests in other entities

A. Subsidiaries

The Company's direct subsidiaries as at March 31, 2019 are set out below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2019	% holding 2018
1	Tata Global Beverages Capital Ltd	UK	Holding company	100.00	100.00
2	Tata Global Beverages Group Ltd. *	U K	Holding company	89.10	89.10
3	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of coffee & tea	57.48	57.48
4	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00
5	Tata Tea Holdings Private Ltd.	India	Investment Company	100.00	100.00

* Through Tata Global Beverages Capital Ltd. and Tata Tea Extractions Inc.

B. Joint Ventures

A list of Company's Joint Ventures as at March 31, 2019 is given below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2019	% holding 2018
1	NourishCo Beverages Ltd.	India	Marketing and distribution of water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Café in India	50.00	50.00

C. Associates

A list of Company's associates as at March 31, 2019 is given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2019	% holding 2018
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	TRIL Constructions Ltd.	India	Development of real estate and infrastucture facilities	32.50	32.50

NOTES TO FINANCIAL STATEMENTS

38. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Rs. in crores

2019	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	53.75	53.75	53.75	-	-	53.75
Unquoted Equity Instruments *	-	-	133.74	133.74	-	7.13	126.61	133.74
Unquoted Preference Shares	-	48.42	-	48.42	-	-	48.42	48.42
Loans	16.77	-	-	16.77	-	-	-	-
Other Financial Assets	20.41	-	-	20.41	-	-	-	-
Current Financial assets								
Current Investments	-	497.74	-	497.74	497.74	-	-	497.74
Trade Receivables	181.92	-	-	181.92	-	-	-	-
Cash and Cash Equivalents	408.96	-	-	408.96	-	-	-	-
Other Bank Balances	63.99	-	-	63.99	-	-	-	-
Loans	8.13	-	-	8.13	-	-	-	-
Other Financial assets	32.41	-	5.01	37.42	-	5.01	-	5.01
	732.59	**546.16**	**192.50**	**1471.25**	**551.49**	**12.14**	**175.03**	**738.66**
Current Financial liabilities								
Borrowings	4.53	-	-	4.53	-	-	-	-
Trade Payables	239.42	-	-	239.42	-	-	-	-
Other Financial Liabilities	99.17	-	-	99.17	-	-	-	-
	343.12	**-**	**-**	**343.12**	**-**	**-**	**-**	**-**

Rs. in crores

2018	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	59.47	59.47	59.47	-	-	59.47
Unquoted Equity Instruments *	-	-	132.96	132.96	-	6.35	126.61	132.96
Unquoted Preference Shares	-	55.05	-	55.05	-	-	55.05	55.05
Loans	20.44	-	-	20.44	-	-	-	-
Other Financial assets	22.05	-	-	22.05	-	-	-	-
Current Financial assets								
Current Investment	-	536.98	-	536.98	536.98	-	-	536.98
Trade Receivables	136.66	-	-	136.66	-	-	-	-
Cash and Cash Equivalents	232.80	-	-	232.80	-	-	-	-
Other Bank Balances	302.47	-	-	302.47	-	-	-	-
Loans	8.10	-	-	8.10	-	-	-	-
Other Financial Assets	33.30	-	0.79	34.09	-	0.79	-	0.79
	755.82	**592.03**	**193.22**	**1541.07**	**596.45**	**7.14**	**181.66**	**785.25**
Current Financial liabilities								
Borrowings	84.25	-	-	84.25	-	-	-	-
Trade Payables	248.46	-	-	248.46	-	-	-	-
Other Financial Liabilities	91.33	-	-	91.33	-	-	-	-
	424.04	**-**	**-**	**424.04**	**-**	**-**	**-**	**-**

* For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES TO FINANCIAL STATEMENTS

B. Measurement of fair values

The basis of measurement in respect to each class of financial asset, financial liability is disclosed in note 2(j) of the financial statement.

The fair value of liquid mutual funds and long term equity investment is based on active market price. Fair values of certain non current investment are valued based on Discounted cashflow/book value/EBITDA multiple approach. Derivative financial instruments are valued based on Black-Scholes-Merton approach/Dollar offset principles.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive risk policy relating to the risks that the Company faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

a. Trade receivables

The Company has an established credit policy and a credit review mechanism. The Company also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. The concentration of credit risk arising from trade receivables is limited due to large customer base.

Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment behaviour and analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Rs. in Crores
Balance as at April 1, 2017	**3.57**
Impairment loss recognised	0.06
Amounts written back	-
Balance as at March 31, 2018	**3.63**
Impairment loss recognised	0.51
Amounts written off	-
Balance as at March 31, 2019	**4.14**

NOTES TO FINANCIAL STATEMENTS

b. Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Company's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Company.

iii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Rs. in Crores

2019	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 year	2- 5 years	More than 5 years
Current Financial Liabilities					
Borrowings	4.53	4.53	-	-	-
Trade Payables	239.42	239.42	-	-	-
Other Financial Liabilities	99.17	99.17	-	-	-

Rs. in Crores

2018	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 year	2- 5 years	More than 5 years
Current Financial Liabilities					
Borrowings	84.25	84.25	-	-	-
Trade Payables	248.46	248.46	-	-	-
Other Financial Liabilities	91.33	91.33	-	-	-

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

a) Currency risk

The company's operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

The Company uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a reputed scheduled bank. The company reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2019, the company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

NOTES TO FINANCIAL STATEMENTS

Exposure to currency risk

The currency profile of financial asset and financial liability as at March 31, 2019 and March 31, 2018 are as below:

Rs. in Crores

2019	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	132.13	30.56	-	19.23	181.92
Other Financial Asset	57.83	-	-	-	57.83
	189.96	**30.56**	**-**	**19.23**	**239.75**
Financial liabilities					
Trade payables	229.67	5.55	4.10	0.10	239.42
Other Current financial liabilities	99.17	-	-	-	99.17
	328.84	**5.55**	**4.10**	**0.10**	**338.59**

Rs. in Crores

2018	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	79.33	39.33	-	18.00	136.66
Other Financial Asset	56.14	-	-	-	56.14
	135.47	**39.33**	**-**	**18.00**	**192.80**
Financial liabilities					
Trade payables	241.23	-	7.23	-	248.46
Other Current financial liabilities	91.33	-	-	-	91.33
	332.56	**-**	**7.23**	**-**	**339.79**

Following table summarises approximate gain / (loss) on the company's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies -

Rs. in Crores

	2019		2018	
Details	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	2.00	(3.48)	2.51	(1.57)
5% depreciation of the underlying foreign currencies	(2.00)	3.48	(2.51)	1.57

The following table gives details in respect of outstanding foreign currency forward contracts –

			2019			2018		
Category	Instrument	Currency pair	FCY Amount (million)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*	FCY Amount (millon)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*
Hedges of highly probable forecasted transactions	Forward contract	USD/INR	10.35	75.86	2.85	8.30	55.44	0.31
Hedges of highly probable forecasted transactions	Forward contract	AUD/INR	6.21	33.25	2.16	5.50	28.62	0.48

* Represents impact of mark to market value as at year end.

NOTES TO FINANCIAL STATEMENTS

Movement in cash flow hedging reserve for derivatives designated as cash flow hedges is given below:

Rs. in Crores

	2019	2018
Balance at the beginning of the period	0.52	2.28
Movement during the year	4.23	(2.69)
Tax impact on above	(1.48)	0.93
Balance at the end of the period	**3.27**	**0.52**

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

c) Price risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

d) Commodity risk

The Company is exposed to the fluctuations in commodity prices mainly for tea. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. The Company manages these price fluctuations by actively managing the sourcing of tea, private purchases and alternate blending strategies without impacting the quality of the blend.

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position was as follows:

Rs. in Crores

	2019	2018
Total Borrowings	4.53	84.25
Less: Cash and Cash Equivalents including Deposits	463.96	527.80
Less: Current Investments	497.74	536.98
Less: Inter Corporate Deposits/Loan	23.00	26.50
Adjusted net (cash)/debt	**(980.17)**	**(1007.03)**
Total Equity	**4443.68**	**4213.35**

NOTES TO FINANCIAL STATEMENTS

39. Post Retirement Employee Benefits

i) **Defined Contributions**

Amount of Rs. **11.51 Crores** (Rs. 10.45 Crores) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

Rs. in Crores

	2019	2018
Provident Fund	6.52	6.31
Superannuation Fund	3.69	2.87
Employee state insurance schemes	1.30	1.27
	11.51	**10.45**

ii) **Defined Benefits**

Gratuity, Pension and Post Retiral Medical Benefits :

The Company operates defined benefit schemes like retirement gratuity, defined pension benefits and post retirement medical benefits. There are other superannuation benefits and medical benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy related to the same. The defined benefit schemes offer specified benefits to the employees on retirement. The gratuity benefit provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' last drawn salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

Changes in the Defined Benefit Obligation :

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Opening Defined Benefit Obligation	8.66	9.64	54.75	55.65	41.00	43.31	66.64	68.58
Current Service cost	-	-	3.33	3.31	1.05	1.75	2.66	2.91
Past Service Cost	-	-	-	0.45	-	-	-	-
Interest on Defined Benefit Obligation	0.57	0.58	3.88	3.53	3.41	2.92	4.96	4.57
Actuarial changes arising from change in experience	(1.29)	(0.30)	3.35	(0.51)	(4.50)	0.23	(2.45)	0.50
Actuarial changes arising from change in demographic assumption	0.01	0.10	0.00	-	(0.28)	-	(0.37)	-
Actuarial changes arising from changes in financial assumption	0.01	(0.34)	0.22	(4.25)	0.28	(6.43)	0.30	(6.35)
Benefits Paid	(1.24)	(1.02)	(6.45)	(3.40)	(0.84)	(0.78)	(3.69)	(3.57)
Liability assumed/settled	-	-	-	(0.03)	-	-	-	-
Closing Defined Benefit Obligation	**6.72**	**8.66**	**59.08**	**54.75**	**40.12**	**41.00**	**68.05**	66.64

NOTES TO FINANCIAL STATEMENTS

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	Pension		Gratuity	
	2019	2018	2019	2018
Opening fair value of Plan assets	6.10	6.81	56.37	44.70
Employers contribution	-	(0.50)	-	11.04
Interest on Plan Assets	0.40	0.41	4.17	2.85
Actual return on plan assets less interest on plan assets	(0.05)	0.07	0.20	1.31
Benefits Paid	(0.70)	(0.69)	(6.46)	(3.50)
Asset acquired/(settled)	-	-	0.04	(0.03)
Closing Fair value of plan assets	**5.75**	**6.10**	**54.32**	**56.37**

Net Asset/(Liability) recognised in balance sheet:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Present Value of Funded defined benefit obligation at the year end	4.25	5.48	59.08	54.75	-	-	-	-
Fair value of plan assets at the end of the year	5.75	6.10	54.32	56.37	-	-	-	-
	(1.50)	**(0.62)**	**4.76**	**(1.62)**	**-**	**-**	**-**	**-**
Present Value of Unfunded defined benefit obligation at the year end	2.47	3.18	-	-	40.12	41.00	68.05	66.64
Asset ceiling	0.51	0.31	-	-	-	-	-	-
Amount recognised in Balance Sheet	**(1.48)**	**(2.87)**	**4.76**	**(1.62)**	**40.12**	**41.00**	**68.05**	**66.64**

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Current Service Cost	-	-	3.33	3.31	1.05	1.75	2.66	2.91
Interest cost on defined benefit obligation (net)	0.17	0.17	(0.30)	0.68	3.41	2.92	4.96	4.57
Past Service Cost	-	-	-	0.45	-	-	-	-
Total recognised in the statement of profit and loss	**0.17**	**0.17**	**3.03**	**4.44**	**4.46**	**4.67**	**7.62**	**7.48**

NOTES TO FINANCIAL STATEMENTS

Amounts recognized in Other Comprehensive Income for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Actuarial changes arising from changes in financial assumption	0.01	(0.34)	0.22	(4.25)	0.28	(6.43)	0.30	(6.35)
Actuarial changes arising from changes in demographic assumption	0.01	0.10	0.00	-	(0.28)	-	(0.37)	-
Actuarial changes arising from changes in experience assumption	(1.29)	(0.30)	3.35	(0.51)	(4.50)	0.23	(2.45)	0.50
Return on plan asset excluding interest Income	0.05	0.07	(0.20)	(1.31)	-	-	-	-
Adjustment to recognise the effect of asset ceiling	0.19	(0.17)	-	-	-	-	-	-
Total recognised in Other Comprehensive Income	**(1.03)**	**(0.64)**	**3.38**	**(6.07)**	**(4.50)**	**(6.20)**	**(2.52)**	**(5.85)**

Maturity Profile of defined benefit obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2019	2018	2019	2018	2019	2018	2019	2018
Within next 12 months	1.54	1.84	11.71	9.34	1.44	1.40	4.86	4.52
Between 2 and 5 years	4.67	4.01	17.63	16.80	6.29	6.16	20.63	21.52
Between 6 and 9 years	2.51	2.66	24.69	20.78	7.05	6.97	23.54	24.99
10 years and above	2.78	3.90	70.74	68.62	39.66	42.40	121.98	130.29

Principal Actuarial assumptions used:

Rs. in Crores

	2019	2018
Discount rate	7.75%	7.80%
Salary escalation rate	8% for management staff 7% for workers/staff	8% for management staff 7% for workers/staff
Annual increase in health care costs	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives mortality (2012-14) Ult Table	Indian Assured Lives mortality (2006-08) Ult Table

NOTES TO FINANCIAL STATEMENTS

Quantitative sensitivity analysis for significant assumption is as below:

Rs. in Crores

	Pension	Gratuity	Medical	Others
	2019	2019	2019	2019
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.12)	(2.12)	(2.68)	(2.90)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.13	2.27	3.00	3.14
Impact of increase in 50 basis point in salary escalation on Defined Benefit Obligation	-	2.26	-	-
Impact of decrease in 50 basis point in salary escalation on Defined Benefit Obligation	-	(2.13)	-	-
Impact of increase in 100 basis point in health care cost on Defined Benefit Obligation	-	-	6.09	0.09
Impact of decrease in 100 basis point in health care cost on Defined Benefit Obligation	-	-	(5.01)	(0.08)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.07	-	-	1.86
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.07)	-	-	(1.79)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.13	-	-	2.45
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.13)	-	-	(2.46)

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calcualted using the Projected Unit Credit method at the end of the reporting period , which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Major Categories of Plan Assets:

Rs. in Crores

	Pension		Gratuity	
	2019	2018	2019	2018
Govt of India Securities	0.88	0.96	-	-
PSU bonds	-	0.96	-	-
Insurance managed Funds	3.62	3.91	53.91	56.26
Others	1.25	0.27	-	0.11
Total	**5.75**	**6.10**	**53.91**	**56.37**

The Company contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Expected Contribution over the next financial year:

The Company is expected to contribute **Rs. 4.76 Crores** to defined benefit obligation funds for the year ending March 31, 2020.

NOTES TO FINANCIAL STATEMENTS

iii) Provident Fund

The Company operates Provident Fund Schemes and the contribution are made to recognized funds maintained by the Company and for certain categories contributions are made to State Plans. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption there is no shortfall as on March 31, 2019 and March 31, 2018.

The details of fund and plan asset position are given below:

Rs. in Crores

	2019	2018
Plan Assets as at period end	138.01	124.61
Present Value of Funded Obligations at period end	138.01	124.61
Amount Recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Rs. in Crores

	2019	2018
Guaranteed Rate of Return	8.55%	8.55%
Discount Rate for remaining term to Maturity of Investment	7.45%	7.65%
Expected Rate of Return on Investment	9.17%	9.08%

40. Audit fees

Rs. in Crores

	2019	2018
Statutory Audit	0.65	0.60
Tax Audit	0.16	0.14
Arrears for Previous year	0.05	-
Other Services	0.59	0.57
Reimbursement of Expenses	0.15	0.30
	1.60	**1.61**

41. Unless otherwise stated, figures in brackets relate to the previous year. All the numbers have been rounded off to nearest crore.

INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Global Beverages Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tata Global Beverages Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's net share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of the carrying value of Goodwill on consolidation -** On account of competitive pressure and decline in black tea demand in developed markets there is a risk that the Group's goodwill, may be impaired. The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts. Focus was on the goodwill carried in books for cash generating units with lower headroom.	**The goodwill has been recorded in the books of an overseas component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures:** Besides obtaining an understanding of Management's processes and controls with regard to testing the goodwill for impairment the Component Auditor's procedures included the following: • Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. • Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. • Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. • Performed a sensitivity analysis in relation to key assumptions. The sum of discounted cash flows were also compared with the Group's market capitalisation to assess the reasonableness of those cash flows. We also assessed whether the Group's disclosures regarding the sensitivity of the impairment assessment to changes in key assumptions, appropriately reflected the risk inherent in the valuation of Goodwill.
2	**Impairment of investments in an associate -** During the current financial year, an associate has incurred significant losses as it has not been able to recover increase in input costs through increased prices. This has triggered an impairment assessment of carrying value of the associate of Rs. 84 Crores (equity shares Rs. 36 Crores – on equity accounting basis, and preference shares Rs. 48 Crores) in the consolidated financial statements of the Group. The Group has obtained a valuation from an independent expert to evaluate the fair value of the investments.	**Procedures performed by the Principal Auditor:** Beside obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment our procedures included the following:- • We understood the methodology applied by management in performing its impairment test for the investment at cost and walked through the controls over the process. • We challenged the assumptions made by management for the input data used by management's fair valuation expert through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Sr. No.	Key Audit Matter	Auditor's Response
3	**Revenue recognition –accruals for rebates and sales promotion expenditure in UK -** Generally in the international markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously estimated amount of rebates and sales promotion expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued.	**The accruals have been recorded in the books of the UK component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed the following procedures:** a) Obtained an understanding of key contractual arrangements and incentive / rebate schemes and Management's process for collating the relevant information to be able to reasonably estimate the Group's obligation to this regard. b) Conducted review of contracts, where such rebate arrangements existed and tested Management's basis for estimating the invoices to which such rebates or promotional schemes will apply. c) Tested the application of the appropriate rates of discount or promotional payments and re-performed the test of arithmetic accuracy of the spreadsheet. d) Performed hindsight analysis over changes to prior period rebate estimates to challenge the assumptions made, including assessing the estimates for evidence of management bias.
4.	**Net Realizable Value of Finished Goods –** Tata Coffee - Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always a volatility in the selling price of green coffee beans, made tea and pepper ("commodities"), which is dependent upon various market conditions, determination of the net realizable value for these commodities involves significant management judgement and therefore has been considered as a key audit matter. The total value of finished goods (commodities) as at March 31, 2019 is Rs. 110.58 Crores. Also refer to 2.2 (i) for the accounting policy on valuation of finished goods.	**Net Realizable Value of Finished Goods in the books of the Tata Coffee component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed the following procedures:** • Obtained an understanding of the determination of the net realizable values of the commodities and assessed and tested the reasonableness of the significant judgements applied by the management. • Evaluated the design of internal controls relating to the valuation of finished goods (including commodities) and also tested the operating effectiveness of the aforesaid controls. • Compared the actual realization after the year end / latest realization to assess the reasonableness of the net realisable value that was estimated and considered by the management. • Compared the actual costs incurred to sell after the year end / based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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

INDEPENDENT AUDITOR'S REPORT CONTINUED

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Group and its associates and joint ventures 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 consolidated financial statements 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 Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 37 subsidiaries whose financial statements reflect total assets of Rs. 9,364.60 Crores as at March 31, 2019, total revenues of Rs. 3,384.25 Crores and net cash outflows amounting to Rs. 91.06 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 1.86 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid

subsidiaries and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)

Mumbai
April 23, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Tata Global Beverages Limited (hereinafter referred to as the "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)

Mumbai
April 23, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

Rs. in Crores

	Note	2019	2018
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	808.80	739.71
Capital Work in Progress		413.30	129.52
Investment Property	4	51.60	50.33
Goodwill	5	3785.07	3723.50
Other Intangible Assets	5	267.84	284.64
Intangible Assets under Development		11.11	5.64
Investments accounted for using Equity method	34(c)	287.60	262.84
Financial Assets			
Investments	6	316.90	329.96
Loans	7	17.09	21.02
Other Financial Assets	8	28.62	40.22
Deferred Tax Assets (Net)	19 (d)	58.04	131.77
Non-Current Tax Assets (Net)	19 (c)	86.26	56.48
Other Non-Current Assets	9	258.52	281.57
		6390.75	**6057.20**
Current Assets			
Inventories	10	1609.86	1448.31
Financial Assets			
Investments	6	583.16	568.53
Trade Receivables	11	680.55	648.28
Cash and Cash Equivalents	12	967.02	933.49
Other Bank Balances	12	66.59	304.65
Loans	7	245.01	272.25
Other Financial Assets	8	131.40	107.22
Current Tax Assets (Net)	19 (c)	2.38	40.64
Other Current Assets	9	224.83	173.78
		4510.80	**4497.15**
Assets of disposal group	39	37.17	37.86
TOTAL ASSETS		**10938.72**	**10592.21**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13 (a)	63.11	63.11
Other Equity	13 (b)	7268.58	6968.49
Equity attributable to the equity holders of the company		**7331.69**	**7031.60**
Non Controlling Interest		1027.68	1009.04
TOTAL EQUITY		**8359.37**	**8040.64**
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	787.24	655.99
Other Financial Liabilities	15	7.61	6.37
Provisions	16	152.21	144.22
Deferred Tax Liabilities (Net)	19 (d)	145.45	131.45
Non Current Tax Liabilities	19 (c)	16.90	16.97
		1109.41	**955.00**
Current Liabilities			
Financial Liabilities			
Borrowings	14	329.66	400.19
Trade Payables			
Total outstanding dues of Micro enterprises and Small enterprises	17	4.23	4.75
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	17	660.67	700.98
Other Financial Liabilities	15	304.77	261.75
Other Current Liabilities	18	81.38	88.98
Provisions	16	49.51	98.80
Current Tax Liability (Net)	19 (c)	27.95	30.59
		1458.17	**1586.04**
Liabilities of disposal group	39	11.77	10.53
TOTAL EQUITY AND LIABILITIES		**10938.72**	**10592.21**

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

V. Leeladhar
Director
(DIN 02630276)

S. Santhanakrishnan
Director
(DIN 00032049)

Ajoy Misra
Managing Director & CEO
(DIN 00050557)

L. Krishnakumar
Executive Director
(DIN 00423616)

Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

Rs. in Crores

	Note	2019	2018
Income			
Revenue from Operations	20	7251.50	6815.35
Other Income	21	157.13	94.15
Total Income		**7408.63**	**6909.50**
Expenses			
Cost of Materials Consumed	22	3294.18	3203.22
Purchases of Stock-in-trade		727.87	542.89
Change in Inventories of Finished Goods/Work-in-progress/Stock-in-trade	23	(14.41)	(46.80)
Employee Benefits Expense	24	806.30	821.37
Finance Costs	25	52.47	42.76
Depreciation and Amortisation Expense		122.57	116.04
Advertisement & Sales Charge		547.52	508.91
Other Expenses	26	1104.13	946.85
Total Expenses		**6640.63**	**6135.24**
Profit before Exceptional Items and Taxes		**768.00**	**774.26**
Exceptional Items (Net)	27	(33.29)	(21.13)
Profit before Tax		**734.71**	**753.13**
Tax Expenses	19 (a)		
Current Tax		256.03	273.38
Deferred Tax		4.85	(87.51)
		260.88	**185.87**
Profit after Taxation before share of results of investments accounted using equity method		**473.83**	**567.26**
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(16.85)	(10.76)
Profit for the year		**456.98**	**556.50**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		86.47	74.46
Changes in fair valuation of equity instruments		(5.20)	59.42
		81.27	**133.88**
Tax Impact on above items		(13.27)	(14.51)
		68.00	**119.37**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		17.04	407.80
Gains/(loss) on Effective portion of cash flow hedges		(12.06)	(28.97)
		4.98	**378.83**
Tax impact on above items		0.88	7.11
		5.86	**385.94**
Other Comprehensive Income for the year		**73.86**	**505.31**
Total Comprehensive Income for the year		**530.84**	**1061.81**
Net Profit for the year - attributable to :			
Owners of Parent		408.19	495.56
Non Controlling Interest		48.79	60.94
Net profit for the year		**456.98**	**556.50**
Other Comprehensive Income - attributable to:			
Owners of Parent		70.58	436.30
Non Controlling Interest		3.28	69.01
Other Comprehensive Income		**73.86**	**505.31**
Total Comprehensive Income - attributable to:			
Owners of Parent		478.77	931.86
Non Controlling Interest		52.07	129.95
Total Comprehensive Income		**530.84**	**1061.81**
Earnings per share			
Equity share of nominal value of Re. 1 each			
Basic and Diluted	33	6.47	7.85

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached.

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

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Mumbai, April 23, 2019

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John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at March 31, 2019

Equity Share Capital and Other Equity (Refer Note 13)

Rs. in Crores

Particulars	Equity Share Capital	Reserve and Surplus								Other Comprehensive Income			Total Other Equity	Non Controlling Interests	Total Equity
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Contingency Reserve	Amalgamation Reserves	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	Foreign Currency Translation Reserve			
Balance as at April 1, 2017	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1131.11**	**4396.09**	**13.87**	**608.05**	**(354.86)**	**6202.39**	**919.50**	**7185.00**
Profit for the year									495.56				495.56	60.94	556.50
Other Comprehensive Income									55.13	(16.39)	58.30	339.26	436.30	69.01	505.31
Total Comprehensive Income for the year		-	-	-	-	-	-	-	**550.69**	**(16.39)**	**58.30**	**339.26**	**931.86**	**129.95**	**1061.81**
Transaction with owners in their capacity as owners															
Dividends (including tax on dividend)									(172.67)				(172.67)	(38.53)	(211.20)
Realised gain on equity shares carried at Fair Value through OCI									625.61		(625.61)		-	-	-
Transfer to General Reserve								31.34	(31.34)				-	-	-
Adjustment on Disposal of Subsidiary													-	(3.75)	(3.75)
Adjustment on change in Tax Rate									6.91				6.91	1.87	8.78
Balance as at March 31, 2018	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1162.45**	**5375.29**	**(2.52)**	**40.74**	**(15.60)**	**6968.49**	**1009.04**	**8040.64**
Profit for the year									408.19				408.19	48.79	456.98
Other Comprehensive Income									66.04	(7.41)	(4.77)	16.72	70.58	3.28	73.86
Total Comprehensive Income for the year		-	-	-	-	-	-	-	**474.23**	**(7.41)**	**(4.77)**	**16.72**	**478.77**	**52.07**	**530.84**
Transaction with owners in their capacity as owners															
Dividends (including tax on dividend)									(178.68)				(178.68)	(33.43)	(212.11)
Realised gain on equity shares carried at Fair Value through OCI									0.99		(0.99)		-	-	-
Transfer to General Reserve								4.50	(4.50)				-	-	-
Balance as at March 31, 2019	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1166.95**	**5667.33**	**(9.93)**	**34.98**	**1.12**	**7268.58**	**1027.68**	**8359.37**

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

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(DIN 00121863)

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(DIN 00050557)

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Company Secretary

S. Santhanakrishnan
Director
(DIN 00032049)

Harish Bhat
Director
(DIN 00478198)

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2019

Rs in Crores

		2019		2018	
A.	**Cash Flow from Operating Activities**				
	Net Profit before Tax		734.71		753.13
	Adjusted for :				
	Depreciation and amortisation	122.57		116.04	
	Profit on Sale of Non-Current Investments	-		(33.78)	
	Finance Cost	52.47		42.76	
	Dividend Income	(3.65)		(14.19)	
	Profit on sale of current investments (net)	(33.36)		(21.90)	
	Fair value movement in Financial instruments at fair value through profit and loss	(5.95)		(11.77)	
	Interest Income	(62.63)		(34.07)	
	Unrealised foreign exchange (gain) / loss	2.17		(2.08)	
	Impairment loss recognised in trade receivables	2.04		0.34	
	Other non operating income	(25.21)		-	
	Debts and advances written off	-		0.32	
	(Profit) / Loss on sale of Property, Plant and Equipment including investment property (net)	(15.26)		(2.33)	
	Rental Income from Investment Property	(2.40)		(2.26)	
	Other Exceptional Expense / (Income) (net)	-		3.45	
			30.79		40.53
	Operating Profit before working capital changes		**765.50**		**793.66**
	Adjustments for :				
	Trade Receivables & Other Assets	(132.69)		(114.34)	
	Inventories	(155.54)		(12.78)	
	Trade Payables & Other Liabilities	(100.02)		(11.76)	
			(388.25)		(138.88)
	Cash generated from Operations		**377.25**		**654.78**
	Direct Taxes paid (net)		(167.38)		(299.20)
	Net Cash from / (used in) Operating Activities		**209.87**		**355.58**
B.	**Cash Flow from Investing Activities**				
	Payment for Property, Plant and Equipment including Intangibles	(282.28)		(358.82)	
	Sale of Property, Plant and Equipment	25.70		8.78	
	Sale of subsidiaries net of expenses	-		50.54	
	Rental Income from Investment Property	2.40		2.26	
	Sale of Investment in Associate	-		119.65	
	Sale of Non Current Investments carried at Fair value through OCI	1.15		672.61	
	Investments in Joint Ventures	(35.80)		(13.22)	
	(Purchase) / Sale of Current Investments (net)	24.69		(372.48)	
	Sale of Investment Property	-		18.95	
	Dividend Income received (including dividend from associates & JVs)	5.22		15.50	
	Interest Income received	48.70		32.97	
	(Placement) / Redemption of Fixed deposits (net)	240.00		(295.00)	
	Inter Corporate Loans and Deposits (net)	43.50		44.16	
	Net cash from / (used in) Investing Activities		**73.28**		**(74.10)**

STATEMENT OF CASH FLOW CONTINUED

for the year ended March 31, 2019

Rs in Crores

	2019	2018
C. Cash Flow from Financing Activities		
Proceeds from Long term borrowings (net)	101.14	216.04
Repayment of short term borrowings (net)	(65.31)	-
Working capital facilities (net)	-	(6.48)
Dividend & Dividend Tax paid	(215.82)	(211.78)
Finance Cost paid	(43.74)	(28.17)
Net Cash used in Financing Activities	**(223.73)**	**(30.39)**
Net increase / (decrease) in Cash and Cash Equivalents	**59.42**	**251.09**
D. Cash and Cash Equivalents balances		
Balances at the beginning of the year	698.17	404.08
Exchange Gain/ (Loss) on translation of foreign currency cash/cash equivalents	(20.11)	43.00
Balances at the end of the year	**737.48**	**698.17**

Rs in Crores

	2019	2018
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	737.48	698.17
Add : Bank Overdraft	229.55	235.89
Less : Cash and Cash Equivalents relating to disposal group	(0.01)	(0.57)
Balances at the end of the year (Refer Note 12)	**967.02**	**933.49**

The accompanying notes are an integral part of Consolidated the Financial Statements.

In terms of our report attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, April 23, 2019

For and on behalf of the Board

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Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Tata Global Beverages Limited ("the Holding Company") and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Tea, Coffee and Water. The Group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India and extraction business mainly in India and US.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Holding Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2019 were approved for issue by Company's board of directors on April 23, 2019.

2. Preparation and Presentation of Consolidated Financial Statement

2.1 Basis of preparation and measurement

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

(c) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associates and Joint Ventures

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group's investment in Associates and Joint Ventures are accounted using the equity method. Goodwill relating to Associate or a Joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its Associate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the Associate or a Joint Venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

2.2 Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

i) **Recognition and measurement:** Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

impairment loss, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) **Depreciation:** Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease and recognised in the statement of profit and loss. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) **Estimated useful lives of items of property, plant and equipment are as follows:**

Category	Useful life
Leasehold buildings / improvements	Lower of lease or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	5 to 16 years
Office Equipment	2 to 16 years
Motor vehicles	4 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 30 – 65 years.

Tea, Coffee, Pepper and minor crops are designated as agricultural produce at the point of harvest and are measured at their fair value less cost to sell. Any changes in fair value upto the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(e) Intangible Assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation or impairment losses. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or Groups of assets, as part of the cash-generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within a range of 3 – 35 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life within a range of 7 – 30 years.

(iv) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(v) Non-compete fees

Non-compete fees paid on acquisition of business is being amortised over a period of 10 years.

(vi) Computer software / Website

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as and when incurred, costs previously recognised as an expense are not recognised as an asset in a subsequent period. The cost incurred for acquisition of website is capitalised. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and put to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years. Website costs are amortised over a period of 5 years.

(vii) Research and Development

Research expenditure is recognised in the statement of profit and loss as and when incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

(f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

- the Group is committed to selling the asset or disposal group;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(h) Financial Instruments

Financial assets

The Group classifies its financial assets in the following categories:

i) ***Financial assets at amortised cost-*** Assets that are held on specified dates for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss. Interest income is recognised within finance income using the effective interest rate method.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

ii) ***Financial assets at fair value through other comprehensive income (FVTOCI)*** - All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

Debt instruments that are held within a business model whose objectives are achieved by both, collecting contractual cash flows and selling the debt instruments and the contractual terms of which give rise to cash flows that are solely payment of principal and interest on specified dates are subsequently measured at fair value through other comprehensive income. All other debt instruments are measured at fair value and classified as fair value through profit or loss.

iii) ***Financial assets at fair value through profit or loss (FVTPL)*** - Financial assets which are not classified in any of the categories above are FVTPL.

iv) ***Impairment of financial assets*** - The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the Statement of Profit and Loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to Statement of Profit and Loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

(i) Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/ privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and coffee and in accordance with Ind AS 41, on initial recognition, agricultural produce are measured at fair value less estimated point of sale costs.

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

(j) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the Statement of Profit and Loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the Statement of Profit and Loss.

iii) Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the Statement of Profit and Loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(l) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal, the temporary difference is not recognised. Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

(m) Foreign Currency and translations

i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's and its associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates (" functional currency"). The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Holding Company.

ii) Foreign currency transactions and balances

In standalone entities, transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(n) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

Lease of assets, where the Group, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Group's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in Statement of Profit and Loss on a straight- line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(s) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the holding company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

(u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(w) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

2.3 Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements requires Group management to exercise judgement and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Group records all intangible assets acquired as part of a business combination at fair value. Goodwill is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy. (Refer Note 5)

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4 and 5)

Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining worldwide provisions for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. (Refer Note 19)

Employee Benefits

The present value of the define benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds/Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 36)

Carrying value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 35)

Revenue recognition and marketing accrual

Generally in the International markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously amount of sales promotions expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued. Accumulated experience is used for estimating and providing for such expenditure.

2.4 Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Group is in the process of evaluating the impact of such amendments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

3. Property, Plant and Equipment

	Land	Bearer Assets	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total Tangibles Assets
Cost								
As at April 1, 2017	**60.03**	**0.36**	**228.57**	**1304.59**	**165.14**	**5.29**	**23.56**	**1787.54**
Additions	-	0.68	18.01	92.13	9.04	1.21	2.15	**123.22**
Disposal	(1.50)	-	(0.73)	(51.06)	(6.01)	(0.60)	(3.04)	**(62.94)**
Translation exchange difference	0.39	-	8.04	63.67	9.89	0.61	0.06	**82.66**
As at March 31, 2018	**58.92**	**1.04**	**253.89**	**1409.33**	**178.06**	**6.51**	**22.73**	**1930.48**
Additions	4.46	4.14	60.72	63.06	14.40	0.73	3.09	**150.60**
Disposal	-	-	-	(13.19)	(1.13)	(0.26)	(3.70)	**(18.28)**
Translation exchange difference	(0.04)	-	1.03	5.85	(0.87)	0.11	0.05	**6.13**
As at March 31, 2019	**63.34**	**5.18**	**315.64**	**1465.05**	**190.46**	**7.09**	**22.17**	**2068.93**
Accumulated Depreciation								
As at April 1, 2017	**-**	**0.01**	**88.76**	**864.06**	**120.85**	**3.88**	**11.81**	**1089.37**
Depreciation/Amortisation for the year	-	0.03	9.15	53.65	11.40	0.69	1.79	**76.71**
Disposal	-	-	(0.69)	(40.99)	(4.66)	(0.55)	(2.24)	**(49.13)**
Translation exchange difference	-	-	7.08	57.50	8.87	0.37	-	**73.82**
As at March 31, 2018	**-**	**0.04**	**104.30**	**934.22**	**136.46**	**4.39**	**11.36**	**1190.77**
Depreciation/Amortisation for the year	-	0.16	10.18	58.14	11.47	0.75	1.87	**82.57**
Disposal	-	-	-	(11.78)	(1.06)	(0.15)	(1.64)	**(14.63)**
Translation exchange difference	-	-	1.35	0.62	(0.67)	0.11	0.01	**1.42**
As at March 31, 2019	**-**	**0.20**	**115.83**	**981.20**	**146.20**	**5.10**	**11.60**	**1260.13**
Net Carrying Value								
As at March 31, 2018	**58.92**	**1.00**	**149.59**	**475.11**	**41.60**	**2.12**	**11.37**	**739.71**
As at March 31, 2019	**63.34**	**4.98**	**199.81**	**483.85**	**44.26**	**1.99**	**10.57**	**808.80**

Land includes leasehold land of Rs. 2.02 Crores (Rs. 2.02 Crores) belonging to the holding company and an Indian subsidiary. Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company. Certain plantation land meant for usage as tea plantations and for ancillary activities has been leased by the holding company to its associate company Kanan Devan Hills Plantations Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operations. The additions to bearer assets represents capitalisation of coffee plants which have attained maturity during the year. Capital work-in-progress includes immature plants amounting to Rs. 41.47 Crores (Rs. 31.24 Crores). Borrowing cost capitalised during the year – Rs. 20.98 Crores (Rs. 3.57 Crores).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
4. Investment Property		
Investment properties of the Group comprises of land, commercial and residential property.		
Cost		
Opening Balance	53.86	71.83
Additions	-	-
Disposal	-	(17.97)
Adjustment	2.20	-
Closing Balance	**56.06**	**53.86**
Accumulated Depreciation		
Opening Balance	3.53	3.17
Depreciation for the year	0.93	1.44
Deductions / Adjustments	-	(1.08)
Closing Balance	4.46	3.53
Net Carrying Value	**51.60**	**50.33**

Amount recognised in the statement of profit and loss for investment property:

Rs. in Crores

	2019	2018
Rental Income	2.40	2.34
Direct operating expenses	(0.29)	(0.54)
Profit from investment property before depreciation	2.11	1.80
Depreciation/Amortisation for the year	(0.93)	(1.44)
Profit/(loss) from Investment Property	**1.18**	**0.36**

Fair value:

Fair valuation of the Land is Rs. 94.42 Crores based on valuation (sales comparable approach – level 2) by recognised independent valuers carried out during the year. Fair value of buildings is Rs. 61.78 Crores based on valuation carried out in the previous year.

Leasing arrangements:

For investment property leased to tenants under long term operating lease, the minimum lease payment receivable under non-cancellable operating leases are:

Rs. in Crores

	2019	2018
Within one year	0.83	1.87
Later than one year but not later than five years	-	0.86
Later than five years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

5. Goodwill and Intangible Assets

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Non Compete Fee	Total Other Intangible Assets
Cost							
As at April 1, 2017	**3844.44**	**310.95**	**103.76**	**17.64**	**148.16**	**3.00**	**583.51**
Additions	**-**	-	-	-	11.01	-	**11.01**
Disposal	**-**	-	-	-	(0.03)	-	**(0.03)**
Translation exchange difference	**227.80**	7.03	0.51	-	9.92	-	**17.46**
As at March 31, 2018	**4072.24**	**317.98**	**104.27**	**17.64**	**169.06**	**3.00**	**611.95**
Additions	**-**	-	-	-	7.43	-	**7.43**
Disposal	**-**	-	-	-	(0.78)	(3.00)	**(3.78)**
Translation exchange difference	**61.69**	15.74	6.37	-	1.09	-	**23.20**
As at March 31, 2019	**4133.93**	**333.72**	**110.64**	**17.64**	**176.80**	**-**	**638.80**
Accumulated Depreciation/Impairment							
As at April 1, 2017	**346.53**	**153.16**	**3.46**	**14.78**	**101.31**	**2.95**	**275.66**
Depreciation/Amortisation for the year	**-**	11.71	6.88	0.58	18.67	0.05	**37.89**
Disposal	**-**	-	-	-	-	-	**-**
Translation exchange difference	**2.21**	5.81	0.09	-	7.86	-	**13.76**
As at March 31, 2018	**348.74**	**170.68**	**10.43**	**15.36**	**127.84**	**3.00**	**327.31**
Depreciation/Amortisation for the year	**-**	12.68	7.42	0.58	18.39	-	**39.07**
Disposal	**-**	-	-	-	(0.15)	(3.00)	**(3.15)**
Translation exchange difference	**0.12**	6.65	0.59	-	0.49	-	**7.73**
As at March 31, 2019	**348.86**	**190.01**	**18.44**	**15.94**	**146.57**	**-**	**370.96**
Net Carrying Value							
As at March 31, 2018	**3723.50**	**147.30**	**93.84**	**2.28**	**41.22**	**-**	**284.64**
As at March 31, 2019	**3785.07**	**143.71**	**92.20**	**1.70**	**30.23**	**-**	**267.84**

Impairment of Goodwill and intangible assets

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill for each cash generating unit (CGU) and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount. Management reviews the business performance based on the geography and type of business. The Group has identified India, Canada, US, UK, Other Europe and Australia as its main CGU for the purpose of allocation and monitoring of goodwill.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs. in Crores

2019	Opening	Addition	Impairment	Foreign exchange	Closing
UK	1597.68	-	-	(28.75)	1568.93
US	1345.33	-	-	82.26	1427.59
Canada	573.29	-	-	10.45	583.74
Australia	110.62	-	-	(2.23)	108.39
Other Europe	8.78	-	-	(0.16)	8.62
India	87.80	-	-	-	87.80
	3723.50	**-**	**-**	**61.57**	**3785.07**

Rs. in Crores

2018	Opening	Addition	Impairment	Foreign exchange	Closing
UK	1402.99	-	-	194.69	1597.68
US	1338.80	-	-	6.53	1345.33
Canada	550.92	-	-	22.37	573.29
Australia	109.69	-	-	0.93	110.62
Other Europe	7.71	-	-	1.07	8.78
India	87.80	-	-	-	87.80
	3497.91	**-**	**-**	**225.59**	**3723.50**

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 3 - 5 years, with amounts based on medium term strategic plans. Variations to strategic plan are incorporated in the calculations based on past experience. Cash flows beyond the 3 – 5 year period are extrapolated using a long term growth rate. For certain cash generating units, variable growth is considered even beyond five years, given the potential of the business.

Key assumptions in the budgets and plans include future revenue, associated future levels of marketing support and other relevant cost-base. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 3 - 5 year period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.
- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies adjusted for country specific risk affecting where each CGU operates.

The long term growth rates and discount rates applied in the value in use calculations as at March 31, 2019 have been set out below:

	Pre-tax discount rate	Long-term growth rate
UK	7.9%	1.4%
US	8.4% - 12.8%	2.0% - 2.2%
Canada	8.9%	3.1%
Australia	9.7%	1.5 % - 2.5%
Other Europe	6.0%	2.5%

Impairment charges

Based on an assessment carried out, there are no impairment charges in the current year.

Sensitivity Analysis

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions would cause the recoverable amount of the CGUs to be less than the carrying value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
6. Investments			
Non-current Investments			
Quoted Equity Instruments	a	63.17	70.30
Unquoted Equity Instruments	b	138.56	137.86
Unquoted Preference Shares	c	115.17	121.80
Unquoted Debentures	d	-	-
Unquoted Government Securities	d	-	-
		316.90	**329.96**
Current Investments			
Mutual Funds - Unquoted (Carried at Fair Value through Profit or Loss)		583.16	568.53
		583.16	**568.53**
Total Investments		**900.06**	**898.49**

Quoted investments are carried in the financial statements at market value.

Details of investments are as follows:

a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income:

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
NON - CURRENT INVESTMENTS					
Tata Chemicals Ltd.	Rs. 10	865522	865522	50.87	58.58
Tata Investment Corporation Ltd.	Rs. 10	146872	158469	12.30	11.72
SBI Home Finance Ltd. (Under liquidation) $	Rs. 10	100000	100000	-	-
				63.17	**70.30**

$ Investment carrying values are below Rs 0.01 Crores.

b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Tata Sons Private Ltd. *	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.10	2.73
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. *	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	22200000	22200000	5.76	5.84
Southern Scribe Instruments Pvt Ltd #	Rs. 100	7280	7280	0.07	0.07
Armstrong Power Private Limited # $	Rs. 100	600	600	0.01	0.01
Armstrong Power Systems Private Limited # $	Rs. 100	900	900	0.01	0.01
K.T.V Oil Mills Private Limited #	Rs. 100	1450	1035	0.01	0.01
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	2.84	2.65
GNRC Ltd	Rs. 10	50000	50000	0.30	0.18
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.82	0.72
The Annamallais Ropeways Company Ltd.	Rs. 10	2092	2092	-	-
The Valparai Co-operative Wholesale Stores Ltd.$	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd. .$	Rs. 10	2146	2146	-	-
Jalpaiguri Club Ltd. (Cost Re 1) $	Rs. 10	60	60	-	-
Ritspin Synthetics Ltd.	Rs. 10	100000	100000	-	-
Coorg Orange Growers Co-operative Society Ltd	Rs. 100	4	4	-	-
Tata Coffee Co-operative Stores Ltd.	Rs. 5	20	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	1	-	-
TEASERVE $ (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	-	-
Woodlands Hospital & Medical Res. Centre Ltd. $	Rs. 10	12280	12280	-	-
				138.56	**137.86**

$ Investment carrying values are below Rs 0.01 Crores.

relating to power purchase agreement entered into by an Indian subsidiary.

* Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c) Unquoted Preference Shares

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Investment in Associates					
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	67000000	48.42	55.05
TRIL Constructions Ltd.	Rs. 10	66751852	66751852	66.75	66.75
Other					
Thakurbari Club Ltd (Cost Re 1) $	Rs. 100	26	26	-	-
				115.17	**121.80**

$ Investment carrying values are below Rs 0.01 Crores.

Investment in preference shares of Amalgamated Plantations Pvt. Ltd, are now redeemable with a special redemption premium, on fulfilment of certain conditions, within 10-12 years from the date of the issue and is designated as fair value through profit or loss. During the year, fair value difference of Rs 10.08 Crores arising on extension of redemption period has been accounted as part of equity investment. Preference shares of TRIL Constructions Ltd are non-cumulative and mandatorily fully convertible within six years from the issue date, the same is carried at cost.

d) Unquoted Debentures and Government Securities

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2019	2018	2019	2018
Unquoted Debentures					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures $	Rs. 1000	7	7	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs 2) $	Rs. 100	31	31	-	-
				-	**-**
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond $				-	-
				-	**-**

$ Investment carrying values are below Rs 0.01 Crores.

		Rs. in Crores	
		2019	2018
7.	**Loans**		
	Non-Current		
	Loan Receivables considered good - Secured	15.25	18.75
	Loan Receivables considered good - Unsecured	1.84	2.27
		17.09	**21.02**
	Current		
	Loan Receivables considered good - Secured	220.23	207.98
	Loan Receivables considered good - Unsecured	24.78	64.27
		245.01	**272.25**
	Total Loans	**262.10**	**293.27**

Non-current loans

Loans receivable considered good – Secured is given to a related party and is secured by way of mortgage of rights on immovable assets.

Current loans

Loans receivable considered good – Secured – (a) receivables amounting to Rs 212.48 Crores (Rs. 200.23 Crores) is secured by way of pledge of shares of the borrower and by a corporate guarantee, (b) receivable amounting to Rs 4.25 Crores (Rs. 4.25 Crores) is secured by way of mortgage over immovable assets, and (c) Receivable amounting to Rs 3.50 Crores (Rs. 3.50 Crores) is given to a related party and is secured by way of mortgage of rights on immoveable assets.

Loans receivable considered good – Unsecured includes inter-corporate loans given to a related party Rs 15.00 Crores (Rs 55.00 Crores).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
8. Other Financial Assets		
Non-Current		
(unsecured and considered good unless otherwise stated)		
Security Deposit	21.12	22.78
Other Deposits	7.50	16.52
Derivative Financials Assets		
Interest rate swap	-	0.92
	28.62	**40.22**
Current		
(unsecured and considered good unless otherwise stated)		
Interest Accrued	31.63	27.02
Export Incentive receivable	25.64	21.86
Deposits	9.40	8.02
Derivative Financials Assets / Margin on Contracts		
Currency Hedges	9.77	15.91
Commodity Hedges	40.99	16.77
Others	13.97	17.64
	131.40	**107.22**
Total Other Financial Assets	**160.02**	**147.44**

Non-current security deposits include deposit to related party - Rs. 1.23 Crores (Rs. 1.23 Crores) and doubtful deposits which are fully provided - Rs. 0.29 Crores (Rs. 0.29 Crores). Current deposits include doubtful balances which are fully provided - Rs. 0.38 Crores (Rs. 0.38 Crores). Others include receivable from related parties – Rs 1.13 Crores (Rs. 10.72 Crores). Interest accrued includes due from related party – Rs. 0.31 Crores (Rs. 0.59 Crores).

Rs. in Crores

	2019	2018
9. Other Assets		
Non-Current		
(Unsecured and Considered Good, unless otherwise stated)		
Property rights pending development	70.50	70.50
Capital Advance	7.71	160.75
Pension Surplus	127.63	11.98
Prepaid Expenses	32.36	30.69
Others	20.32	7.65
	258.52	**281.57**
Current		
(unsecured and considered good unless otherwise stated)		
Prepaid Expenses	43.57	35.64
Taxes Receivables	141.86	98.49
Other Trade Advance	40.72	40.92
Less: Transferred to disposal group	(1.32)	(1.27)
	224.83	**173.78**
Total Other Assets	**483.35**	**455.35**

Property rights pending development represents constructed office space to be delivered to the holding company by TRIL Constructions Limited, consequent to a development agreement. Other trade advance includes doubtful advances which are fully provided – Rs 2.36 Crores (Rs 2.36 Crores). Other trade advance include advance paid to related party – Rs 1.57 Crores.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
10. Inventories		
(At lower of cost or net realisable value)		
Raw Material	895.60	750.25
Finished Goods	547.93	559.05
Stock in Trade	129.86	101.63
Work in Progress	9.80	12.50
Stores and Spare Parts	39.43	34.90
Less: Transferred to disposal group	(12.76)	(10.02)
Total Inventories	**1609.86**	**1448.31**

Raw material includes in-transit inventory of Rs. 17.82 Crores (Rs. 18.10 Crores) and finished goods includes in-transit inventory of Rs 9.47 Crores (Rs. 11.03 Crores). During the year ended March 31 2019 - Rs 20.08 Crores (Rs 3.35 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

Rs. in Crores

	2019	2018
11. Trade Receivables		
Trade Receivables considered good - Secured	37.19	34.45
Trade Receivables considered good - Unsecured	648.81	621.58
Trade Receivables - Credit Impaired	6.88	4.84
	692.88	**660.87**
Less : Provision for Trade Receivables	(6.88)	(4.84)
	686.00	**656.03**
Less: Transferred to disposal group	(5.45)	(7.75)
Total Trade Receivables	**680.55**	**648.28**

Secured receivables are backed by security deposits. Trade receivables considered good – Unsecured includes receivables amounting to Rs 7.13 Crores (Rs 10.50 Crores) due from a related party.

Rs. in Crores

	2019	2018
12. Cash and Cash Equivalents and Other Bank Balances		
Cash and Cash Equivalents		
Balances with banks:		
Current Account	362.15	364.76
Deposit Account	604.82	569.24
Cash/Cheques in hand	0.06	0.06
Less: Transferred to disposal group	(0.01)	(0.57)
	967.02	**933.49**
Other Bank Balances		
Deposit Account	55.00	**295.00**
Unclaimed Dividend Account	11.59	**9.65**
	66.59	**304.65**
	1033.61	**1238.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
13. Equity Share Capital and Other Equity		
a) Equity Share Capital		
AUTHORISED		
110,00,00,000 Equity Shares of Re 1 each	110.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
63,11,29,729 Equity Shares of Re 1 each, fully paid-up	63.11	63.11
	63.11	**63.11**

i) Details of Shareholders holding more than 5% shares is set out as below :

Name of shareholder	2019	2018
	No. of shares % of holding	No. of shares % of holding
Tata Sons Private Limited	186029710	186029710
	29.48%	29.48%

ii) Rights, preferences and restrictions of equity shares :

The Holding Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Equity shares allotted as fully paid-up (during 5 year preceding March 31, 2019) pursuant to contracts without payment being received in cash.

12731159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Holding Company.

iv) Dividend paid and proposed

	2019	2018
Dividend paid (Rs in Crores)	157.48	148.31
Dividend per share (Rs.)	2.50	2.35

The Board of Directors in its meeting held on April 23, 2019 has recommended a final dividend payment of Rs 2.50 per share for the financial year ended March 31, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
b) Other Equity		
Capital Reserve	15.79	15.79
Securities Premium	361.05	361.05
Capital Redemption Reserve	0.10	0.10
Contingency Reserve	1.00	1.00
Amalgamation Reserves	8.33	8.33
Revaluation Reserve	21.86	21.86
General Reserve	1166.95	1162.45
Retained Earnings	5667.33	5375.29
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	(9.93)	(2.52)
- Fair value gains/(loss) on Equity Instruments	34.98	40.74
- Foreign Currency Translation Reserve	1.12	(15.60)
	7268.58	**6968.49**

Nature and purpose of reserves:

i) Capital Reserve

Capital Reserve was created consequent to the acquisition of certain plantation businesses.

ii) Securities Premium

Securities premium reserve had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013.

iii) Contingency Reserve

Contingency Reserve is in the nature of free reserves.

iv) Amalgamation Reserves

Amalgamation reserve was created pursuant to the scheme of amalgamation of Asian Coffee Ltd., Coffee Land Ltd., SIFCO Ltd and Tata Coffee Ltd.

v) Revaluation Reserve

Revaluation Reserve was created on acquisition of shares of an Indian subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
14. Borrowings		
(secured unless otherwise stated)		
Non Current		
Loan From Banks		
Term Loan	811.44	667.39
	811.44	**667.39**
Less : Maturing within the next 12 months	(24.20)	(11.40)
Total Non current Borrowings	**787.24**	**655.99**
Current		
Loan from Banks		
Bank Overdraft	229.55	235.89
Working Capital Facilities	101.24	53.34
Working Capital Facilities - Unsecured	-	110.96
Less: Transferred to disposal group	(1.13)	-
Total Current Borrowings	**329.66**	**400.19**
Total Borrowings	**1116.90**	**1056.18**

Note: Change in liabilities are on account of financing activities which have been disclosed in the cash flow statement. The liabilities as at the year-end are also impacted by the translation of overseas financial statements for consolidation purposes.

Non-Current Borrowings

Term Loan

Debt amounting to Rs 456.30 Crores (Rs 440.95 Crores) is repayable within March 28, 2022 and is secured over all assets of an overseas subsidiary, interest being charged at the Libor plus a margin. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions and distributions to stockholders.

Debt amounting to Rs 355.14 Crores (Rs 226.44 Crores) is repayable in half yearly instalments commencing from June, 2020, interest being charged at the Libor plus a margin. The borrowing is secured by a charge over the plant and machinery of an overseas subsidiary and guarantee given by its immediate parent.

Current Borrowings

Bank Overdraft

Bank overdraft amounting to Rs 4.53 Crores (Rs 24.25 Crores) is secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis.

The remaining bank overdrafts totalling Rs 225.02 Crores (Rs 211.64 Crores) are part of a Group's cash-pooling arrangement with interest charged at a margin over I.C.E. benchmark administration settlement rate.

Working Capital Facilities

Working capital facilities totalling Rs 101.24 Crores (Rs 53.34 Crores) are repayable on demand and secured by way of hypothecation of inventories and book debts, further a part of the working capital facilities of an Indian subsidiary is also secured by hypothecation of coffee crop and deposit of title deeds of a coffee estate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
15. Other Financial Liabilities		
Non-Current		
Deposits	0.36	1.41
Others	5.43	4.96
Derivative Financial Liabilities		
Interest rate swap	1.82	-
	7.61	**6.37**
Current		
Current Maturities of Long Term Borrowings (Refer Note 14)	24.20	11.40
Security Deposits from Customers	47.20	41.49
Unpaid Dividends	11.59	9.65
Interest Accrued but not due	0.18	1.79
Derivative Financial Liabilities		
Forward exchange contract - Currency	4.94	7.47
Forward contract - Commodity	24.94	10.02
Interest rate swap	7.18	0.72
Other Payables	184.54	179.21
	304.77	**261.75**
Total Financial Liabilities	**312.38**	**268.12**

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

Rs. in Crores

	2019	2018
16. Provisions		
Non-Current		
Employee Benefits	152.21	144.22
	152.21	**144.22**
Current		
Employee Benefits	34.50	36.57
Other Provisions	15.01	62.23
	49.51	**98.80**
Total Provisions	**201.72**	**243.02**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Movement of Other Provisions – current:

Rs. in Crores

Reorganisation Cost	2019	2018
Opening Balance	35.28	11.10
Provision made during the year	25.34	29.72
Amount paid / adjusted during the year	(47.38)	(7.78)
Exchange difference	0.03	2.24
Closing Balance	**13.27**	**35.28**
Provisions for Trade Obligation		
Opening Balance	26.95	25.93
Provision made during the year	-	1.37
Amount paid / adjusted during the year	(25.21)	(0.35)
Closing Balance	**1.74**	**26.95**
Total Closing Balance	**15.01**	**62.23**

Rs. in Crores

17. Trade Payables	2019	2018
Trade Payables	675.54	716.26
Less: Transferred to disposal group	(10.64)	(10.53)
Total Trade Payables	**664.90**	**705.73**

Trade payables include dues to related parties – Rs 43.23 Crores (Rs 38.42 Crores).

Rs. in Crores

Classification of Trade Payables	2019	2018
Dues of Micro enterprises and Small enterprises	4.23	4.75
Dues of creditors other than Micro enterprises and Small enterprises	660.67	700.98
	664.90	**705.73**

Micro enterprises and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent to the suppliers. Interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 due and remaining unpaid as at March 31, 2019 – Rs 0.01 Crores (Nil).

Rs. in Crores

18. Other Current Liabilities	2019	2018
Statutory Liabilities	18.63	16.61
Advance from Customers	5.66	8.83
Others	57.09	63.54
Total Other Current Liabilities	**81.38**	**88.98**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
19. Taxation		
a) Tax charge in the Statement of profit and loss:		
Current tax		
Current year	261.19	285.44
Adjustment relating to earlier years	(5.16)	(12.06)
	256.03	**273.38**
Deferred tax charge / (credit)	4.85	(87.51)
Income Tax expense for the year	**260.88**	**185.87**

Rs. in Crores

	2019	2018
(b) Reconciliation of tax expense and tax based on accounting profit:		
Profit before income tax expenses	**734.71**	**753.13**
Tax at Indian tax rate of 34.94% (PY - 34.61%)	256.74	260.64
Effects of:		
Difference in tax rate	(6.69)	22.15
Relief on US tax rate change	-	(60.20)
Non-deductible tax expenses	11.12	6.30
Income exempt from income taxes	(0.66)	(14.64)
Income subject to Nil tax	-	(11.21)
Tax reversals of previous years	(5.16)	(12.06)
Losses for which no deferred tax asset is recognised	17.21	7.63
Recognition of tax effect of previously unrecognised tax losses	(13.11)	(5.94)
Others	1.43	(6.80)
	260.88	**185.87**

Rs. in Crores

	2019	2018
c) Income tax asset / liabilities		
Non-Current tax assets		
Income Tax	49.96	30.09
Dividend Distribution Tax credit	36.30	26.39
	86.26	**56.48**
Current tax assets		
Income Tax	2.38	40.64
	2.38	**40.64**
Total Tax Assets	**88.64**	**97.12**
Non-current tax liabilities		
Income Tax	16.90	16.97
	16.90	**16.97**
Current tax liabilities (Net)		
Current Tax	27.95	30.59
	27.95	**30.59**
Total Tax Liabilities	**44.85**	**47.56**
Net Income tax assets / (liabilities)	**43.79**	**49.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
d)	**Analysis of Deferred Tax assets and deferred tax liabilities**		
	Deferred Tax Assets	58.04	131.77
	Deferred Tax Liabilities	(145.45)	(131.45)
	Net Deferred Tax Assets / (Liabilities)	**(87.41)**	**0.32**

e) The movement in deferred income tax assets and (liabilities) during the year:

Rs. in Crores

	Property, Plant & Equipment	Intangibles	Employee Benefits Obligation	Tax losses and other timing differences	MAT Credit	Total
As at April 1, 2017	**(111.66)**	**(168.68)**	**78.64**	**56.32**	**-**	**(145.38)**
Statement of Profit and Loss (charge) /credit	(20.47)	81.76	7.11	20.12	-	88.52
(Charge)/credit relating to other comprehensive income	-	-	(22.26)	6.95	-	(15.31)
MAT Credit adjustment relating to other comprehensive income	-	-	-	-	65.26	65.26
Others	-	-	-	8.78	-	8.78
Exchange difference	(0.51)	0.34	0.01	(1.39)	-	(1.55)
As at March 31, 2018	**(132.64)**	**(86.58)**	**63.50**	**90.78**	**65.26**	**0.32**
Statement of Profit and Loss (charge) /credit	(1.90)	2.99	(7.25)	1.31	-	(4.85)
(Charge)/credit relating to other comprehensive income	-	-	(23.78)	1.37	-	(22.41)
MAT Credit utilisation	-	-	-	-	(56.54)	(56.54)
Exchange difference	(5.56)	(5.47)	0.48	6.62	-	(3.93)
As at March 31, 2019	**(140.10)**	**(89.06)**	**32.95**	**100.08**	**8.72**	**(87.41)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities only if they relate to income taxes levied by the same authority.

(f) Unrecognised tax items

As at March 31, 2019, unrecognised deferred tax assets on account of tax losses amount to Rs 129.62 Crores (Rs 158.33 Crores) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

(g) Deferred tax of unremitted earnings

As at March 31, 2019, deferred tax liability amounting to Rs 11.21 Crores (Rs 11.29 Crores) was recognised for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate and joint venture. The deferred tax liability is based on Group's estimate of distribution of the profits in the foreseeable future and the tax incidence on the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
20. Revenue from Operations		
Revenue from contract with customers		
Revenue from sale of goods	7152.66	6700.68
Revenue from sale of services	4.57	7.84
	7157.23	6708.52
Other Operating Revenues		
Royalty Income	23.53	41.42
Export Incentive	42.15	31.77
Miscellaneous Receipts	28.59	33.64
	94.27	**106.83**
	7251.50	**6815.35**

Effective April 1, 2018, the Group has adopted Ind AS 115 – Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Group.

Rs. in Crores

	2019	2018
21. Other Income		
Interest Income		
Interest Income on Advances and Deposits valued at amortised cost	62.63	34.07
Dividend Income		
Non-current investments designated at fair value through OCI	3.65	14.19
Others		
Fair value movement in Financial instruments at fair value through profit or loss	5.95	11.77
Profit on sale of Current Investments (net)	33.36	21.90
Other non operating income	51.54	12.22
	157.13	**94.15**

Dividend from equity investments sold during the year – Rs 0.02 Crores (Rs 11.52 Crores).

Rs. in Crores

	2019	2018
22. Cost of Materials Consumed		
Raw Materials Consumed	2923.10	2832.86
Packing Materials Consumed	371.08	370.36
	3294.18	**3203.22**

Raw materials consumed include excise duty amounting to Nil (Rs. 2.12 Crores)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
23. Changes in Inventories of Finished Goods/Work-in-progress/Stock-in-trade		
Stock as at April 1		
Finished Goods	559.05	572.31
Stock-in-Trade	101.63	63.16
Work-in-Progress	12.50	6.67
	673.18	**642.14**
Stock as at March 31		
Finished Goods	547.93	559.05
Stock-in-Trade	129.86	101.63
Work-in-Progress	9.80	12.50
	687.59	**673.18**
	(14.41)	**(31.04)**
Less: Adjustment on sale of business	-	15.76
	(14.41)	**(46.80)**

Rs. in Crores

	2019	2018
24. Employee Benefits Expense		
Salaries, Wages and Bonus	723.71	739.02
Contribution to Provident Fund and other Funds	55.29	54.12
Workmen and Staff Welfare Expenses	27.30	28.23
	806.30	**821.37**

Rs. in Crores

	2019	2018
25. Finance Costs		
Interest Expense on financial liabilities valued at amortised cost	40.26	29.31
Net Interest on defined benefit plans	9.74	12.82
Other Borrowing Cost	0.49	0.46
Exchange differences (net)	1.98	0.17
	52.47	**42.76**

Rs. in Crores

	2019	2018
26. Other Expenses		
Manufacturing and Contract Packing Expenses	98.21	90.39
Consumption of Stores and Spare Parts	48.19	47.13
Power and Fuel	89.28	87.07
Repairs and Maintenance	63.19	57.17
Rent	76.73	76.21
Freight	191.86	160.10
Legal and Professional Expenses	152.12	112.42
Miscellaneous Expenses	384.55	316.36
	1104.13	**946.85**

Miscellaneous expenses include exchange loss of Rs. 16.79 Crores (PY Gain - Rs. 5.33 Crores) against which offsets are available elsewhere in the statement of profit and loss, and contribution to an electoral fund – Rs. 10 Crores (Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	2019	2018
27. Exceptional Items		
Income		
Gain on disposal of Subsidiary / Associate	-	33.78
Gain / (Loss) on non-current assets held for sale	-	10.22
	-	**44.00**
Expenditure		
Re-organisation/Business Restructure costs	(24.90)	(65.13)
Past service cost relating to UK defined benefits pension scheme (Refer Note 36)	(8.39)	-
	(33.29)	**(65.13)**
	(33.29)	**(21.13)**

28. Capital Commitment

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2019 – Rs. 25.37 Crores (Rs. 135.00 Crores).

b) Commitment towards Share Capital contributions in Joint Ventures - Rs. 25.40 Crores (Rs. 40 Crores).

29. Contingent Liabilities not accounted for:

Rs. in Crores

		2019	2018
(a)	**Claims under adjudication not acknowledged as debts:**		
(i)	Taxes, Statutory Duties/ Levies etc.	31.20	28.40
(ii)	Commercial and other Claims	3.27	3.24
		34.47	**31.64**

(b) Past service liabilities and certain labour disputes for which amounts are not ascertainable. Labour disputes under adjudication for an Indian subsidiary Rs 0.94 Crores (Rs 0.94 Crores).

30. Litigations

i) Commercial liability claims not established – amounts not ascertainable

ii) Holding Company's overseas subsidiary in US along with several other coffee companies that roast, package, market and/or sell coffee in the State of California are defendants in a public interest litigation filed by an organisation named Council of Education and Research on Toxics (CERT). The litigation contends that since coffee contains the chemical acrylamide, warning have to be included for coffee sold in that state pursuant to California state law. Acrylamide is not added to coffee but forms in trace amounts as part of a chemical reaction that occurs in coffee beans when it is roasted. The subsidiary is part of a Joint Defense Group that is arguing the case on behalf of several leading coffee companies as defendants. On June 22, 2018 the California Office of Environmental Health Hazard Assessment (OEHHA) proposed a new regulation clarifying that cancer warnings are not required for coffee under Proposition 65. Defendants anticipate that the proposed regulation will be final in 2019. The case was set to proceed to a third phase trial on damages, remedies and attorneys' fees on October 15, 2018. However, on October 12, 2018, the California Court of Appeal granted the defendants request for a stay of the Phase 3 trial.

At this stage of the proceedings, the outcome and potential liability, if any, to the subsidiary on account of their sales in the state of California is not determinable at present till the receipt of judgement, if any, which is appealable in higher courts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

		2019	2018
31.	**Research & Development Expenditure:**		
i.	Capital	0.30	0.95
ii.	Revenue	10.18	9.28
		10.48	**10.23**

32. Leases

Operating Lease

Group's leasing arrangements are for premises (residential, office, factory, godown and Stores), equipment and vehicles, these ranges between 5 months to 15 years and are usually renewable on mutually agreed terms.

Disclosure in respect of operating leases:

Rs. in Crores

	2019	2018
Minimum lease payments under Non-cancellable operating lease		
Within one year	27.05	28.06
Later than one year and not later than five years	67.36	82.13
Later than five years	76.52	86.21
Total	**170.93**	**196.40**
Lease payments recognised in the Statement of Profit and Loss	**79.29**	**80.33**

Rs. in Crores

	2019	2018
33. Earnings Per Share		
Group Net Profit attributable to owners of parent (Rs. in Crores)	408.19	495.56
Number of Equity Shares Outstanding	631129729	631129729
Earnings Per Share (Rs.)		
Basic	6.47	7.85
Diluted	6.47	7.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

34. Interest in other entities

a) Subsidiaries

The Group's subsidiaries as at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business and effective ownership is set out below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2019	2018	2019	2018
1	Tata Global Beverages Group Ltd.	U K	Holding company	89.10	89.10	10.90	10.90
	Subsidiaries of Tata Global Beverages Group Ltd.						
2	Tata Global Beverages Holdings Ltd.	U K	Holding company	89.10	89.10	10.90	10.90
3	Tata Global Beverages Services Ltd.	U K	Provision of services	89.10	89.10	10.90	10.90
4	Tata Global Beverages GB Ltd.	U K	Manufacturing, marketing and distribution of tea	89.10	89.10	10.90	10.90
5	Tata Global Beverages Overseas Holdings Ltd.	U K	Holding company	89.10	89.10	10.90	10.90
6	Tata Global Beverages Overseas Ltd.	U K	Holding company	89.10	89.10	10.90	10.90
7	Lyons Tetley Ltd.	U K	Dormant	89.10	89.10	10.90	10.90
8	Drassington Ltd.	U K	Dormant	89.10	89.10	10.90	10.90
9	Teapigs Ltd.	U K	Marketing and distribution of tea	89.10	89.10	10.90	10.90
10	Teapigs US LLC	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
11	Stansand Ltd.	U K	Dormant	89.10	89.10	10.90	10.90
12	Stansand (Brokers) Ltd.	U K	Dormant	89.10	89.10	10.90	10.90
13	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	89.10	89.10	10.90	10.90
14	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	89.10	89.10	10.90	10.90
15	Tata Global Beverages Polska sp.zo.o	Poland	Marketing and distribution of tea	89.10	89.10	10.90	10.90
16	Tata Global Beverages Czech Republic a.s.	Czech Republic	Manufacturing, marketing and distribution of tea	89.10	89.10	10.90	10.90
17	Tata Global Beverages US Holdings Inc.	USA	Holding company	89.10	89.10	10.90	10.90
18	Tetley USA Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
19	Empirical Group LLC	USA	Marketing and distribution of tea	49.90	49.90	50.10	50.10
20	Tata Waters LLC	USA	Marketing and distribution of water	89.10	89.10	10.90	10.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2019	2018	2019	2018
21	Good Earth Corporation.	USA	Holding company	89.10	89.10	10.90	10.90
22	Good Earth Teas Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
23	Tata Global Beverages Canada Inc.	Canada	Marketing and distribution of tea	89.10	89.10	10.90	10.90
24	Tata Global Beverages Australia Pty Ltd.	Australia	Marketing and distribution of tea	89.10	89.10	10.90	10.90
25	Earth Rules Pty Ltd.	Australia	Marketing and distribution of coffee	89.10	89.10	10.90	10.90
26	Tata Global Beverages Investments Ltd.	U K	Holding company	89.10	89.10	10.90	10.90
27	Campestres Holdings Ltd.	Cyprus	Holding company	89.10	89.10	10.90	10.90
28	Kahutara Holdings Ltd.	Cyprus	Holding company	57.92	57.92	42.08	42.08
29	Suntyco Holding Ltd.	Cyprus	Holding company	57.92	57.92	42.08	42.08
30	Onomento Co Ltd.	Cyprus	Holding and assignment of Trademark	57.92	57.92	42.08	42.08
31	Coffee Trade LLC	Russia	Distribution of coffee and Tea	57.92	57.92	42.08	42.08
32	Tata Global Beverages Capital Ltd	UK	Holding company	100.00	100.00	-	-
33	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of Coffee & tea	57.48	57.48	42.52	42.52
	Subsidiaries of Tata Coffee Ltd.						
34	Tata Coffee Vietnam Company Ltd.	Vietnam	Manufacturing, marketing and distribution of Coffee	57.48	57.48	42.52	42.52
35	Consolidated Coffee Inc.	USA	Holding company	78.70	78.70	21.30	21.30
	Subsidiaries of Consolidated Coffee Inc.						
36	Eight O'Clock Holdings Inc.	USA	Holding company	78.70	78.70	21.30	21.30
37	Eight O'Clock Coffee Company.	USA	Manufacturing, marketing and distribution of Coffee	78.70	78.70	21.30	21.30
38	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
39	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(b) Non-Controlling Interest (NCI)

The material non-controlling interests in the Group arise from the Group's 89.10% stake in the Tata Global Beverages Group Ltd (TGB Group Ltd.) (intermediate holding company in the UK) and 57.48% share in Tata Coffee Limited (which is the holding company of Consolidated Coffee Inc., US and its subsidiaries).

Summarised financial information in respect of subsidiaries that has non-controlling interests which are material to the Group are disclosed below, presented before inter-company eliminations with the rest of the Group:

Summarised Balance Sheet:

Rs. in Crores

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2019	2018	2019	2018
Non-current assets	3784.83	3701.13	2394.45	2128.87
Current assets	1594.88	1731.70	794.25	767.45
Total Assets	**5379.71**	**5432.83**	**3188.70**	**2896.32**
Non-current liabilities	89.96	6.09	1164.57	1016.60
Current liabilities	572.69	706.78	481.43	418.00
Total Liabilities	**662.65**	**712.87**	**1646.00**	**1434.60**
Net Assets	4717.06	4719.96	1542.70	1461.72
Accumulated Non Controlling Interest	525.87	533.44	501.81	475.60

Summarised Statement of Profit and Loss:

Rs. in Crores

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2019	2018	2019	2018
Revenue	2173.61	2246.86	1803.98	1557.14
Profit for the year	36.73	20.88	106.89	187.32
Other Comprehensive Income	31.47	533.50	22.95	(11.68)
Total Comprehensive Income	**68.20**	**554.38**	**129.84**	**175.64**
Profit allocated to NCI	19.42	15.69	29.37	45.48
Total Comprehensive Income allocated to NCI	18.36	87.57	33.71	41.98
Dividend paid to NCI (including dividend tax)	24.34	22.45	(9.08)	16.08

Summarised Statement of Cash Flows:

Rs. in Crores

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2019	2018	2019	2018
Cash Flows from operating activities	(54.35)	(18.54)	144.87	129.18
Cash Flows from investing activities	29.24	146.06	(170.28)	(192.66)
Cash Flows from financing activities	(92.28)	(125.22)	(9.22)	101.98
Net increase/ (Decrease) in cash and cash equivalents	**(117.39)**	**2.30**	**(34.63)**	**38.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(c) Interest in Joint Ventures and Associates

Rs. in Crores

	2019	2018
Investment in Joint Ventures	222.22	177.92
Investment in Associates	65.38	84.92
	287.60	**262.84**

Joint Ventures

A list of Group's joint ventures is given below. All joint ventures are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2019	% holding 2018
1	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
3	Southern Tea LLC	USA	Manufacturing and distribution of tea	50.00	50.00
4	Tetley ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	50.00	50.00
5	Tetley Clover (Pvt) Ltd.	Pakistan	Manufacturing, marketing and distribution of tea	50.00	50.00
6	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	51.70	51.70

An analysis of the Group's investments in joint ventures is as follows:

Rs. in Crores

	2019	2018
April 1	177.92	175.76
Addition	35.80	13.22
Share of Profits / (Loss) for the year	11.72	(13.21)
Share of Other Comprehensive Income	(0.13)	(0.08)
Dividend Received	(1.25)	(1.32)
Exchange Difference	(1.84)	3.55
March 31	**222.22**	**177.92**

Addition relates to additional equity investment in Tata Starbucks Private Ltd. - Rs. 35.80 Crores (Rs. 10 Crores), Tetley ACI (Bangladesh) Ltd – Nil (Rs. 3.07 Crores) and Tetley Clover (Pvt) Ltd. – Nil (Rs. 0.15 Crores).

Financial information

None of the joint ventures of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs. in Crores

	2019	2018
Profit / (loss) after tax	23.26	(24.19)
Other Comprehensive Income	(0.26)	(0.15)
Total Comprehensive Income	**23.00**	**(24.34)**

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

The joint ventures have no significant contingent liabilities to which the Group is exposed, and the Group has no significant contingent liabilities in relation to its interest in the joint ventures and associates. The risks associated with the Group's interest in joint ventures are the same as those identified for the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Associates

A list of Group's associates is given below. All associates are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2019	% holding 2018
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	Tril Constructions Ltd.	India	Development of real estate and infrastructure facilities	32.50	32.50

An analysis of the Group's investments in associates is as follows:

Rs. in Crores

	2019	2018
April 1	84.92	169.60
Addition / Adjustments	10.08	-
Disposal	-	(91.10)
Share of Profits/(Loss) for the year	(28.57)	2.45
Share of Other Comprehensive Income	(0.67)	4.35
Dividend Received (including dividend tax)	(0.38)	(0.38)
March 31	**65.38**	**84.92**

During the previous year, Group divested its 31.85% holding in its overseas Associate, Estate Management Services Private Limited (EMSPL), Sri Lanka.

Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs. in Crores

	2019	2018
Profit / (loss) after tax	(69.54)	25.07
Other Comprehensive Income	(2.56)	11.56
Total Comprehensive Income	**(72.10)**	**36.63**

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

35. Financial Instruments

A. Accounting classification and fair values

Rs. in crores

2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
Quoted Equity Investments		63.17		63.17	63.17			63.17
Unquoted Equity Investments *		138.56		138.56		7.23	131.33	138.56
Unquoted Preference Shares	48.42			48.42			48.42	48.42
Units of Mutual Funds	583.16			583.16	583.16			583.16
Loans								
Non-current			17.09	17.09				-
Current			245.01	245.01				-
Trade Receivables			680.55	680.55				-
Cash and Cash Equivalent			967.02	967.02				-
Other Bank balances			66.59	66.59				-
Other Financial Assets								
Non-current			28.62	28.62				-
Current	0.50	4.02	126.88	131.40		4.52		4.52
	632.08	**205.75**	**2131.76**	**2969.59**	**646.33**	**11.75**	**179.75**	**837.83**
Financial liabilities								
Borrowings								
Non-current			787.24	787.24				-
Current			329.66	329.66				-
Trade payables			664.90	664.90				-
Other Financial Liabilities								
Non-current		1.82	5.79	7.61		1.82		1.82
Current		37.06	267.71	304.77	37.06			37.06
	-	**38.88**	**2055.30**	**2094.18**	**37.06**	**1.82**	**-**	**38.88**

Rs. in crores

2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
Quoted Equity Investments		70.30		70.30	70.30			70.30
Unquoted Equity Investments *		137.86		137.86		6.45	131.41	137.86
Unquoted Preference Shares	55.05			55.05			55.05	55.05
Units of Mutual Funds	568.53			568.53	568.53			568.53
Loans								-
Non-current			21.02	21.02				-
Current			272.25	272.25				-
Trade Receivables			648.28	648.28				
Cash and Cash Equivalent			933.49	933.49				
Other Bank balances			304.65	304.65				
Other Financial Assets								-
Non-current		0.92	39.30	40.22		0.92		0.92
Current		32.68	74.54	107.22		32.68		32.68
	623.58	**241.76**	**2293.53**	**3158.87**	**638.83**	**40.05**	**186.46**	**865.34**
Financial liabilities								
Borrowings								-
Non-current			655.99	655.99				
Current			400.19	400.19				
Trade payables			705.73	705.73				-
Other Financial Liabilities								
Non-current			6.37	6.37				
Current			261.75	261.75				-
	-	**-**	**2030.03**	**2030.03**	**-**	**-**	**-**	**-**

* For certain investments categorised under Level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Measurement of fair values

The basis of measurement in respect to each class of financial asset / liability is disclosed in Note 2.2(h) of the financial statement.

The fair value of liquid mutual funds and long term equity investment is based on active market. Fair values of certain non-current investment are valued based on discounted cash flow/book value / EBITDA multiple approach. Derivative financial instruments are valued based on Black-Scholes-Merton approach/Dollar offset principles.

Gross financial liabilities

Under the shareholders' agreement between the group and the European Bank for Reconstruction and Development ("EBRD"), EBRD has invested during 2009 in a 35% stake in the subsidiary, Kahutara Holdings Limited.

Under the shareholders' agreement along with the subsequent amendment, the group has the option, without the consent of EBRD to purchase the remaining 35% shareholding as from August 2022 on an agreed formula. Similarly EBRD has the right, without the consent of the Group, to sell to the Group the remaining 35% stake in the particular subsidiary as from August 2016 as on an agreed formula. The agreed formula is estimated by management to approximate the fair value of the shares to be acquired through these options. As a result, the values of these derivatives are estimated by the management not to be significant and are shown at nil carrying amounts as at March 31, 2019 - Nil (2018: Nil).

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Group's risk management framework. The Group has a comprehensive risk policy relating to the risks that the Group faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group's credit risk are spread both geographically as well as across customers. Majority of our customers in the developed markets have good credit rating. In addition, Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. The insurance provider sets an individual credit limit and also monitors the credit risk of the consumer. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

(a) Trade receivables

The credit worthiness of trade debtors and the credit terms set are determined in individual regions and countries. There are no particular concentrations of credit risk as the Group's customer base is large. Trade receivables are considered a single class of financial assets, and based on the Group's experience of collecting receivables and associated defaults there is a low credit risk across regions and countries. In certain regions adequate insurance cover has been taken on trade receivables to further reduce the risk of default.

The fair values of trade and other receivables, deposits or bank guarantees are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue. Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment pattern and analysis of customer credit risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Movement of provision for impairment of trade receivables are as follows:

Rs. in Crores

	2019	2018
As at April 1	4.84	4.85
Provision for impairment	2.03	0.32
Unused amount reversed	(0.05)	(0.12)
Exchange differences	0.06	(0.21)
As at March 31	**6.88**	**4.84**

(b) Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the treasury department.

iii. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

Rs. in Crores

2019*	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years
Borrowings	354.99	68.04	571.09	173.88
Trade payables	675.54	-	-	-
Other financial liabilities	280.57	7.61	-	-
	1311.10	**75.65**	**571.09**	**173.88**

* Includes balances pertaining to disposal group

Rs. in Crores

2018*	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years
Borrowings	411.59	22.35	500.77	148.67
Trade payables	716.26	-	-	-
Other financial liabilities	250.35	6.37	-	-
	1378.20	**28.72**	**500.77**	**148.67**

* Includes balances pertaining to disposal group

The Group ensures that there is adequate finance available to fund growth and has adequate capacity to fund its obligations. The Group monitors rolling forecasts of its liquidity positions on the basis of expected cash flows to ensure sufficient liquidity through its cash reserves and various undrawn third party borrowing arrangement in place. The Group is also confident that if the need arises debt can be raised from the market at attractive terms. The holding company carries highest credit rating quality for its short term fund based lines from a reputed rating agency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

Currency Risk

The Group operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Group's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities and consolidation of foreign subsidiaries.

The Group uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a bank. The Group reports periodically to sub-committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2019, the Group has designated certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

The currency profile of financial assets and financial liabilities:

Rs. in Crores

2019	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	395.17	-	-	30.12	425.29
Trade Payables and Other Financial Liabilities	30.88	-	-	23.06	53.94

Rs. in Crores

2018	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	303.21	0.74	0.06	14.61	318.62
Trade Payables and Other Financial Liabilities	25.46	-	-	15.03	40.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table gives details in respect of outstanding foreign currency forward and option contracts:

Type of Contract	Currency Pair	2019 Notional Amount in FCY Mn	2019 Equivalent Amount in Rs in Crores *	2019 Fair Value Amount in Rs in Crores*	2018 Notional Amount in FCY Mn	2018 Equivalent Amount in Rs in Crores *	2018 Fair Value Amount in Rs in Crores*
Forward Contracts Outstanding							
i) Exports	EUR / GBP	1.20	9.32	(0.03)	0.60	4.85	(0.01)
	CAD / GBP	10.00	51.53	1.47	9.00	45.55	3.36
	USD / INR	22.85	158.01	6.18	39.35	256.42	(0.33)
	AUD / INR	6.21	30.44	2.16	5.50	27.52	0.48
	EUR / INR	0.50	3.85	0.31	0.77	6.24	0.01
ii) Payables	USD / GBP	23.00	159.04	1.64	31.50	205.27	(4.34)
iii) Loans given	USD / GBP	35.11	242.76	(1.39)	34.63	225.66	2.42
iv) Loan to subsidiaries	USD / GBP	42.39	293.15	(1.68)	44.55	290.31	3.11
v) Receivables from Subsidiaries	CZK / GBP	35.60	10.71	(0.04)	18.00	5.71	(0.02)
	AUD / GBP	12.00	58.83	(0.30)	9.00	45.03	0.02
	CAD / GBP	-	-	-	2.00	10.12	0.01
vi) Bank Account	USD / GBP	-	-	-	7.62	49.66	0.53
Option Contracts Outstanding							
i) Payables	USD / GBP	6.00	41.49	0.89	-	-	-
i) Receivable	USD / INR	4.35	30.08	0.88	-	-	-

* converted at the year end exchange rates
Fair value represents impact of mark to market value as at year end.

Following table summarises approximate gain / (loss) on the Group's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies:

Rs. in Crores

Details	2019 Effect on Profit before tax	2019 Effect on Pre-tax Equity	2018 Effect on Profit before tax	2018 Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	5.00	(10.25)	3.58	(23.09)
5% depreciation of the underlying foreign currencies	(5.00)	15.44	(3.58)	24.00

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its debt obligations with floating interest rates. The Group uses interest rate swap contracts to manage interest rate exposure on its long term debt obligations. The Group has entered into an interest rate swap whereby the Group pays a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impact the provision for retiral benefits.

Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:

Details of Borrowings	Currency	2019 Foreign Currency in Mn	2019 Equivalent Amount in Rs. in Crores*	2019 Fair Value Amount in Rs. in Crores*	2018 Foreign Currency in Mn	2018 Equivalent Amount in Rs. in Crores*	2018 Fair Value Amount in Rs. in Crores*
Term Loan **	USD	63.34	437.97	(9.00)	64.51	420.39	(2.75)

* converted at the year end exchange rates
** to the extent of swap entered
Fair value represents impact of mark to market value as at year end.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings affected, with all other variables held constant:

Rs. in Crores

	2019	2018
	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(1.00)	(0.70)
25 basis points decrease	1.00	0.70

Price Risk

Commodity Price risk

The Group is exposed to fluctuations in price of certain commodities mainly tea and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, can lead to price fluctuations. The Group manages these fluctuations by actively managing the sourcing of tea, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend.

Further, the Group uses coffee futures and option contracts for US coffee operations, to reduce the price risk associated with forecasted purchases of coffee beans.

The Group enters into coffee futures based on market price and anticipated production requirements. These coffee futures have been designated as cash flow hedges and the unrealised gain / (loss) or fair value is recorded in other comprehensive income (OCI). The Group also enters into various call and put option contract to protect the price. The fair value of the unsettled contracts is recorded in other current assets or other current liabilities. The realised and unrealised gains and losses on these contracts are included in Statement of Profit and Loss as a part of Cost of Materials Consumed.

Outstanding position for various commodity derivatives financial instruments:

Commodity		2019			2018		
	Futures & Options	Notional Value in USD Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores	Notional Value in USD Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores
a) Coffee	Futures	30.85	213.35	(22.00)	14.95	97.41	(5.98)
b) Coffee	Options (Net)	(4.15)	(28.69)	(1.28)	1.88	12.25	(2.49)

* converted at the year end exchange rate
Fair value represents impact of mark to market value as at year end.

Equity investment Price risk

The price risk is the risk arising from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Group's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

Capital Management

The Group's objective for capital management is to maximise shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows.

The Group's adjusted net debt and equity position as at March 31, 2019 was as follows:

Rs. in Crores

	2019	2018
Total Borrowings	1141.10	1067.58
Less : Cash and cash equivalent including bank deposits	1022.02	1228.49
Less : Current investments	583.16	568.53
Less : Inter-corporate Loans	256.53	287.61
Adjusted net (cash) / debt	**(720.61)**	**(1017.05)**
Total Equity	**8359.37**	**8040.64**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

36. Employee Benefits Obligation

i) Defined contribution plans

The Group operates certain defined contribution schemes like provident fund and defined contribution superannuation schemes. Contributions are made by the Group, based on current salaries, to funds maintained by the Group and, for certain categories contributions are made to State Plans. For certain schemes, contributions are also made by the employees. Amount recognised in the statement of profit and loss on account of defined contribution schemes is Rs 36.26 Crores (Rs 36.63 Crores).

ii) Defined benefit plans

(a) Pension benefits

The Group also operates defined benefits pension plans in India and UK. The defined benefit schemes in India, which are closed to future accruals, offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary. The Group closed the Scheme to future accrual with effect from 6 April 2005. The final salary pension plans provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the schemes final year. Payments from the scheme are generally indexed in line with the retail price index. The benefit payments are from trustee-administered funds. Responsibility for governance of the plan including investment decisions lies with the board of trustees. Contribution schedules are triennially agreed between the Group and the board of trustees. The board of trustees comprise of representatives of the Group and plan participants in accordance with the plan's regulations.

(b) Gratuity

The Group provides for gratuity for employees in India covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

(c) Post-employment medical benefits

The Group operates post-employment medical benefits scheme to eligible employees in India and to former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(d) Others

There are other superannuation benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy.

(e) Post-employment life assurance benefits

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(f) Leave obligation

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below outlines the net position of the Group's post-employment benefits plan

Rs. in Crores

	2019	2018
Defined benefits - India		
Pension	2.27	3.70
Gratuity	11.48	2.16
Post employment medical benefits	50.89	52.56
Others	85.07	84.06
Defined benefits - Overseas		
Pension	(127.63)	(11.98)
Life Assurance benefits	3.89	3.95
Post employment medical benefits	6.25	6.52
Liability in the balance sheet	**32.22**	**140.97**

Net Liabilities / (Assets) recognised in balance sheet for defined benefits:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Present Value of Funded defined benefit obligation at the year end	4.25	5.01	131.31	119.71	-	-	-	-	1323.36	1361.44
Fair value of plan assets at the end of the year	5.75	6.10	119.83	117.55	-	-	-	-	1450.99	1373.42
	(1.50)	**(1.09)**	**11.48**	**2.16**	**-**	**-**	**-**	**-**	**(127.63)**	**(11.98)**
Present Value of Unfunded defined benefit obligation at the year end	3.26	4.48	-	-	50.89	52.56	85.07	84.06	-	-
Asset ceiling	0.51	0.31	-	-	-	-	-	-	-	-
Amount recognised in Balance Sheet	**2.27**	**3.70**	**11.48**	**2.16**	**50.89**	**52.56**	**85.07**	**84.06**	**(127.63)**	**(11.98)**

Changes in the Defined Benefit Obligation :

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening Defined Benefit Obligation	9.49	10.71	119.71	115.15	52.56	54.40	84.06	86.24	1361.44	1232.77
Current Service cost	-	-	7.22	7.14	1.48	2.24	2.66	2.91	-	-
Past Service Cost	-	-	-	0.47	-	-	-	-	8.39	-
Interest on Defined Benefit Obligation	0.63	0.65	8.71	7.81	4.30	3.73	6.29	5.85	35.47	36.16
Actuarial changes arising from change in experience	(1.35)	(0.31)	5.30	2.11	(6.41)	0.34	(3.29)	0.68	(45.06)	5.90
Actuarial changes arising from change in demographic assumption	0.09	0.10	-	-	(0.44)	-	(0.34)	-	(30.34)	(26.15)
Actuarial changes arising from changes in financial assumption	0.02	(0.49)	1.36	(6.45)	0.59	(7.03)	0.58	(6.97)	64.37	-
Benefits Paid	(1.37)	(1.17)	(10.99)	(6.49)	(1.19)	(1.12)	(4.89)	(4.65)	(45.85)	(52.87)
Liability assumed/(settled)	-	-	-	(0.03)	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	(25.06)	165.63
Closing Defined Benefit Obligation	**7.51**	**9.49**	**131.31**	**119.71**	**50.89**	**52.56**	**85.07**	**84.06**	**1323.36**	**1361.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2019	2018	2019	2018	2019	2018
Opening fair value of Plan assets	6.10	6.81	117.55	94.60	1373.42	1147.79
Employers contribution	-	(0.50)	4.76	21.36	45.85	54.69
Interest on Plan Assets	0.40	0.41	8.86	6.61	36.40	34.35
Administrative cost	-	-	-	-	(3.73)	(3.62)
Actual return on plan assets less interest on plan assets	(0.05)	0.07	0.02	1.59	71.72	29.52
Benefits Paid	(0.70)	(0.69)	(11.40)	(6.58)	(45.85)	(52.87)
Assets acquired on Acquisition / (settled on Divestiture)	-	-	0.04	(0.03)	-	-
Exchange difference	-	-	-	-	(26.82)	163.56
Closing Fair value of plan assets	**5.75**	**6.10**	**119.83**	**117.55**	**1450.99**	**1373.42**

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current Service Cost	-	-	7.22	7.14	1.48	2.24	2.66	2.91	-	-
Past Service Cost	-	-	-	0.47	-	-	-	-	8.39	-
Interest cost on defined benefit obligation (net)	0.23	0.24	(0.15)	1.20	4.30	3.73	6.29	5.85	(0.93)	1.81
Total recognised in the statement of profit and loss	**0.23**	**0.24**	**7.07**	**8.81**	**5.78**	**5.97**	**8.95**	**8.76**	**7.46**	**1.81**

Based on a recent judicial ruling in UK, pension schemes are required to equalise male and female members benefit for the inequalities within guaranteed minimum pension (GMP) earned between May 17, 1990 and April 5, 1997. Accordingly, the subsidiaries in UK reassessed their obligations under its existing pension plans and recorded an additional liability of an amount of Rs. 8.39 Crores as past service costs (Refer Note 27).

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Actuarial changes arising from change in demographic assumption	0.09	0.10	-	-	(0.44)	-	(0.34)	-	(30.34)	(26.15)
Actuarial changes arising from changes in financial assumption	0.02	(0.49)	1.36	(6.45)	0.59	(7.03)	0.58	(6.97)	64.37	-
Actuarial changes arising from changes in experience assumption	(1.35)	(0.31)	5.31	2.11	(6.41)	0.34	(3.29)	0.68	(45.06)	5.90
Return on plan asset excluding interest Income	0.05	(0.07)	(0.02)	(1.59)	-	-	-	-	(71.72)	(29.52)
Adjustment to recognise the effect of asset ceiling	0.19	(0.17)	-	-	-	-	-	-	-	-
Total recognised in Other Comprehensive Income	**(1.00)**	**(0.94)**	**6.65**	**(5.93)**	**(6.26)**	**(6.69)**	**(3.05)**	**(6.29)**	**(82.75)**	**(49.77)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Principal Actuarial assumptions used:

India	2019	2018
Discount rates	7.75%/7.70%	7.80%/7.90%
Salary escalation rate	8% for Management Staff 7% for Staff /Workers	8% for Management Staff 7% for Staff /Workers
Annual increase in health care cost	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives mortality (2012-14) Ult Table	Indian Assured Lives mortality (2006-08) Ult Table
Overseas		
Discount rate	2.40%	2.65%
Inflation assumptions -RPI	3.25%	3.15%
Rate of increase in pensions in payment	3.55%	3.45%
Rate of increase in pensions in deferment	3.25%	3.15%
Mortality Rates	Approved norms for overseas schemes	Approved norms for overseas schemes

Quantitative sensitivity analysis for significant assumption as at the year ended March 31, 2019 is as below:

Rs. in Crores

	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.82)	(4.90)	(3.43)	(2.90)	(95.95)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.88	5.25	3.84	3.14	107.72
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	5.22	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(4.92)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	7.86	0.09	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(6.43)	(0.08)	-
Impact of increase in 25 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	54.31
Impact of decrease in 25 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(37.11)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.16	-	-	3.10	60.65
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.16)	-	-	(3.11)	(57.93)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.72	-	-	1.86	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.72)	-	-	(1.79)	-

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. For the overseas pension fund, interest rate and inflation risks have been hedged, as explained in the section on risk hereunder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Major Categories of Plan Assets

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2019	2018	2019	2018	2019	2018
Govt of India Securities	0.88	0.96	-	-	-	-
PSU bonds	-	0.96	-	-	-	-
Insurance managed Funds	3.62	3.91	119.83	117.44	-	-
Equities	-	-	-	-	235.35	565.04
Liability Driven Investments (LDI)	-	-	-	-	771.20	366.86
Multi asset credit	-	-	-	-	323.15	320.77
Property	-	-	-	-	105.00	103.24
Cash & Insurance policies	-	-	-	-	16.29	17.51
Others	1.25	0.27	-	0.11	-	-
Total	**5.75**	**6.10**	**119.83**	**117.55**	**1450.99**	**1373.42**

Risks

India

The Group contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Overseas

The nature of the Scheme exposes the Group to the risk of paying unanticipated additional contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

– Asset volatility

The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of Ind AS 19. If the Scheme assets underperform this yield, it will increase the deficit. The plan holds investments across a range of asset classes which are expected to outperform corporate bonds in the long term but have volatility and risks in the short term.

– Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities. In the event of a reduction in the corporate bond yields there will be an increase in the value of the Scheme's interest rate swaps and derivatives held which reduce exposure to this risk by approximately 80%.

– Inflation risk

The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The hedging strategy in place means through the use of inflation swaps and derivatives the scheme assets hedge approximately 90% of this risk.

– Life expectancy

The Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the Scheme's liabilities.

Asset-liability matching strategies used by the overseas scheme

The scheme's investment strategy included holding a 39% allocation to liability-driven investments which involves hedging the fund's exposure to changes in interest rates and inflation through use of liability driven investments (LDI) which typically involves swaps and derivatives and a 26% exposure to multi-asset credit with the remaining portfolio invested in equities and property.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Expected contributions over the next financial year:

The Group expects to contribute approximately Rs. 57.31 Crores to the Schemes in the year ending March 31, 2020.

Maturity Profile of defined benefit obligation (undiscounted basis):

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Within next 12 months	1.67	1.97	21.93	17.06	1.81	2.05	6.07	5.81	44.36	45.18
Between 2 and 5 years	5.10	4.45	40.79	38.57	7.98	8.76	25.86	26.84	195.53	195.42
Between 6 and 9 years	2.79	2.97	55.01	47.37	9.10	9.55	29.57	30.84	219.97	221.23
10 years and above	3.09	4.29	165.45	160.92	57.61	58.81	147.70	160.22	1554.19	1696.05

Post-employment medical benefits - Overseas

The Group operates post–employment medical benefits scheme to eligible former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs in the US of 5.0% p.a. and in the UK of 5.4% p.a.

The liability recognised in the balance sheet as at March 31, 2019 was Rs. 6.25 Crores (Rs. 6.52 Crores).

Post-employment life assurance benefits - Overseas

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes. The liability recognised in the balance sheet as at March 31, 2019 was Rs. 3.89 Crores (Rs. 3.95 Crores).

iii) Provident Fund

The holding company and its Indian Subsidiary operate Provident Fund Schemes and the contributions are made to recognised funds maintained by the holding company / Indian Subsidiary and for certain categories contributions are made to State Plans. The said companies have an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. There are no shortfalls as at March 31, 2019 and March 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

37. Segment Report

A. General Information

For management purposes, the Group has organised its businesses into Branded Segment and Non Branded Segment. Branded Segment is further sub-categorised as Branded Tea, Branded Coffee and the residual as Branded Others. Description of each category is as follows:

i) Branded Business -

Branded Tea: Sale of branded tea and various value added forms
Branded Coffee: Sale of coffee and various value added forms
Branded Others: Sale of water products

ii) Non Branded Business: Plantation and Extraction business for Tea, Coffee and other produce.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the operating segments. The CODM reviews revenue and operating profits as the performance indicator for all of the operating segments and also reviews the total assets and liabilities of an operating segment. In addition, the CODM also reviews Group's performance through a regional structure which is based on geographical markets, accordingly geographical revenue information is disclosed as an additional information.

B. Information about reportable segments

a) Segment Revenue

Rs. in Crores

	2019	2018
Branded		
Tea	5202.59	4922.79
Coffee	1202.84	1079.52
Others	30.77	35.73
Total Branded	**6436.20**	**6038.04**
Non Branded	842.47	815.17
Total Segments Revenue	**7278.67**	**6853.21**
Less: Inter-Segment Revenue	(27.17)	(37.86)
Revenue from External Customer	**7251.50**	**6815.35**

b) Segment Results

Rs. in Crores

	2019	2018
Branded		
Tea	694.38	689.72
Coffee	178.33	197.63
Others	(21.22)	(18.24)
Total Branded	**851.49**	**869.11**
Non Branded	41.58	41.71
Total Segments	**893.07**	**910.82**
Add/Less:		
Other Income	131.92	94.14
Finance Cost	(52.47)	(42.76)
Other Unallocable items	(204.52)	(187.94)
Exceptional Items	(33.29)	(21.13)
Profit before Income Tax	**734.71**	**753.13**

Other Income excludes reversal of a liability amounting to Rs. 25.21 Crores considered as part of branded tea segment results.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(c) Segment Assets and Liabilities

Rs. in Crores

Segment Assets	2019	2018
Branded		
Tea	4683.26	4420.96
Coffee	1846.10	1772.84
Others	30.31	47.41
Total Branded	**6559.67**	**6241.21**
Non Branded	1483.92	1255.68
Total Segments	**8043.59**	**7496.89**
Unallocable Corporate Assets	2895.13	3095.32
Total Assets	**10938.72**	**10592.21**
Segment Liabilities		
Branded		
Tea	722.98	794.52
Coffee	155.39	163.78
Others	7.87	18.18
Total Branded	**886.24**	**976.48**
Non Branded	169.88	140.35
Total Segments Liabilities	**1056.12**	**1116.83**
Unallocable Corporate Liabilities	1523.23	1434.74
Total Liabilities	**2579.35**	**2551.57**

(d) Additions to Non-Current Assets

Rs. in Crores

	2019	2018
Branded		
Tea	70.08	41.50
Coffee	8.78	8.90
Others	3.05	3.87
Total Branded	**81.91**	**54.27**
Non Branded	359.14	151.91
Total Segments	**441.05**	**206.18**

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

(e) Depreciation and Amortisation Expense

Rs. in Crores

	2019	2018
Branded		
Tea	55.83	50.90
Coffee	36.70	36.60
Others	2.07	1.79
Total Branded	**94.60**	**89.29**
Non Branded	27.97	26.75
Total Segments	**122.57**	**116.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C. Geographical Information

Sales revenue is based on the location of sales and segmentation is based on internal performance evaluation:

Rs. in Crores

	2019	2018
Branded		
International	3276.40	3081.63
India	3159.80	2956.41
Total Branded Revenues	**6436.20**	**6038.04**

Notes to Segment report

a) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Un-allocable items include expenses incurred on common services at the corporate level, unallocated other income and exceptional items.

b) Pricing of inter segment transfers are based on benchmark market prices.

38. Related party transaction

Related parties other than Joint Ventures and Associate with whom Group has transactions are given below, Refer Note 34 for list of Joint Ventures and Associates.

Promoter

Tata Sons Private Limited

Subsidiaries and Joint Venture of Tata Sons Private Limited

Tata Consultancy Services Limited
Tata Investment Corporation Limited
Tata Housing Development Company Limited
Tata Business Support Services Limited
Tata AIG General Insurance Co Limited
Tata AIA Life Insurance Co. Limited
Taj Air Limited
Infiniti Retail Limited
Tata Interactive System Limited
Tata International Singapore PTE Limited
Tata Elxsi Limited
Ewart Investments Limited
Tata Uganda Limited
Tata Limited
Tata Teleservices Limited
Tata Industries Limited
Tata Capital Financial Services Limited

Key Managerial Personnel

Mr. Ajoy Misra - Managing Director & CEO
Mr. L Krishna Kumar - Executive Director & Group CFO

Employee Benefit Funds

Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund
Tata Coffee Staff Provident Fund Trust
Tata Coffee Superannuation Fund
Tata Coffee Group Gratuity Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars of transactions during the year ended March 31, 2019:

Rs. in crores

	2019	2018
Sale of Goods and Services		
- Joint Ventures	46.62	45.92
- Associates	2.05	1.01
- Subsidiaries and Joint Ventures of Promoter	0.32	0.30
Other Operating Income		
- Joint Ventures	13.73	10.62
- Associates	2.75	2.50
Sale of Fixed Assets		
- Joint Ventures	-	0.38
Purchase of Goods & Services		
- Joint Ventures	227.35	221.07
- Associates	216.29	259.98
- Subsidiaries and Joint Ventures of Promoter	22.96	19.80
Rent Paid		
- Associates	2.25	2.09
Other Expenses (Net)		
- Joint Ventures	6.16	2.62
- Associates	2.88	2.26
- Promoter	16.28	13.19
- Subsidiaries and Joint Ventures of Promoter	58.79	45.31
Directors Remuneration *	8.97	8.07
Dividend Paid		
- Promoter	46.50	33.57
- Subsidiaries and Joint Ventures of Promoter	8.26	7.76
Dividend/Interest Received		
- Joint Ventures	1.24	1.29
- Associates	2.47	2.79
- Promoter	1.40	1.40
- Subsidiaries and Joint Ventures of Promoter	3.90	5.02
Sale of Investments		
- Promoter	-	672.61
- Associates	-	52.95
- Subsidiaries and Joint Ventures of Promoter	1.16	-
Reimbursement of Expenditure/(Income)		
- Joint Ventures	(1.70)	(1.68)
- Associates	(8.18)	(7.15)
- Promoter	0.44	0.59
Intercorporate Loan/ Deposits Given		
- Subsidiaries and Joint Ventures of Promoter	50.00	-
Deposit redeemed		
- Subsidiaries and Joint Ventures of Promoter	90.00	6.50
- Associates	3.50	1.75
Investments Made		
- Joint Ventures	35.80	13.22
Contribution to Funds - Employee Benefit Plans	22.81	37.47

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded. The above does not include share of recurring/special benefits payables to former directors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Details of material transactions with Related Party:

Rs. in crores

	2019	2018
Sale of Goods and Services		
- Joint Ventures		
NourishCo Beverages Ltd.	30.00	33.54
Tata Starbucks Pvt. Ltd.	16.62	11.92
Other Operating Income		
- Joint Ventures		
Tata Starbucks Pvt. Ltd.	13.20	10.25
- Associates		
Kanan Devan Hills Plantations Company Pvt. Ltd.	2.75	2.50
Purchase of Goods & Services		
- Joint Ventures		
Southern Tea LLC.	224.96	219.54
- Associates		
Kanan Devan Hills Plantations Company Pvt. Ltd.	75.78	73.03
Amalgamated Plantations Pvt Ltd.	140.52	186.29
- Subsidiaries and Joint Ventures of Promoter		
Tata Uganda Ltd.	22.03	19.74
Rent Paid		
- Associates		
Amalgamated Plantations Pvt Ltd.	1.59	1.48
Other Expenses (Net)		
- Joint Ventures - NourishCo Beverages Ltd.	6.16	2.62
- Associate - Amalgamated Plantations Pvt Ltd.	2.88	2.26
- Promoter - Tata Sons Private Limited	16.28	13.19
- Subsidiaries and Joint Ventures of Promoter		
Taj Air Limited	3.04	2.90
Tata AIG General Insurance Limited	16.17	6.80
Tata Industries Limited	1.69	4.66
Tata Consultancy Services Limited	33.01	22.08
Dividend Paid		
- Promoter - Tata Sons Private Limited	46.50	33.57
- Subsidiaries and Joint Ventures of Promoter		
Tata Investment Corporation Limited	6.73	6.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rs. in crores

	2019	2018
Dividend/Interest Received		
- Promoter - Tata Sons Private Limited	1.40	1.40
- Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	3.58	4.71
- Associates		
Kanan Devan Hills Plantations Company Pvt. Ltd.	2.47	2.79
Sale of Investments		
- Promoter - Tata Sons Private Limited	-	672.61
Reimbursement of Expenditure/(Income)		
- Joint Ventures		
NourishCo Beverages Ltd.	(1.51)	(1.50)
- Associates		
Kanan Devan Hills Plantations Company Pvt. Ltd.	(1.70)	(1.81)
Amalgamated Plantations Pvt Ltd.	(2.33)	(2.45)
TRIL Constructions Limited	(4.15)	(2.89)
Intercorporate Loan/ Deposits Given		
- Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	50.00	-
Deposit redeemed		
- Associates		
Kanan Devan Hills Plantations Company Private Limited	3.50	-
- Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	90.00	-
Taj Air Limited	-	6.50
Investments Made		
- Joint Ventures		
Tetley ACI (Bangladesh) Limited	-	3.07
Tata Starbucks Pvt. Ltd.	35.80	10.00
Contribution to Funds - Employee Benefit Plans		
Tata Coffee Limited Employees Gratuity Fund	4.76	10.08
Tata Tea Limited Management Staff Gratuity Fund	-	6.30
Tata Tea Limited Calcutta Provident Fund	13.32	12.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Balance Outstanding as at March 31, 2019

Rs. in Crores

	2019	2018
Debit		
- Joint Ventures	7.11	15.32
- Associates	18.89	26.12
- Subsidiaries and Joint Ventures of Promoter	20.60	58.73
Credit		
- Joint Ventures	8.28	6.53
- Associates	6.46	7.50
- Promoter	12.36	10.19
- Subsidiaries and Joint Ventures of Promoter	7.99	12.99
- Employee Benefit plans	5.65	6.03

39. Non-current assets held for sale

Certain assets and liabilities relating to businesses in Eastern Europe have been presented as held for sale.

Following assets and liabilities were reclassified as held for sale as at March 31, 2019:

Rs. in Crores

	2019	2018
Assets		
Non Current Assets (incl Goodwill)	17.62	18.25
Current Assets	19.55	19.61
	37.17	**37.86**
Liabilities		
Current Liabilities	11.77	10.53
	11.77	**10.53**

40. Additional information, as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiary/Associates/Joint Ventures:

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Parent								
	Tata Global Beverages Limited	60.61%	4443.68	100.67%	410.93	2.62%	1.85	86.22%	412.78
	Subsidiaries								
	Indian								
1	Tata Coffee Ltd.	13.24%	970.67	17.54%	71.58	0.38%	0.27	15.01%	71.85
2	Tata Tea Holdings Private Ltd.	0.00%	(0.02)	0.00%	(0.01)	-	-	0.00%	(0.01)
	Foreign								
1	Consolidated Coffee Inc. (Consolidated Financials)	9.90%	726.05	18.71%	76.36	-25.56%	(18.04)	12.18%	58.32
2	Tata Coffee Vietnam Company Ltd.	0.78%	57.17	-1.36%	(5.56)	-5.99%	(4.23)	(0.02)	(9.79)
3	Tata Tea Extractions Inc.	4.65%	341.21	5.49%	22.42	-	-	4.68%	22.42
4	Tata Global Beverages Capital Ltd	11.44%	838.79	3.56%	14.52	-	-	3.03%	14.52
5	Tata Global Beverages Group Ltd.	87.96%	6448.84	1112.02%	4539.16	-	-	948.09%	4539.16
6	Tata Global Beverages Holdings Ltd.	-	-	1628.66%	6648.01	-	-	1388.56%	6648.01
7	Tata Global Beverages Services Ltd.	-	-	-1.98%	(8.07)	-	-	-1.69%	(8.07)
8	Tata Global Beverages GB Ltd.	27.40%	2008.58	20.70%	84.51	110.19%	77.77	33.90%	162.28
9	Tata Global Beverages Overseas Holdings Ltd.	-5.48%	(401.91)	-1.77%	(7.22)	-	-	-1.51%	(7.22)
10	Tata Global Beverages Overseas Ltd.	-0.01%	(0.68)	(0.00)	(0.89)	-	-	(0.00)	(0.89)
11	Lyons Tetley Ltd.	0.00%	0.18	-	-	-	-	-	-
12	Drassington Ltd.	-	-	-	-	-	-	-	-
13	Teapigs Ltd.	0.73%	53.79	1.59%	6.47	-	-	1.35%	6.47
14	Teapigs US LLC	-0.10%	(7.64)	-0.60%	(2.46)	-	-	-0.51%	(2.46)
15	Empirical Group LLC	3.72%	273.07	11.67%	47.65	-	-	9.95%	47.65
16	Tata Waters LLC	-0.03%	(2.19)	(0.00)	(1.69)	-	-	(0.00)	(1.69)
17	Stansand Ltd.	0.00%	0.05	-	-	-	-	-	-
18	Stansand (Brokers) Ltd.	0.00%	0.29	-	-	-	-	-	-
19	Stansand (Africa) Ltd.	0.21%	15.52	0.90%	3.68	-	-	0.77%	3.68
20	Stansand (Central Africa) Ltd.	0.06%	4.04	0.29%	1.17	-	-	0.24%	1.17
21	Tata Global Beverages Polska sp.zo.o	0.12%	8.47	0.38%	1.57	-	-	0.33%	1.57
22	Tata Global Beverages Czech Republic a.s.	0.11%	8.17	-1.05%	(4.27)	-	-	-0.89%	(4.27)
23	Tata Global Beverages US Holdings Inc.	5.09%	373.45	-1.14%	(4.64)	-	-	-0.97%	(4.64)
24	Tetley USA Inc.	2.65%	194.02	-0.67%	(2.75)	-	-	-0.57%	(2.75)
25	Good Earth Corporation.	-0.12%	(8.53)	-0.37%	(1.50)	-	-	-0.31%	(1.50)
26	Good Earth Teas Inc.	-0.60%	(43.86)	-4.09%	(16.68)	-	-	-3.48%	(16.68)
27	Tata Global Beverages Canada Inc.	0.59%	43.58	1.59%	6.50	-	-	1.36%	6.50
28	Tata Global Beverages Australia Pty Ltd.	0.28%	20.55	0.35%	1.44	-	-	0.30%	1.44
29	Earth Rules Pty Ltd.	-0.73%	(53.57)	-1.95%	(7.94)	-	-	-1.66%	(7.94)
30	Tata Global Beverages Investments Ltd.	-	-	15.32%	62.52	-	-	13.06%	62.52

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
31	Campestres Holdings Ltd.	-0.01%	(1.04)	-0.04%	(0.17)	-	-	-0.04%	(0.17)
32	Kahutara Holdings Ltd.	-1.84%	(134.88)	1.44%	5.89	-	-	1.23%	5.89
33	Suntyco Holding Ltd.	-0.77%	(56.81)	-1.30%	(5.32)	-	-	-1.11%	(5.32)
34	Onomento Co Ltd.	0.18%	13.49	0.81%	3.30	-	-	0.69%	3.30
35	Coffee Trade LLC	-0.09%	(6.78)	-0.76%	(3.09)	-	-	-0.65%	(3.09)
	Non-controlling Interest in all Subsidiaries	-14.02%	(1027.68)	-11.95%	(48.79)	-4.65%	(3.28)	-10.88%	(52.07)
	Associates								
	Indian								
1	Amalgamated Plantations Pvt. Ltd.	0.77%	56.09	-6.89%	(28.11)	0.27%	0.19	-5.83%	(27.92)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.33%	24.05	0.26%	1.08	-1.22%	(0.86)	0.05%	0.22
3	TRIL Constructions Ltd.	0.68%	50.16	-0.41%	(1.66)	-	-	-0.35%	(1.66)
	Joint Ventures								
	Indian								
1	NourishCo Beverages Ltd.	0.15%	11.00	-0.24%	(0.99)	-	-	-0.21%	(0.99)
2	Tata Starbucks Private Ltd.	1.93%	141.40	3.57%	14.57	(0.00)	(0.12)	3.02%	14.45
	Foreign								
1	Joekels Tea Packers (Proprietary) Ltd.	0.16%	11.45	0.80%	3.26	-	-	0.68%	3.26
2	Southern Tea LLC	0.60%	43.83	-0.85%	(3.47)	-	-	-0.72%	(3.47)
3	Tetley ACI (Bangladesh) Ltd.	-0.04%	(2.96)	-0.40%	(1.62)	-	-	-0.34%	(1.62)
4	Tetley Clover (Pvt) Ltd.	0.00%	0.08	0.00%	(0.02)	-	-	0.00%	(0.02)
	Consolidation eliminations/adjustments	-110.50%	(8101.48)	-2807.88%	(11461.48)	24.13%	17.03	-2390.39%	(11444.45)
	TOTAL	**100%**	**7331.69**	**100%**	**408.19**	**100%**	**70.58**	**100%**	**478.77**

During the financial year, Tata Global Beverages Group Ltd (TGBG), the Group's UK based subsidiary and intermediate holding company, restructured the activities of some of its step down 100% subsidiaries. Accordingly, Tata Global Beverages Services Limited, Tata Global Beverages Investments Limited and Tata Global Beverages Holdings Limited transferred its net assets and activities to its holding company namely Tata Global Beverages Group Limited/ fellow subsidiary namely Tata Global Beverages GB Ltd. The purpose of the restructure was to simplify the legal structure, reduce the number of step down subsidiaries and to reduce the ongoing administration burden. It is expected that in the absence of any future transactions the restructured entities will cease to trade and plan to be dormant for the foreseeable future. As the restructure was intra group, between TGBG and its 100% subsidiaries, there is no impact of the restructure transactions on these consolidated financial statements. However, in the table above, the effect of the restructure transactions as recorded in the standalone financial statements of the relevant entities are reflected, which subsequently have been eliminated through 'Consolidation eliminations/adjustments'.

41. Unless otherwise stated, figures in brackets relate to the previous year. All the numbers have been rounded off to nearest crore.

Form AOC 1 - Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures (Pursuant to Section 129(3) of the Companies Act , 2013)

Part "A" : Subsidiaries

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
1	Tata Global Beverages Group Ltd. (Refer Note 5)	03.09.1999	GBP	90.52	2,127.83	4,225.79	6,610.12	256.50	4,928.54	-	4,315.84	13.40	4,329.24	-	89.10	91.71
2	Tata Global Beverages Holdings Ltd.(Refer Note 5)	10.03.2000	GBP	90.52	-	-	-	-	-	-	6,530.35	-	6,530.35	-	100.00	91.71
3	Tata Global Beverages Services Ltd.(Refer Note 5)	10.03.2000	GBP	90.52	-	-	-	-	-	135.42	(3.92)	(1.90)	(5.82)	-	100.00	91.71
4	Tata Global Beverages GB Ltd.	10.03.2000	GBP	90.52	0.00	1,965.85	2,247.51	281.66	9.05	1,235.23	84.05	(23.59)	60.46	-	100.00	91.71
5	Tata Global Beverages Overseas Holdings Ltd.	10.03.2000	GBP	90.52	0.00	(465.43)	382.09	847.52	287.47	-	(64.45)	1.93	(62.52)	-	100.00	91.71
6	Tata Global Beverages Overseas Ltd.	10.03.2000	GBP	90.52	0.00	(17.64)	38.90	56.54	-	-	(0.02)	-	(0.02)	-	100.00	91.71
7	Lyons Tetley Limted (Dormant)	10.03.2000	GBP	90.52	0.18	-	0.18	-	-	-	-	-	-	-	100.00	91.71
8	Drassington Ltd. (Dormant)	31.10.2003	GBP	90.52	17.71	(17.71)	-	-	-	-	-	-	-	-	100.00	91.71
9	Teapigs Ltd.	15.04.2005	GBP	90.52	9.05	53.89	80.99	18.05	-	99.50	7.40	(1.49)	5.91	-	100.00	91.71
10	Teapigs US LLC	27.08.2013	USD	69.15	-	(7.64)	6.69	14.33	-	15.00	(2.48)	-	(2.48)	-	100.00	69.57
11	Stansand Ltd. (Dormant)	10.03.2000	GBP	90.52	0.05	-	0.05	-	-	-	-	-	-	-	100.00	91.71
12	Stansand Brokers Ltd. (Dormant)	10.03.2000	GBP	90.52	0.29	-	0.29	-	-	-	-	-	-	-	100.00	91.71
13	Stansand (Africa) Ltd.	10.03.2000	KES	0.69	0.03	15.43	26.01	10.55	-	159.86	5.44	(1.70)	3.74	-	100.00	0.69
14	Stansand (Central Africa) Ltd.	10.03.2000	MWK	0.10	0.00	1.60	4.28	2.68	-	63.02	1.80	(0.55)	1.25	-	100.00	0.10
15	Tata Global Beverages Polska. sp.zo.o	10.03.2000	PLN	18.05	133.34	(125.22)	23.59	15.47	-	54.38	1.60	(0.34)	1.26	-	100.00	18.91
16	Tata Global Beverages Czech Republic a.s	02.05.2006	CZK	3.01	0.60	3.65	26.54	22.29	-	47.92	(4.67)	-	(4.67)	-	100.00	3.15
17	Tata Global Beverages US Holdings Inc.	10.03.2000	USD	69.15	463.32	(53.90)	630.39	220.97	624.23	-	(4.63)	-	(4.63)	-	100.00	69.57
18	Tetley USA Inc.	10.03.2000	USD	69.15	943.92	(749.90)	208.71	14.69	19.54	113.75	(2.57)	-	(2.57)	-	100.00	69.57
19	Empirical Group LLC	01.10.2016	USD	69.15	-	37.31	56.91	19.60	-	268.98	47.67	-	47.67	-	56.00	69.57
20	Tata Waters LLC	18.08.2016	USD	69.15	-	(2.19)	5.71	7.90	-	(0.05)	(1.68)	-	(1.68)	-	100.00	69.57
21	Good Earth Corporation	13.10.2005	USD	69.15	-	(8.53)	0.16	8.69	-	-	(1.43)	-	(1.43)	-	100.00	69.57
22	Good Earth Teas Inc.	13.10.2005	USD	69.15	125.09	(168.95)	33.08	76.94	15.65	42.62	(16.75)	-	(16.75)	-	100.00	69.57
23	Tata Global Beverages Canada Inc.	10.03.2000	CAD	51.53	7.73	35.06	119.91	77.12	-	290.75	8.76	(2.28)	6.48	-	100.00	53.07
24	Tata Global Beverages Australia Pty. Ltd.	10.03.2000	AUD	49.02	57.84	(36.29)	45.86	24.31	-	113.39	2.53	(0.98)	1.55	-	100.00	50.94

Form AOC 1 - Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures (Pursuant to Section 129(3) of the Companies Act , 2013)

Part "A" : Subsidiaries

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
25	Earth Rules Pty. Ltd.	30.04.2015	AUD	49.02	72.74	(126.31)	19.32	72.89	-	46.89	(7.92)	-	(7.92)	-	100.00	50.94
26	Tata Global Beverages Investment Ltd.(Refer Note 5)	12.09.2006	GBP	90.52	-	-	-	-	-	-	74.46	(11.91)	62.55	-	100.00	91.71
27	Campestres Holdings Ltd.	03.02.2009	USD	69.15	0.02	(1.05)	0.06	1.09	-	-	(1.68)	-	(1.68)	-	100.00	69.57
28	Kahutara Holdings Ltd.	25.03.2009	USD	69.15	0.14	(168.64)	41.00	209.50	-	-	(3.33)	-	(3.33)	-	65.00	69.57
29	Suntyco Holdings Ltd.	01.09.2009	USD	69.15	0.48	(63.78)	10.53	73.83	7.52	-	(7.99)	-	(7.99)	-	100.00	69.57
30	Onomento Co Ltd.	01.09.2009	USD	69.15	0.05	13.35	14.36	0.96	-	3.76	3.35	(0.14)	3.21	-	100.00	69.57
31	Coffee Trade LLC (Refer Note 1)	18.09.2017	RUR	1.11	0.00	(5.52)	4.42	9.94	-	7.94	(6.12)	1.00	(5.12)	-	100.00	1.11
32	Tata Global Beverages Capital Ltd.	12.09.2006	GBP	90.52	811.10	0.84	1,475.11	663.17	1,465.21	-	9.98	4.62	14.60	-	100.00	91.71
33	Tata Coffee Ltd.	21.11.1990	INR	1.00	18.68	951.99	1,246.50	275.83	306.12	702.91	97.90	(26.32)	71.58	28.02	57.48	1.00
34	Tata Coffee Vietnam Company Ltd.	28.03.2017	USD	69.15	72.61	(11.03)	471.27	409.69	-	-	(8.05)	-	(8.05)	-	100.00	69.57
35	Consolidated Coffee Inc.	10.07.2006	USD	69.15	414.21	(30.88)	416.21	32.88	414.21	-	67.91	0.35	68.26	-	100.00	69.57
36	Eight O'Clock Holdings Inc.	31.07.2006	USD	69.15	414.21	(0.49)	414.50	0.78	414.21	-	69.57	-	69.57	-	100.00	69.57
37	Eight O'Clock Coffee Company	31.07.2006	USD	69.15	414.21	186.28	1,613.50	1,013.01	-	1,098.70	97.55	(33.26)	64.29	-	100.00	69.57
38	Tata Tea Extractions Inc.	29.05.1987	USD	69.15	96.81	261.76	391.15	32.58	301.32	109.72	28.35	(5.66)	22.69	-	100.00	69.57
39	Tata Tea Holdings Private Ltd.	19.03.2009	INR	1.00	0.05	(0.06)	0.01	0.02	-	-	(0.00)	-	(0.00)	-	100.00	1.00

Note:

1 Statutory year ends for all subsidiaries are 31.03.2019 except for Coffee Trade LLC which is at 31.12.2018.

2 % of shareholding is based on voting power held by the Group.

3 Balance Sheet items have been translated at the exchange rate as on the last day of relevant financial year.

4 The numbers reported above are based on individual financial statements prepared under local GAAP.

5 During the financial year, Tata Global Beverages Group Ltd (TGBG), the Group's UK based subsidiary and intermediate holding company, restructured the activities of some of its step down 100% subsidiaries. Accordingly, Tata Global Beverages Services Limited, Tata Global Beverages Investments Limited and Tata Global Beverages Holdings Limited transferred its net assets and activities to its holding company namely Tata Global Beverages Group Limited/ fellow subsidiary namely Tata Global Beverages GB Ltd. The purpose of the restructure was to simplify the legal structure, reduce the number of step down subsidiaries and to reduce the ongoing administration burden.

Form AOC 1 - Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures (Pursuant to Section 129(3) of the Companies Act , 2013)

Part "B" : Associates and Joint Ventures

Sl No.	Name of Associates/ Joint Ventures	Amalgamated Plantation Pvt. Ltd.	Kanan Devan Hill Plantation Company Pvt. Ltd.	TRIL Constructions Ltd.	Tetley Clover (Pvt.) Ltd.	Tetley ACI (Bangladesh) Ltd.	Joekels Tea Packers (Proprietary) Ltd.	Southern Tea, LLC	NourishCo Beverages Ltd.	Tata Starbucks Private Ltd.
		Associate	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
1	Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019	30.06.2018	30.06.2018	31.03.2019	31.12.2018	31.03.2019	31.03.2019
2	Date of acquisition/ incorporation	17.04.2009	06.07.2005	20.07.2013	25.07.2003	17.11.2002	04.10.2006	19.09.2002	14.03.2011	03.01.2012
3	Shares of Associate /Joint Ventures held by the company on the year-end									
	Equity Shares									
	i) Number	61024400	3976563	11748148	44000000	2900000	62	Membership Interest-50%	106500000	235800000
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	71.10 #	12.33	11.75	29.61	23.53	23.31	35.51	106.50	235.80
	iii) Extent of Holdings	41.03%	28.52%	32.50%	50%	50%	51.70%	50%	50%	50%
	Preference Shares									
	i) Number	67000000	-	66751852	3000000	-	-	-	-	-
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	48.42 @	-	66.75	2.47	-	-	-	-	-
4	Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crores)	56.09	24.05	50.16	0.10	(1.82)	11.44	45.70	11.00	141.40
7	Profit / (Loss) for the year*									
	i) Considered in Consolidated** (Rs in Crores)	(28.11)	1.08	(1.66)	(0.02)	(1.62)	3.26	(3.47)	(0.99)	14.57
	ii) Not Considered in Consolidated (Rs in Crores)	-	-	-	-	-	-	-	-	-

Associate Companies and Joint Ventures have been determined based on the Accounting Standards.

* Profit/(Loss) based on individual Financial Statements drawn up as at 31.03.2019, for consolidation purposes.

** Represents Group's share of profit/(loss)

measured as per Ind AS

@ redeemable preference shares, measured as per Ind AS

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

V. Leeladhar
Director
(DIN 02630276)

S. Santhanakrishnan
Director
(DIN 00032049)

Ajoy Misra
Managing Director & CEO
(DIN 00050557)

L. KrishnaKumar
Executive Director
(DIN 00423616)

Harish Bhat
Director
(DIN 00478198)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Mumbai, April 23, 2019

NOTICE

Notice is hereby given that the Fifty-Sixth Annual General Meeting of Tata Global Beverages Limited will be held on Tuesday, June 11, 2019 at 10.30 a.m. at the Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027, to transact the following businesses:

ORDINARY BUSINESS:

1. **Adoption of Audited Standalone Financial Statements**

   To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.

2. **Adoption of Audited Consolidated Financial Statements**

   To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019, together with the Report of the Auditors thereon.

3. **Declaration of Dividend**

   To declare a dividend on the Equity Shares of the Company for the financial year ended March 31, 2019.

4. **Appointment of Mr. N. Chandrasekaran (00121863) as Director, liable to retire by rotation**

   To appoint a Director in place of Mr. N. Chandrasekaran (DIN 00121863) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Remuneration of Cost Auditors**

   To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 3,75,000 (Rupees Three Lakhs, Seventy-Five Thousand only) plus taxes and reimbursement of out-of-pocket expenses incurred in connection with the cost audit, payable to M/s Shome & Banerjee, Cost Accountants (Firm Registration Number 000001), who are appointed by the Board of Directors of the Company, as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2020.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Re-appointment of Mr. Ajoy Kumar Misra (DIN 00050557) as Managing Director and Chief Executive Officer (MD&CEO) and payment of remuneration**

   To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the approval of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Ajoy Kumar Misra (DIN 00050557) as Managing Director and Chief Executive Officer (MD&CEO) of the Company for a period of 1 (one) year commencing from April 1, 2019 to March 31, 2020 upon the terms and conditions set-out in the Explanatory Statement pursuant to Section 102 of the Act annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his re-appointment), with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Misra.

   RESOLVED FURTHER THAT the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. **Appointment of Mr. Bharat Puri (DIN 02173566) as an Independent Director**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Bharat Puri (DIN 02173566) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 07, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 129 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company

NOTICE CONTINUED

has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17, and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Bharat Puri (DIN 02173566), who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing May 07, 2019 to May 06, 2024, be and is hereby approved."

8. Appointment of Mrs. Shikha Sharma (DIN 00043265) as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Shikha Sharma (DIN 00043265) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 07, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 129 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17, and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the appointment of Mr. Shikha Sharma (DIN 00043265), who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing May 07, 2019 to May 06, 2024 , be and is hereby approved."

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of Item Nos. 5 to 8 are annexed hereto. Information under Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standard 2, pursuant to Section 118 (10) of the Act, issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed/re-appointed is provided in the Annexure to this Notice.

2. **A Member of the Company entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable, issued on behalf of the nominating organisation.

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorised representative to attend the AGM are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.

4. The Register of Members and Transfer Books of the Company will be closed from **Tuesday, May 28, 2019 to Tuesday, June 4, 2019** (both days inclusive).

5. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

6. If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after **Thursday, June 13, 2019** as under:

   i) To all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") as of the beginning of the business hours on **Tuesday, May 28, 2019**.

   ii) To all the members in respect of shares held in physical form after giving effect to all valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on **Monday, May 27, 2019**.

7. Shareholders holding shares in physical form are requested to advise any change of correspondence address, email address, bank details immediately to the Company's Registrar and Share Transfer Agents, M/s TSR Darashaw Limited ("TSRDL"). Shareholders holding shares in electronic form must advise their respective depository participants about any change in correspondence address, email address and bank details and not to the Company or the Registrars.

   The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form are requested to submit their PAN details to TSRDL.

8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates and self-attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes thereon.

9. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants and registered against their demat account.

10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per register of members of the Company will be entitled to vote.

11. Shareholders who have not provided the information regarding bank particulars, are requested to immediately notify the name of the bank and the branch, 9 digits MICR number, 11 digit IFS Code, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to TSRDL, in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Please note that disbursement of payment without bank details is disallowed .

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website http://www.tataglobalbeverages.com/investors/share-registration. Members holding shares in physical form may submit the same to TSRDL. Members holding shares in electronic form may submit the same to their respective depository participant.

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSRDL in case the shares are held by them in physical form.

14. Transfer of Unclaimed / Unpaid dividend to the Investor Education and Protection Fund (IEPF):

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2011 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website,

NOTICE CONTINUED

http://www.tataglobalbeverages.com/investors/investor-information/unclaimed-dividend and on the website of the Ministry of Corporate Affairs at www.mca.gov.in.

It may be noted that unclaimed dividend for the financial year 2011-12 declared on August 31, 2012 is due to be transferred to the IEPF by October 2019. The same can, however, be claimed by the members by September 21, 2019.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given in the Corporate Governance Report.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed were transferred to the IEPF. The Company has sent notices to all such members in this regard and thereafter transferred the shares to the IEPF during financial year 2018-19. The details of such shares transferred have been uploaded in the Company's website http://www.tataglobalbeverages.com/investors/investor-information/unclaimed-dividend

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

15. In accordance with Section 20 of the Act, read with the relevant rules, the Notice of the AGM along with the Annual Report for financial year 2018-19 are sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

16. SEBI had vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/comp/15/2018-19 dated July 05, 2018 and NSE circular no. NSE/CML/2018/26 dated July 09, 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form . Accordingly, Shareholders holding securities in physical form were separately communicated by the TSR Darashaw Limited (our RTA) vide three letters sent on July 17, 2018 (by Speed/Registered Post), August 31, 2018 and November 24, 2018 (by Ordinary Post) at their registered address. In view of the above and to avail free transferability of shares and the benefits of dematerialisation, members are requested to consider dematerialize shares held by them in physical form. Members may note that, Transfer deed(s) once lodged prior to April 1, 2019 and returned due to deficiency in the document may be re-lodged even after the April 1, 2019 with the office of TSRDL., Mumbai or at their Branch Offices or at the Registered Office of the Company.The Company will abide by the guidelines issued by Statutory Authorities from time to time in the matter

17. We request shareholders to update their email address with their Depository Participants/TSRDL to enable the Company to send communications electronically.

18. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and *vice versa*. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the shareholders.

    It is in the interest of shareholders to register their bank details against their account and avail of facility being extended by the Company of receiving the credit of dividend directly to their bank account through electronic means. The facility is available at all bank branches who have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System.

Shareholders may please note that under SEBI instructions, furnishing of bank particulars by the shareholders has become mandatory.

19. The route map showing directions to reach the venue of the Fifty-Sixth AGM is annexed.

20. **Process and manner of voting through electronic means:**

In compliance with the provisions of Section 108 of the Act, and Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members holding shares either in physical form or in dematerialised form, the facility to exercise their right to vote on the resolutions set forth in the Notice by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL"). The members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting).

The instructions for e-voting are as under:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NDL or CDSL) or physical		Your User Id
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

NOTICE CONTINUED

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the company which is 110648.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to asimsecy@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions

i. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, which is Tuesday, June 4, 2019. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

ii. Any person who is not a member as on the cut-off- date should treat this Notice for information only.

iii. The e-voting period commences on **Friday, June 7, 2019 at 9.00 a.m. and ends Monday, June 10, 2019 at 5.00 p.m.** During this period, shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date, i.e. June 4, 2019, may cast their vote electronically. The e-voting module shall be

disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast vote again.

iv. Members who are registered with NSDL for e-voting can use their existing user Id and password for casting their votes.

v. The facility to vote at the AGM will be provided by any electronic means/ Poll paper to the shareholders who will be attending the AGM and have not cast their vote through remote e-voting.

vi. The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

vii. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.

viii. Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (Membership No. FCS 2303 & CP No. 880) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting through Poll at the AGM in a fair and transparent manner.

ix. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will countersign the same.

x. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login id and password by sending a request to evoting@nsdl.co.in . However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "forget User details/Password" option available on www.evoting.nsdl.com

xi. The Results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tataglobalbeverages.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and Calcutta Stock Exchange ("CSE"), where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

22. All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during normal business hours (10:00 am to 5:00 pm) on all working days, except Saturday, up to and including the date of the AGM of the Company and will also be kept open at the venue of the AGM till the conclusion of the AGM.

By Order of the Board

Neelabja Chakrabarty
Vice President & Company Secretary
(Membership No: ACS 16075)

Registered Office:
1, Bishop Lefroy Road,
Kolkata – 700 020
CIN - L15491WB1962PLC031425
E-mail id: investor.relations@tgbl.com
Website address: www.tataglobalbeverages.com

Mumbai
May 07, 2019

NOTICE CONTINUED

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act")

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 5 to 8 of the accompanying Notice.

Item No. 5:

Remuneration of Cost Auditors:

The Company is required, under the provisions of Section 148(3) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), as amended from time to time, to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, (Firm Registration Number 000001), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2020.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2020.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

Item No. 6

Reappointment of Mr. Ajoy Kumar Misra as Managing Director and Chief Executive Officer (MD&CEO) and payment of Remuneration

Mr. Ajoy Kumar Misra was appointed as MD&CEO of the Company for the period commencing from April 1, 2014 to March 31, 2019. Mr. Misra had approached the Nomination & Remuneration Committee ("NRC") expressing his desire for an early retirement from his role. The NRC had a detailed deliberation on the matter and bearing in mind the above request as well as the time required for smooth succession planning, the NRC decided, at its meeting held on March 27, 2019, that Mr. Ajoy Misra's term be extended by a further period of one year, for the period April 1, 2019 until March 31, 2020.

On the basis of the above recommendation of the NRC, the Board at its meeting held on March 27, 2019, re-appointed Mr. Ajoy Misra as MD&CEO of the Company for a period of one year commencing from April 1, 2019 until March 31, 2020, subject to approval of the Members.

The Board thereafter at its meeting held on April 23, 2019, based on the recommendations of the NRC, had fixed the terms of remuneration payable to Mr. Ajoy Misra, subject to the approval of the Members.

Mr. Ajoy Misra is a B.E. Hons. in Civil Engineering from BITS Pilani and M.B.A. Marketing from Faculty of Management Studies and is a member of Tata Administrative Services (TAS). He has done his Advanced Management Program at Harvard Business School. He has been with Tata Group for more than 38 years, of which 20 years have been in senior management positions. He is a director on the board of NourishCo Beverages Limited, TRIL Constructions Limited, Tata Starbucks Private Limited and several of the Company's overseas subsidiaries.

The principal terms and conditions of Mr. Ajoy Misra's re-appointment as MD&CEO and the main clauses of the agreement to be executed between the Company and the MD&CEO are as follows:

A. Tenure of Re- Appointment:

The re- appointment of MD&CEO is for a period of 1 year commencing from April 1, 2019 to March 31, 2020.

B. Nature of Duties

The MD&CEO shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its associated companies and /or

subsidiaries , including performing duties as assigned by the Board from time to time, by serving on the Boards of such associated companies/ subsidiaries or any other executive body or a committee of such a company.

C. Remuneration:

He shall, subject to such approvals as may be required, be entitled to the following remuneration, subject to deduction of tax at source of all applicable taxes in accordance with the laws for the time being in force:

a. Basic Salary- Rs. 9,00,000 per month.

b. Benefits, Perquisites, Allowances

In addition to the Basic Salary referred to in (a) above, the MD&CEO shall be entitled to:

i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent and House Maintenance and Utility Allowances aggregating 85% of the Basic Salary (in case no accommodation is provided by the Company).

ii) Reimbursement of hospitalisation and major medical expenses, incurred as per rules of the Company (this includes mediclaim insurance premium).

iii) Car facility, Telecommunication facility (including broadband internet and fax) and Housing loan facility as per the Rules of the Company.

iv) Other perquisites and allowances subject to a maximum of 55% of the Annual Basic Salary, which includes:

Sl. No	Particulars		Percentage
a)	Medical Allowance		8.33%
b)	Leave Travel Concession/Allowance		8.33%
c)	Other Allowances		33.34%
d)	Personal Accident Insurance	actual subject to a cap of	5.00%
e)	Club Membership fees		
	Total		**55.00%**

v) Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund shall be made as per the Rules of the Company.

vi) The MD&CEO shall be entitled for leave in accordance with the Rules of the Company. Annual Leave not availed by the MD is encashable in accordance with the Rules of the Company.

Commission: In addition to Basic Salary, Benefits, Perquisites, Allowances, the MD&CEO would be paid such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year. The specific amount payable to the MD&CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

c. Incentive Remuneration: Such incentive remuneration not exceeding 200% of Annual Basic Salary to be paid at the discretion of the Board annually based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

d. An indicative list of factors that may be considered for determining of the extent of commission/incentive remuneration by the Board as recommended by the NRC are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

D. Minimum remuneration

Notwithstanding anything to the contrary herein contained, wherein during the currency of the tenure of the MD&CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the MD&CEO by way of Basic Salary,

NOTICE CONTINUED

benefits, perquisites and allowances, incentive remuneration, as specified above.

E. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire term, subject to the terms of such policy in force from time to time.

F. Other terms of Appointment

a. The MD&CEO shall not become interested or otherwise concerned, directly or through his spouse and /or children, in any selling agency of the Company.

b. The terms and conditions of the appointment of the MD&CEO may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD&CEO, subject to such approvals as may be required.

c. The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months remuneration in lieu thereof.

d. The Employment of the MD&CEO may be terminated by the Company without notice or payment in lieu of notice:

i) If the MD&CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or

ii) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by the MD&CEO of any of the stipulations contained in the Agreement; or

iii) In the event the Board expresses its loss of confidence in the MD&CEO.

e. In the event the MD&CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

f. Upon the termination by whatever means of the MD&CEO's employment:

i) The MD&CEO shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustees of any trust connected with the Company.

ii) The MD&CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

g. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the MD&CEO, unless specifically provided otherwise.

h. The MD&CEO is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Sections 164 and 167 of the Act.

i. The terms and conditions of appointment of the MD&CEO also include clauses pertaining to the adherence of Tata Code of Conduct, no conflict of interest with the Company, protection and use of intellectual properties, non-solicitation post termination of Agreement and maintenance of confidentiality.

j. If and when the Agreement expires or is terminated for any reason whatsoever, the MD&CEO will cease to be the Managing Director & CEO, and also cease to be the Director. If at any time, the MD&CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO, and the Agreement shall forthwith terminate. If

at any time, the MD&CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be Director and Managing Director & CEO of the Company.

k. Details of remuneration paid /drawn by Mr. Ajoy Misra for the financial year 2018-19 are given in the Corporate Governance Report, which is part of this Annual Report. Further details of Mr. Ajoy Misra have been given in the Annexure to this Notice.

Mr. Ajoy Misra satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of re-appointment and remuneration of Mr. Ajoy Misra as specified above, are now placed before the Members for their approval.

Other than Mr. Ajoy Misra and his relatives, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 6 of the accompanying Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

Item Nos. 7 & 8:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Bharat Puri (DIN 02173566) and Mrs. Shikha Sharma (DIN 00043265) as Additional Directors of the Company and also Independent Directors, not liable to retire by rotation, for a term of five years i.e. from May 07, 2019 to May 06, 2024 subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 129 of the Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors.

The Company has received declarations from Mr. Bharat Puri and Mrs. Shikha Sharma to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, each of these Directors fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Directors and is independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Bharat Puri is currently the Managing Director of Pidilite Industries Ltd. Mr. Bharat's association with Pidilite began as an Independent Director of the company in 2008.

His career has witnessed many achievements during his tenure at leading Indian and Global companies. In his last assignment, he was President - Global Chocolate, Gum and Candy Categories at Mondelez International, Zurich with worldwide responsibilities for the growth of these categories.

Mr. Bharat was at school at the Lawrence School Sanawar, graduated in Commerce from Punjab University and completed his Post Graduate Diploma in Management (MBA) from the Indian Institute of Management, Ahmedabad.

Starting his career with Asian Paints in 1982, he rose to eventually head Sales and Marketing for the company. He moved to Cadbury India as Director of Sales and Marketing in 1998, and was appointed its Managing Director in 2002. In 2006, he was posted to Singapore in a Regional role. He then held senior leadership positions in Sales, Marketing and General Management, at the regional, and global level, culminating in his becoming Global President, Chocolates, Gum and Candy, for Mondelez International. Mr. Bharat has been a successful global business leader who has built, energised and led diverse teams across numerous geographies in both developed and developing markets.

Mrs. Shikha Sharma was the Managing Director & CEO of Axis Bank, India's third largest private sector bank from June 2009 upto December 2018. As a leader adept at managing change, she led the Bank on a transformation journey from being primarily a corporate lender to a bank with a strong retail deposit franchise and a balanced lending book.

Mrs. Sharma has more than three decades of experience in the financial sector, having begun her career with ICICI Bank Ltd in 1980. During her tenure with the ICICI group, she was instrumental in setting up ICICI Securities. As Managing Director & CEO of ICICI Prudential Life Insurance Company Ltd., she led the company to become the No. 1 private sector life insurance company in India.

She was a member of RBI's Technical Advisory Committee, RBI's panel on Financial Inclusion, the Committee on Comprehensive Financial Services for Small Businesses and Low-Income Household etc. She has chaired CII's National Committee on Banking 2015-2017.

Ms. Sharma holds an MBA from the Indian Institute of Management, Ahmedabad, B.A. (Hons.) in Economics and PGD in Software Technology from National Centre for Software Technology (NCST), Mumbai.

Further details and current directorships of the above Directors are provided in the Annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of Listing Regulations the appointment of Mr. Bharat Puri and Mrs. Shikha Sharma as Independent Directors is now being placed before the Members for their approval.

The Board recommends the Resolutions at Item Nos. 7 and 8 of this Notice for approval of the Members.

Mr. Bharat Puri and Mrs. Shikha Sharma and their respective relatives are concerned or interested, in the Resolutions relating to their own appointments. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item No. 7 & 8 of this Notice.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice. Mr. Bharat Puri and Mrs. Shikha Sharma are not related to any other Director of the Company.

By Order of the Board

Neelabja Chakrabarty
Vice President & Company Secretary
(Membership No: ACS 16075)

Registered Office:
1, Bishop Lefroy Road,
Kolkata – 700 020
CIN - L15491WB1962PLC031425
E-mail id: investor.relations@tgbl.com
Website address: www.tataglobalbeverages.com

Mumbai
May 07, 2019

Annexure to the Notice

Details of Directors seeking Appointment/Re-appointment at the Fifty Sixth Annual General Meeting [Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings]

Name of Director	N. Chandrasekaran*	Ajoy Kumar Misra	Mr. Bharat Puri	Mrs. Shikha Sharma
Director Identification Number (DIN)	00121863	00050557	02173566	00043265
Age	56 years	62 years	58 years	60 years
Date of first appointment	03/07/2017	01/12/2011	07/05/2019	07/05/2019
Date of Birth	02/06/1963	25/04/1957	14/06/1961	19/11/1958
Qualifications	BSc. Applied Science, MCA	B.E. Hons, MBA	MBA from the Indian Institute of Management, Ahmedabad	Post Graduate Diploma in Management from IIM, Ahmedabad, PGD in Software Technology National Center for Software Technology, B.A. (Hons.) in Economics
Expertise in specific functional areas	Wide experience in information technology and overall business management	Overall business management including functional expertise in Sales, Marketing and Corporate Management	Expertise in Sales and Marketing	Banking, insurance and Financial Services.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	• Tata Consultancy Services Limited • Tata Steel Limited • Tata Motors Limited • The Indian Hotels Company Limited • The Tata Power Company Limited	• NourishCo Beverages Limited • TRIL Constructions Limited	• Pidilite Industries Limited	• Ambuja Cements Limited • Dr. Reddy's Laboratories Limited
Memberships / Chairmanships of committees of other companies (includes only Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee)	**Nomination & Remuneration Committee** • Tata Sons Private Limited - Member • Tata Consultancy Services Limited - Member • Tata Steel Limited - Member • Tata Motors Limited - Member • The Indian Hotels Company Limited - Member • The Tata Power Company Limited – Member **Corporate Social Responsibility Committee** • Tata Sons Private Limited - Chairman • Tata Consultancy Services Limited – Chairman	**Nomination & Remuneration Committee** • NourishCo Beverages Limited – Member • TRIL Constructions Limited - Member • Tata Starbucks Private Limited – Member **Corporate Social Responsibility Committee** • Tata Starbucks Private Limited – Member	-	**Audit Committee** • Ambuja Cements Limited – Member • Dr. Reddy's Laboratories Limited – Member **Risk Management Committee** • Dr. Reddy's Laboratories Limited – Member
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil	50,000

Note: *Mr. N. Chandrasekaran retires by rotation and being eligible offers himself for re-appointment.

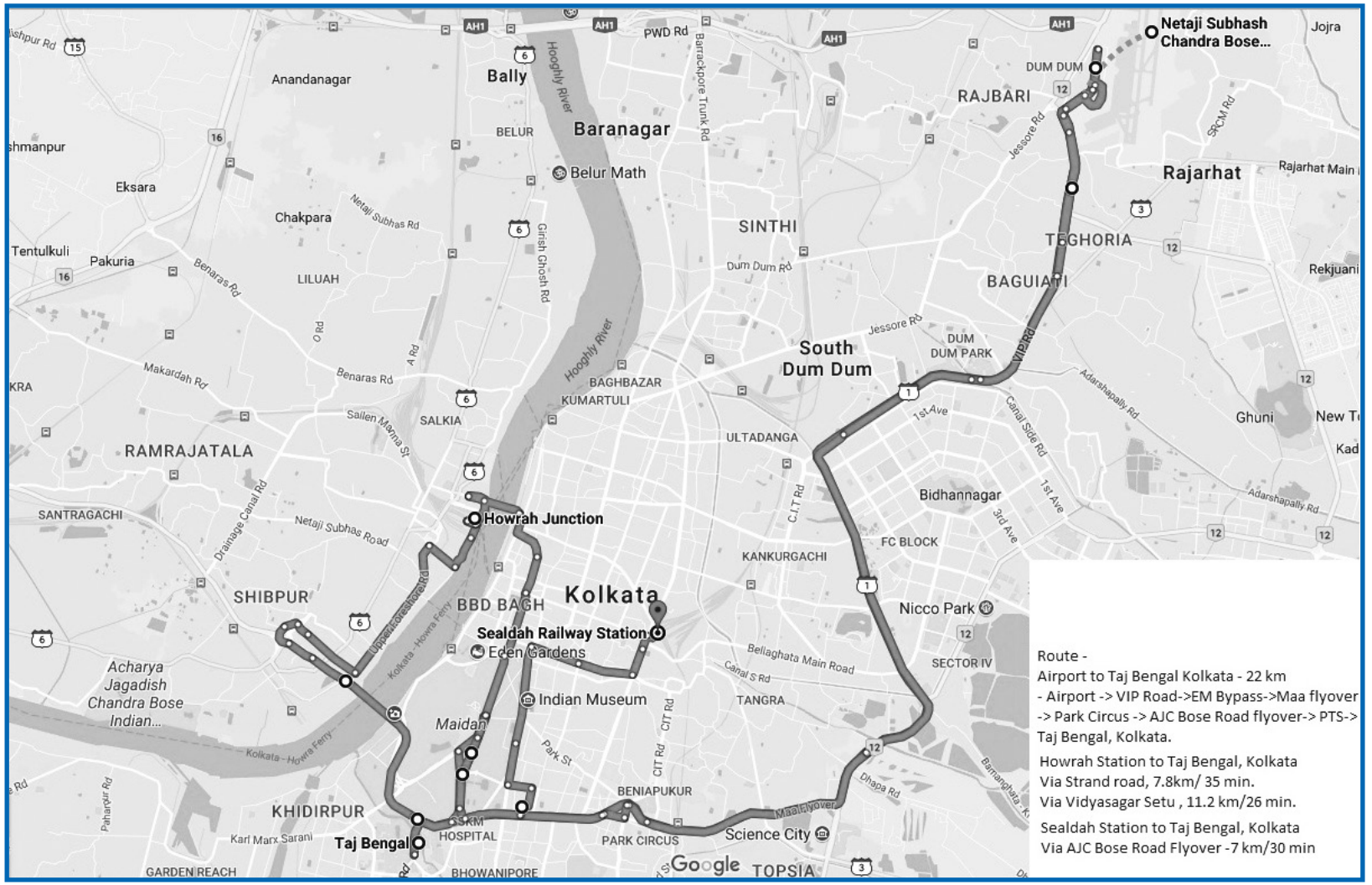
For other details such as number of meetings of the Board attended during FY 2018-19 and remuneration drawn in respect of Mr. N. Chandrasekaran and Mr. Ajoy Misra, please refer to the Corporate Governance Report which is a part of this Annual Report.

As Mr. Bharat Puri and Mrs. Shikha Sharma are appointed as Directors w.e.f May 7 2019 hence details such as number of meetings of the Board attended during FY 2018-19 and remuneration drawn is not applicable for them.

The disclosure pertaining to the number of shares held by Non-executive Directors is inclusive of their shareholding in the Company and also inclusive of shareholding held on beneficial basis for any other persons in the Company.

ROUTE MAP TO THE AGM VENUE

Venue : Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata - 700 027



Land Mark : Near Alipur Zoological Garden (Calcutta Zoo) and National Library.

TATA GLOBAL BEVERAGES LIMITED

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020
Corporate Identity Number (CIN) - L15491WB1962PLC031425
E-mail id - investor.relations@tgbl.com Website address – www.tataglobalbeverages.com

ATTENDENCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 56th Annual General Meeting on Tuesday, 11th June, 2019 at 10.30 a.m. at The Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027.

Folio No. ..... DP ID No ..... Client ID No. .....

Name of the Member ..... Signature .....

Name of the Proxyholder..... Signature .....

1. Only member / proxyholder can attend the meeting
2. Member / Proxyholder should bring his / her copy of the annual report for reference at the meeting

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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered Address : .....

Email Id : .....

Folio No. / DP ID No. / Client ID No. : .....

I/We, being the member(s) of Tata Global Beverages Limited holding ..... shares, hereby appoint

1. Name ..... E-mail id: .....
   Address: .....
   ..... Signature: .....
   Or failing him/her
2. Name ..... E-mail id: .....
   Address: .....
   ..... Signature: .....
   Or failing him/her
3. Name ..... E-mail id: .....
   Address: .....
   ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us, and on my /our behalf at the Fifty Sixth Annual General Meeting of the Company to be held on Tuesday, 11th June, 2019 at 10.30 a.m. at The Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700027 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2019, together with the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2019, together with the report of the Auditors thereon.
3. To declare a dividend.
4. Re-appointment of Mr. N. Chandrasekaran as Director.
5. Remuneration of Cost Auditors.
6. Re-appointment of Mr. Ajoy Kumar Misra (DIN 00050557) as Managing Director and Chief Executive Officer (MD&CEO) and payment of remuneration
7. Appointment of Mr. Bharat Puri (DIN 02173566) as an Independent Director
8. Appointment of Mrs. Shikha Sharma (DIN 00043265) as an Independent Director

Affix Revenue Stamp

Signed this _____day of _____2019

Signature of shareholder _____ Signature of proxyholder(s) _____

Notes:
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1, Bishop Lefroy Road, Kolkata 700 020, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios may use copies of this Attendance slip/ Proxy.

Notes

Notes

55TH ANNUAL GENERAL MEETING OF TATA GLOBAL BEVERAGES

TATA

TATA GLOBAL BEVERAGES

Tata Global Beverages Limited

1, Bishop Lefroy Road, Kolkata - 700 020
www.tataglobalbeverages.com

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