



SEC/AGM 2016

The Secretary  
Calcutta Stock Exchange Asscn. Ltd.  
7 Lyons Range  
**Kolkata 700 001**  
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**Scrip Code – 10000027 (Demat)**  
**27 (Physical)**

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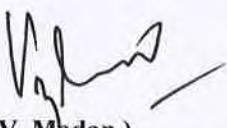
September 6, 2016

Dear Sirs,

**Annual Report 2015-16**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching copy of our Annual Report for the financial year 2015-2016.

Yours faithfully,  
For **Tata Global Beverages Limited**

  
(V. Madan)  
Vice President & Company Secretary



**Encl.: as above**

Cc : National Securities Depository Ltd.  
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ANNUAL REPORT  
2015 16

# Connect with every sip

**TATA** GLOBAL BEVERAGES



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# connect WITH every sip

Consumers are the centre of a business' existence. They support us, challenge us and inspire us to go the extra mile. Our beverage offerings and our business have consumer centricity embedded in them, we believe this is essential for business success. The theme of this year's annual report 'Connect with every sip' is an exploration of how Tata Global Beverages (TGB) pursues consumer centricity in everything we do. Building a connect with consumers is a way of life for us. It is this connect that helps us build iconic brands, new routes to market and innovative beverage offerings.

At TGB, we believe consumer centricity has to be part of the way the

organisation operates rather than being confined to just products or marketing campaigns. It starts right from the way we source our products to the way we craft our blends, respond to consumer queries, leverage Consumer Insights to innovate, decide on the best route to market and communicate our brand offerings. Within the pages of this report, you will find examples of our efforts in these areas.

We take pride in the fact that over 300 million servings of our brands are consumed everyday across the globe. With the ability to touch the lives of many comes a sense of responsibility. TGB upholds the Tata Group's promise on consumer centricity:

- **DEVELOP** a deep understanding of the unique needs of our customers.
- **DELIVER** pioneering products and services of outstanding quality and value.
- **DELIGHT** our customers with great experiences at every touchpoint.

The beverage landscape in tea, coffee and water is evolving faster than ever before. This has its roots in consumer trends such as premiumisation, health

& wellness and convenience. Keeping pace with evolving consumer tastes across various geographies is both an opportunity and a challenge. It gives us the inspiration to constantly push our boundaries and reimagine the way we create and market our products.

At TGB, we believe tea, coffee and water are beverages which can sprinkle subtle magic on your day. But they can do that only if our brands are in tune with consumer needs. Whether it is infusing tea with vitamins to meet consumers' health & wellness needs, breaking barriers between consumers and farmers through our Farmers First Hand digital initiative, developing premium blends to deliver enhanced beverage experiences or delighting consumers with unique marketing campaigns - the common thread running through all these efforts is building a connect with the consumer.

We hope you enjoy reading this report along with a cup of your favourite beverage.

*We aim to connect with every sip!*



# TGB at a Glance

Tata Global Beverages (TGB) is a natural beverages business with a heritage of innovation and development and an aim to be the most admired brand in the world. Our focus is to expand our global footprint by entering new markets and strengthening our brand portfolio in Tea, Coffee and Water.

## Financial highlights 2015-16

**Rs. 8111 CR**

Consolidated Revenue from Operations

**Rs. 675 CR**

EBITDA

**Rs. 5.16**

Earnings per Share



**3000+**

Employees worldwide

**2<sup>nd</sup>**

Largest player in  
branded tea in  
the world

**60%+**

of consolidated  
revenue from markets  
outside India

**40+**

Countries with  
significant brand  
presence

# Geographic Distribution



## Brand portfolio



### Tata Tea brands

**National:** Tata Tea Premium, Tata Tea Gold, Tata Tea Life and Tata Tea Agni  
**Regional:** Tata Tea Chakra Gold, Tata Tea Kannan Devan and Tata Tea Gemini

# Vision, Purpose and Values



## VISION

To be the most admired natural beverages company in the world by making a big and lasting difference in **Tea, Coffee and Water.**

## PURPOSE

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

## VALUES

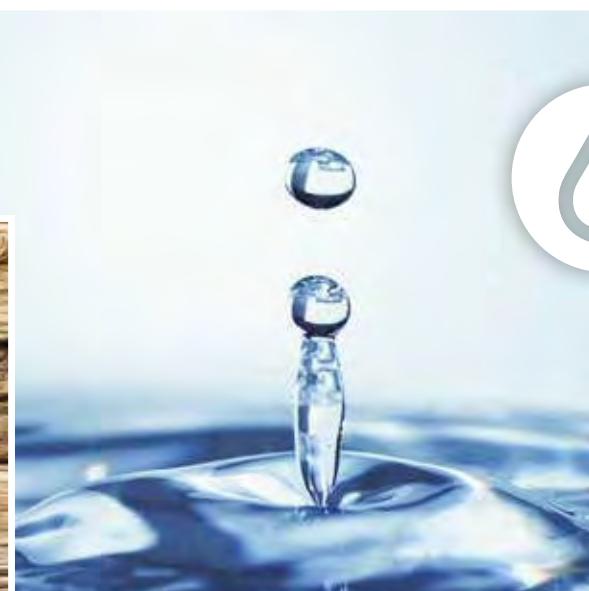


We recognise that agility is key to driving growth. We have a bias for action, seizing opportunities and responding to challenges proactively. We are committed to building an agile and responsive organisation, supported by equally nimble processes. With detailed action plans, timelines and measures we are focused on delivery.



Our goal is to evolve brilliant products and services that meet future consumer needs. We recognise that this requires a spirit of innovation and stretch, and a mindset that keeps consumers at the centre. We will continuously challenge status quo and seek alternative solutions, pursuing both global 'new growth' and strong 'local' innovations with equal zeal.





Our brands aren't just products; they are promises we keep and experiences we deliver. With a structured approach we seek to develop valuable insights about what our consumers need – today, tomorrow and years later. For us, quality is foremost; we will not tolerate quality that falls short of promises and expectation. We are committed to building a strong 'consumer first' mindset, supported by rigorous consumer metrics. We will engage with our customers and build mutually beneficial business relationships.



We recognise that our ambitious goals can be realised only through cohesive teamwork. We encourage collaboration and gain commitment by involving the team in decision-making by creating excitement around common goals. With an open mind, we are willing to change our ideas or perceptions based on new information or contrary evidence.



We do the right thing for the environment and community around us, while inspiring and empowering others to do the same. We are fair and ethical with all our stakeholders. It is important for us to provide an approachable and caring work environment and a physical workplace that is safe, healthy and clean.

# Managing Director & CEO's Message



**“We take pride in the fact that over 300 million servings of our brands are consumed everyday across the world.”**

**Ajoy Misra**  
Managing Director & CEO

Dear Shareholders,

The year saw Tata Global Beverages initiating key product launches, strong marketing campaigns and category expansion, in a challenging market environment marked by macroeconomic volatility, high competitive intensity and sluggish category growth in some markets. Your Company is meeting these challenges through strengthening its core businesses, innovating for growth and tapping white spaces in the market. In order to ensure execution of our business plans, we will also focus on improving distribution reach and cost efficiency. Our profit after tax increased significantly, however profit from operations saw a decline due to commodity price increases, higher investment in brand building, promotional intensity and category decline in some developed markets. The fundamentals of the business remain strong with robust brands, extensive distribution networks, a healthy innovation pipeline and effective monitoring of cost efficiency. We see significant headroom for growth in many

of the markets we operate in and we are well positioned to leverage this with our strong brands and a heritage of expertise in natural beverages.

Meeting challenges in the market, strengthening the business and ensuring long-term sustainable growth requires us to be keenly aware of our consumers' needs and changing trends across the world which are impacting lifestyles and beverage consumption patterns. We do this through embedding this focus across our business and making sure we are consumer centric in whatever we do.

## Connect with every sip

Our theme for this year's annual report showcases the various ways through which your Company connects with consumers. We take pride in the fact that over 300 million servings of our brands are consumed everyday across the world. This means we have immense opportunity to build a connect with every sip. Consumer centricity is not new to Tata Global Beverages. In India, many years ago we launched tea in poly

packs at a time when no other brand did so, and created a revolution in the way tea was packaged and sold. Since then, your Company has evolved to become a branded beverages company, it has expanded its global presence, launched innovative products, expanded into the coffee and water business. But it has never lost sight of what lies at the core of it all - understanding the consumer. This, we believe is an intrinsic part of who we are and as we keep pace with fast moving trends and market developments, it will continue to be key to achieving our goals.

## Leveraging the health & wellness trend

Over the last year, Tata Global Beverages has focused on leveraging the health & wellness trend across its markets. We see this trend manifest in different ways and at different stages in our markets, so our product offerings are customised accordingly. We continue to maintain a strong focus on our green tea portfolio. This is especially relevant given that we're seeing the black tea category de-growing in some developed markets while green,

fruit & herbal and specialty teas are showing strong growth. Tetley Super Green Tea, launched in UK, has vitamins blended with the tea and is the UK's first functional green tea. Encouraged by the excellent consumer response to Tetley Super Green Tea, we also launched a range of Tetley Super fruit teas. Intriguing "a'vour combinations and benefits relevant to the younger consumer were also made available. In the water segment, Tata Gluco Plus which is being marketed by NourishCo (a Joint Venture between Tata Global Beverages and PepsiCo) has performed very well during the year clocking a volume growth rate of 84%. The energy benefit the brand promises and its revamped communication has found favour with consumers and resulted in strong growth for the brand.

### Innovating to stay ahead

Across markets, we've seen a clear emphasis on innovation based on strong Consumer Insights. In India, we entered the branded instant coffee segment with the launch of Tata Coffee Grand, which innovates both in terms of the blend as well as in its packaging and communication. We also launched a Tata Tea blend in India specifically customised for the Maharashtra market. This market was a white space for us and the launch enabled us to strengthen our presence there. Rural India is a challenge and an opportunity for beverage brands. With 'Gaon Chalo', our rural distribution initiative we wanted to not just reach out to these markets, but do so in an innovative way that provided livelihood opportunities for people there. The Gaon Chalo model has proven very effective and currently covers over 74,000 villages across 19 states.

Eight O'Clock coffee in the US developed a specially crafted instant coffee blend for one of the largest retailers in that market. The brand has also adopted innovative ways of connecting with consumers such as inviting consumers to explore the "a'vours of Eight O'Clock coffee through coffee thins - a tasty treat made of Eight O'Clock coffee beans.

Premiumisation is a key trend we're seeing in the beverages category with consumers seeking more indulgent beverage experiences. In response to this we've crafted a number of our offerings to cater to this need such as our super premium brand Teapigs in the UK. Teapigs offers innovative "a'vour combinations such as chilli chai and chocolate & mint tea.

### Riding the digital wave

The digital medium is changing the way consumers interact with brands. Most of our brand launches during the year integrated digital communication into their marketing plans in order to create a stronger consumer connect. Whether it was Tata Coffee Grand using virtual reality to take consumers on a tour of the plantations, Himalayan mineral water inviting consumers to 'Live Natural', Tetley in Canada using a YouTube series to generate awareness and engagement around its specialty teas or the Tetley Farmers First Hand initiative which broke communication barriers between consumers and the farmers who grow their tea - innovative digital initiatives were a key focus area.

### Connecting through sustainability

In all we do, sustainability continues to play a vital role. We focus on sustainability through our five pillars: Sustainable Sourcing, Climate Change, Water Management, Waste Management and Community Development. We live in a world where consumers are increasingly aware and interested in the way the products they buy are grown or made. So, integrating sustainability with our business also contributes to being consumer centric. Over the last year, we made good progress in Project S-PPF (Sustainable Plant Protection Formulation), an initiative to develop ecological solutions for plant protection in tea. We continue to stay actively involved with the trustee initiative in India and with the Ethical Tea Partnership and play a key role in these initiatives. We also commissioned a Climate Change report during the year on the

# 74,000

villages across 19 states are currently covered by The Gaon Chalo model

impact of climate change in the tea growing regions of Assam. We believe this initiative will help us contribute to a sustainable and progressive future for the tea industry that also creates a positive societal impact.

In conclusion, I would like to express my appreciation and gratitude for the support we have always received from all our stakeholders. I trust that as you read through the pages of this Annual Report, you will obtain a clear view of the many ways in which we uphold consumer centricity to strengthen and grow our business. The consumer centricity principle is one of our core values and we believe in embedding it throughout our business.

With warm wishes,

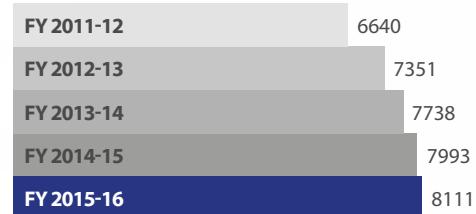
**Ajoy Misra**

Managing Director & CEO

# Performance Highlights (Consolidated)



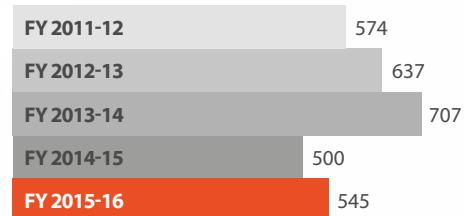
## Revenues from Operations (Rs. cr)



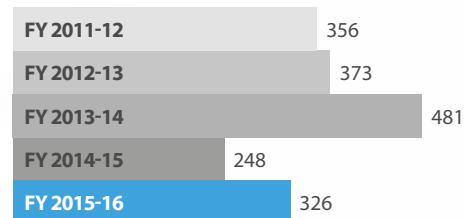
## EBITDA (Rs. cr)



## Profit Before Tax (Rs. cr)

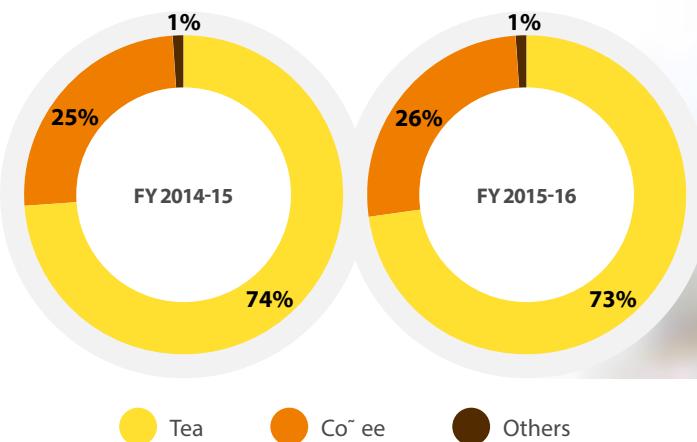
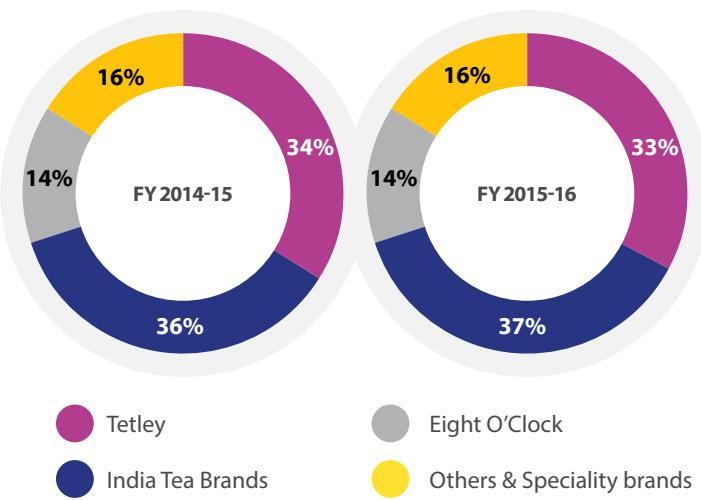


## Group Net Profit (Rs. cr)



**Earnings per share (EPS) (Rs.)**

FY 2011-12	5.76
FY 2012-13	6.03
FY 2013-14	7.77
FY 2014-15	3.93
<b>FY 2015-16</b>	<b>5.16</b>

**Segmental Revenue (%)****Brand Wise Sales (%)**

# Strategic Priorities

TGB is the 2<sup>nd</sup> largest tea company in the world, and we aim to become the global leader in branded natural beverages.

We aspire to grow our business by focusing on innovation that is enhancing the way consumers enjoy beverages, by growing our brands and investing in new and exciting opportunities to expand our business.

We are building a global business, with 60% of the consolidated

revenues coming from markets outside India. Our strategy focuses on product innovation, building global brands, strengthening our core markets and achieving success in new channels and markets, coupled with greater efficiency.

We are focused on building unique competencies, differentiated offerings, appealing brands, and significant scale in the three natural beverage categories of tea, coffee and water.

**Our strategy is built around 4 key pillars:**

**Base Business Rejuvenation**

**Invest for Growth**

**Drive Innovation Agenda**

**Organisational Effectiveness**



## Base Business Rejuvenation:

TGB is home to iconic brands across the globe. As part of our strategy, we will continue to invest significantly to build our power brands in our 3 core categories - tea, coffee and water.

We are committed to delivering profitable growth in our core businesses. A clear set of actions will drive this:

- Focus on brand building, premiumisation and enhancing distribution reach**

Our brands are what differentiate us in the marketplace. So, we will continuously engage with the end consumer through our brands.

Premiumisation is one of the most prominent trends in the beverage category. We will leverage this trend by increasing the number of super-premium and premium brands in our portfolio. Distribution reach remains critical to our business, we will focus on further enhancing reach through deepening existing channels and building new ones.

- Grow non-black tea segments - green, fruit & herbal**

The green, fruit and herbal tea segments are experiencing exponential growth. With multiple variants of green tea and fruit and herbal tea, in our portfolio, TGB is leveraging this trend.

- Develop alternate channels**

Consumers are increasingly shopping for even their basic supplies online, and e-commerce has emerged as one of the most important trade channels across developed and emerging markets. At TGB, we recognise the importance of this changing consumption pattern. Therefore, across many markets we are working to build a strong presence in this channel.





## Invest for Growth

- Continue to invest in JVs**  
At TGB, we have partnered with some of the biggest players in the beverages category to deliver products and innovations that delight our consumers. Our strong alliances and partnerships complement our vision of making a lasting difference in tea, coffee and water. We will continue to drive growth momentum through our JVs in India - Tata Starbucks (a JV between TGB and Starbucks Coffee Company) and NourishCo (a JV between TGB and PepsiCo)
- Accelerate expansion of our super-premium brand Teapigs into new markets**  
Teapigs, our much loved super-premium brand of tea from the UK, now retails in Australia, USA and Canada. We will focus on expanding Teapigs' presence across more markets.
- Scale up businesses in evolving markets**  
We are committed to pursuing growth opportunities in new and evolving markets with potential. From exploring the vast tea-drinking markets in the Middle East, to building our strength in different categories across markets, we are continuously evaluating new and exciting options for growth.



## Drive Innovation Agenda

- Bolster R&D pipeline and launch new product lines with a focus on premiumisation, health & wellness and convenience (new formats)**  
We are challenging and changing the way consumers think about our beverages and how they enjoy them. Our growth will be driven by new products crafted to deliver on consumer needs.  
  
Premiumisation, health and convenience are key trends for our industry. Consumers want quality products that resonate with their goal to 'live better' in keeping with their preferred lifestyle choices. From single estate teas and coffees, to fruit flavoured and infused teas, coffee, functional water, and new formats of delivery we are committed to delivering enhanced beverage experiences to delight our consumers.
- Strengthen innovation and new product development processes**  
Sharp, well defined processes are required for us to innovate quickly, continuously and effectively. We are continuously reviewing, improving and streamlining our innovation and NPD processes to help deliver and our strategy.



## Organisational Effectiveness

- Reinforce organisational capabilities**  
At TGB, our success is driven by passionate people. We are committed to creating a high-performance culture with high levels of engagement. Our goal is an organisation that is diverse, inclusive and global like the communities we serve. With ambitious goals, a unique culture and focused 'talent' strategy, we are making TGB 'the place to be'.
- Actively manage commodity costs - strategic buying and blending optimisation**  
A well-thought strategy needs the support of robust internal processes to succeed. We continuously refine our supply chain to ensure that we are connected, agile, cost conscious and sustainable. Best-in-class commercial processes and buying strategies are critical for us to be competitive in the market and are therefore an important part of our strategic focus.
- Cost management**  
Our global ambitions need to be underlined by a cost conscious mindset. We continue to look for opportunities to optimise costs while maintaining the quality of our products and services.

Our strategy is designed to deliver long-term financial performance and sustained shareholder value. We are committed to growing our revenues while improving profitability and optimising return on investment.

# Consumer Insights

## What does it mean to be consumer centric?

The first step to being truly consumer centric is a deep and insightful understanding of consumer needs. At TGB, the Consumer Insights team leads this mandate, interacting with thousands of consumers across the globe annually and helping functions across TGB leverage the power of Consumer Insights.

How do you attract the consumers of tomorrow with new products? Will your new advertising campaign convince consumers to buy your products? How will you set your product apart in the cluttered retail environment? Will consumers notice your packaging on the shelves? These are questions the business faces daily and can only be answered by our consumers. How do we ensure that the consumer is represented at the table?

At TGB, we do this by bringing the focus back to consumer centricity. At TGB the value of consumer centricity is based on two pillars:

1. The Tata Group's Consumer Promise - the 3 D's which help us answer relevant questions and deliver the right products
2. Cultivating and embedding a consumer first mindset, across the business.

### The 3D's

We use the 3D's – Develop, Deliver and Delight – to generate insights and answer business questions:

- We start by developing a deep understanding of the unique needs of our consumer. Annually, the Consumer Insights and marketing teams, speak to over 100,000 customers through multiple media such as digital, telephone, face-to-face etc. The team

uses cutting edge technology like Neuro-focus (that measures brain activity) and eye tracking to glean insights. This enables them to get a keen understanding of the consumer's needs. For example, to attract the consumers of tomorrow, the Eight O'Clock coffee brand realised that consumers had an affinity towards the popular US sitcom F.R.I.E.N.D.S. Building on this insight, we crafted a consumer experience that brought together fans of this star studded sitcom over Eight O'Clock coffee. Over a million consumers were exposed to this initiative through social media, PR and a pop-up store.

- The Consumer Insights team works with teams across the organisation to help deliver pioneering products of outstanding value and quality. For example, our successful super tea project is built on two facts (1) over 50% of consumers in the UK take some form of vitamins and (2) tea is perceived as a healthy beverage. Marrying these two facts together enabled the team to build a powerful insight that subsequently led to the very successful super tea range. These teas have been launched in the UK and won the prestigious 'Product of the Year' award.
- In today's ultra-competitive world, our goal as an organisation is to go beyond delivering excellent beverages to delighting consumers at every touchpoint. While developing the new packaging for Tetley, the team discovered that consumers across the world perceived tea to be subtly magical. A cup of tea on a busy day can help one feel refreshed and relaxed. Add friends and conversations to the equation and you are connecting over a freshly brewed cup of tea. We used this insight to design the new Tetley packaging. The new

Tetley logo unit has been re-cast in the form of a smile, conveying just what the brand hopes to achieve - deliver smiles and moments of warmth. We hope this will delight consumers from the time they grab the product off the shelf to that magical moment when they have their first sip.

## Embedding a consumer first mindset

The next step in our journey is ensuring that everyone within the organisation wears the consumer's hat. That we adopt a consumer first mindset, not just within the marketing team, but across the organisation. To enable this, we are doing some things differently:

- Partnering with senior leadership to ensure that consumer centricity is one of the five core values at TGB. Core values are the soul of the business, the guiding principles through which we operate.
- Leveraging our Business Excellence Model (TBEM) to embed and evaluate our consumer centricity initiatives within TGB.
- Creating a Global Insights function that manages research across all key markets. These global champions help functions across TGB collect, analyse and interpret consumer data across multiple touchpoints.

"Truly understanding our consumers, their wants and aspirations, their challenges and needs, will define our action plan as a business and our trajectory of success. Consumer centricity is critical to TGB's growth ambitions and embedding this across the organisation is essential," says Mr. Garth Viegas, Director, Consumer Insights, TGB.

# Develop

**As we set out to achieve our ambitious plans of being the most admired natural beverages company, one thing is quite clear – our consumers will determine how successfully we undertake that journey.**

Developing a deep understanding of the unique needs of the consumer is really the first step towards serving them well. At TGB, consumer centricity means looking at a need or want through the lens of the consumer rather than the producer. It's about understanding what problems consumers face in their lives and then providing mutually advantageous solutions.

Take for instance Tata Coffee Grand, our foray into the branded instant coffee

segment. With Tata Coffee Grand we developed the country's first blend of freeze dried and agglomerated coffee, for a 'best-in-class' taste experience for the Indian consumer. While in Canada, we introduced the string and tag/ drawstring tea bag with Tetley Signature Collection. This allowed consumers to squeeze out the last drop of flavour, without creating a mess – a key need expressed by consumers.

With the Tata Tea Chakra Gold Hot Tea Shop pack, we invited customers into the process of creating a blend which would best suit their needs.

Developing a clear understanding of the diverse needs of our many consumers across the globe ensures that we are focused on giving them what they want.



# Making the Perfect Cup of Chai

**Small chai shops with regular consumers crowding around, for their cup of hot tea, is a common sight in most Indian towns, cities and even villages. Spiced with ginger and cardamom, this strong cup of tea is an integral part of the daily routine for many in India's tea-drinking culture. It is not surprising then that out-of-home tea consumption accounts for almost 30% volume of the tea category.**



## 30%

HTS segment accounts for 30% of Chakra Gold's total sales

For the country's leading tea brand, Tata Tea, servicing the Hot Tea Shops (HTS) segment is important and Tata Tea Chakra Gold caters to many HTS consumers, with this segment accounting for 30% of Chakra Gold's total sales.

### Mastering the art

The HTS customer is the most discerning of tea drinkers. HTS prepare multiple batches of tea per day as compared to household consumers.

Brewing tea here is an art. Unlike the regular boiling method where all constituents are boiled together, in an HTS the water is first boiled and a decoction prepared with it. Then milk is poured in the glass with added decoction and sugar to release the required colour, aroma and aftertaste i.e. bite and strength.

The glass is then topped off with a swirl of decoction, along the rim of the glass that will flow down the sides giving it an almost two-layered look.

A typical HTS outlet prepares 700 cups per day with an average of 8-15 cups per batch. Hence, it is imperative for the blend to deliver on its promise of consistent blend quality.

### Putting the consumer first

Understanding the exact needs of this consumer segment is therefore critical. To better gauge this segment, multiple consumer connects were made by cross-functional teams consisting of the brand manager, sales manager, quality manager and the blender to understand the key requirements, drivers of preference and reasons for brand loyalty.

Invaluable Consumer Insights were gained in these interactions and the blender translated the consumer speak to product quality using our internal tea tasting language 'Uhuru' to capture all deliverables of the blend, in detail.

Our learnings revealed that key consumer needs of the HTS outlets were consistency, colour of the brew, strength,

aftertaste and running colour. Using the above insights, our blending team crafted multiple blends using the best Assam teas. These blends were tested across markets to identify the preferred blend.

No blend is perfect till your consumer says so! In a break from tradition, we invited HTS Masters / customers to our tea tasting room in Bengaluru to

prepare tea on their own in a controlled environment and provide feedback on these blends. The preferred blend was further optimised, using our tea blending expertise based on cues received to create a "wow" experience and achieve consumer delight. The blend was tested extensively across major outlets / markets and validated by the consumer, before we finalised and formulated the fixed recipe.

### A brew with a difference

Tea leaf quality and taste change across seasons due to variations in weather. To deliver a consistent blend across the year, our master blenders usually optimise the recipe by varying composition. For the first time, we arrived at a fixed recipe for the HTS consumer - year round even if it meant increased investment.

Happy consumers are good for business. The results speak for themselves. The Q1 2016 volume of the Chakra Gold HTS packs have grown by 8%. A six-month loyalty programme has been kicked-off to on-board 1000 new outlets. In less than two months we were able to recruit 245 outlets, helping us fulfil our quest of keeping the consumer happy!



### Consumer Speak

"For us what matters is the number of cups I can make with your tea. Even a small variation in the quality of tea leaf impacts this. This new blend is able to meet our expectation and we are confident Tata Tea will give us consistent quality."

Arumugam S, HTS owner, Madurai.



# A Brew to Remember

**Say instant coffee in a tea-drinking nation like India and only a couple of well-established brands pop into your mind. This year, one of the big initiatives for us was to disrupt the instant coffee market with a new and premium product that brings both experience and expertise to the table. TGB collaborated with Tata Coffee and made its foray into the branded instant coffee segment with the launch of Tata Coffee Grand in November 2015.**

**Tata Coffee Grand has been crafted specially keeping in mind the evolving tastes of a growing breed of coffee consumers who seek the café culture coffee experience at home.**



## Timing it right

The phenomenal growth of coffee cafés across India was indication that the time was just right to launch a premium product in the instant coffee category. With Tata Coffee Grand, TGB has set the ball rolling to drive premium coffee consumption in Indian households.

Tata Coffee Grand's distinct feature of 'sourced primarily from the plantation' is a concept which is unique and critical to the coffee segment in India. With this, we promise our consumers a delightful concoction of freshness and quality - a big differentiation in the current market scenario.

The product has been crafted, keeping the Indian coffee consumer in mind. Tata Coffee Grand offers an innovative and differentiated blend of the finest coffee powder and decoction crystals i.e. agglomerated and freeze dried coffee, for a 'best-in-class' taste experience.

## Breaking new ground

A gradual shift in consumption from traditional roast and ground (R&G) coffee to the instant version, led us to develop an instant coffee blend. Even in the South Indian markets, where the slow drip of R&G coffee through a steel filter is considered to be the only 'real' coffee, instant coffee is breaking new ground. The trend now leans towards the convenience and modernity offered by instant coffee and is sustained by an increase in household incomes. The instant coffee market accounts for Rs.1300 cr of the total packaged coffee market worth Rs. 2500 cr. With double digit\* annual growth, there is enough room for new players to enter the instant coffee landscape.

\*Source: Instant Coffee, value growth MAT March '16 as per AC Nielsen.

In India, TGB is a market leader in tea, in terms of volume and value, since 2008 and want to replicate this success in our coffee portfolio too. Our expertise and partnership with Tata Coffee, the provider of blends to some of the leading brands globally - Tata Starbucks stores in India, Eight O'Clock in the US and Grand Coffee in Russia - we believe will help us reach this goal very soon.

The instant coffee market is a competitive and challenging one which requires a strong focus on the overall brand experience presented to the consumer, in addition to a blend which perfectly balances all the product attributes.

## So how did we stand out in this competitive market?

Our approach to this challenge is succinctly put by Mr. Sushant Dash, Regional President, India, at TGB - "We need to stand out and do things differently. We need to use lesser resources to get better results."

This thought translates into Tata Coffee Grand's marketing mix which is both different and disruptive. "Besides the unique experience that we offer through Tata Coffee Grand taste, the packaging of our product breaks all category codes,"

says Mr. Dash. Instead of brown, green and red, Grand's blue packaging is clutter breaking and has images which clearly convey that the produce is fresh from the plantation.

This approach has been extended to the advertising and brand communication too. The ad has at its centre a hip, South Indian granny dressed in rapper style hip-hop gear, rapping a song that tells consumers what it takes to make truly good coffee. The protagonist granny is anything but traditional. She has swag, an opinion on the latest happenings and is a tad mischievous. An active member of the Twitteratti she raps a viewpoint on everything; from the Oscars to the budget and any other topical issues. The granny's rap is wooing consumers with her wisdom and new-age style.

### Hitting the mark

Tata Coffee Grand is targeted at the young and young at heart, who are always curious about the latest in the food and beverages category. While this group of consumers want something premium and different, it wouldn't be an easy shift for them to break-away from what they were originally consuming until there is enough incentive i.e. the new offering has to be superior. "You have to find the need gap which can be used to your unique advantage to build the product. Hence, TGB aims



## DOUBLE DIGIT GROWTH

With double digit\* annual growth, there is enough room for new players to enter the coffee landscape

**Rs. 1,300 cr**

The Instant Coffee market accounts for Rs. 1300 cr of the total packet coffee market worth Rs. 2500 cr

### Creating a unique blend at Tata Coffee

#### Challenge

"For any company, one of the biggest challenges is to discover the need gap in consumer demand and fill it with a disruptive product. For us, an impending challenge was to provide customised blends to our prospective consumers. For instance, in South India, people prefer their coffee with chicory. In the North, however, people don't want their coffee to be bitter. In order to overcome such challenges, we try to find gaps in taste through research and analysis.

#### Solution

An established market research firm, helped us to assess the potential of such a product. Identifying the right blend for the target consumer took a lot of effort and time. Our experts created 29 different blends for testing and selected one unique blend after doing a systematic study on consumer behaviour. The challenge that followed was to manufacture the product with consistent quality and to control operational efficiencies while manufacturing and blending the constituents."

- Mr. T Radhakrishnan, Executive Operations, Tata Coffee.

to offer consumers what they haven't experienced yet," adds Mr. Dash.

Another interesting launch initiative was to sell the product on Amazon India as an exclusive offer for two weeks before it hit retail shelves. The result - Tata Coffee Grand entered the best sellers list. Consumer feedback was very positive and gave us the confidence to journey on.

Where to launch a product is as critical as when to launch it. South India is a mature market for coffee, and TGB expects that 70-80% of volume sales will originate here.

#### Way forward

Our future plans include building a complete coffee portfolio after evaluating and adding other offerings. We also plan to commence a series of ground-level activities in sampling and experiential marketing to promote Tata Coffee Grand.

Growing within a traditional market, combating established competitors, winning loyal consumers with new offerings - these challenges and more lie before us. But in daring and doing things differently while meeting unique consumer needs, we are ready to face these challenges.

# Drawing out Flavour and Fun

**Tea drinking is straightforward: steep and sip. But for an avid tea lover, a richly infused sip brings a smile to their day and the flavour of tea becomes key to the tea-drinking experience.**

**70%**

Contributed to 70% of Tetley specialty baseline growth

**Tetley**  
SINCE 1837

**SIGNATURE**  
COLLECTION

**2 MN**

The brand received over 2 million impressions from promotional ads that ran for this campaign from October to December 2015

The need to squeeze more "a vour from every tea bag, minus the mess was expressed by 52% of Canadian consumers who were interested in a tea bag with a string and tag. Consumers were also looking for more variety and taste. With 'premiumisation' seeing an upward trend, Tetley leveraged the opportunity to grow share of its specialty tea, increase penetration, and premiumise the brand with the all new Tetley Signature Collection.

## Shaking up the specialty space

This contemporary range of teas was created to reinforce Tetley's leadership position in specialty teas in Canada and to provide consumers with a string & tag/drawstring tea bag, which is what more than half of specialty tea consumers indicated was important.

The new drawstring tea bag takes the mess out of steeping with its innovative design and 3 simple steps which allows

consumers to squeeze out all the "a vour, drip-free. It also helps to maximise the "a vours from your tea bag with "a vours being squeezed into your tea cup and not left behind in your tea bag.

We recognised that the new tea bag innovation would require education on how to use it, as it is not intuitive. So, we created a tactical 'how to' video and placed it on our [Tetley.ca](#) homepage. A TV commercial as well demonstrated

## Spotted on social media

"Love these new teas!! Received a sample of 'Mint to Be' and loved it, bought all 4 flavours."

"The newly designed tea bags are a perfect solution to the problem and I just thought to let you know that I'm thankful. Also kudos to the design engineers who thought of this and came up with the idea."

the tea bag usage very clearly. In all of our consumer communication a strong visual of how to use the tea bag is consistently evident.

At TGB, listening to our consumers and developing products based on their needs is what drives us. Research showed that specialty tea drinkers enjoyed purchasing a variety of flavours and the current offering in the Canadian market needed a boost. So, our Master Tea Taster, Mr. Mark Donovan developed 4 fun and flavoursome signature blends to give consumers an eclectic mix of flavours with intriguing names to boot - 'Keep Calm and Sip On' (Camomile, Spearmint & Orange), 'Mint to Be' (Peppermint, Spearmint & Apple Mint), 'High Tea' (Black Tea with Vanilla) and 'Citrus Kiss' (Green Tea with Lemon & Grapefruit).

These popular flavours with a twist that infuse fun in every sip, have received great consumer response!

- Innovative drawstring tea bag (78% of consumers agree).
- Has exciting flavours (73% of consumers agree).
- Personality/fun flavours (74% of consumers agree).

(Source: Nielsen Bases Research, April 2014)

These results are supported by very encouraging consumer testimonials and a positive contribution to the growth of Tetley's baseline sales.

### Diving into digital

An exciting line of teas called for an exciting launch to garner visibility amongst consumers. But how do you increase awareness of a new technology in a category that hasn't changed in the last 100 years? And, how do you reach an audience that is using technology to block traditional messaging? Research found that millennial audiences want a brand to entertain them; and Tetley wanted to be seen as an innovative brand, not just for its new product innovation, but also in the way they engage with their audience.

Enter, Ms Labelled, Season 2 - a scripted series on YouTube and on a popular female-focused website Slice.ca. The series is set in the fast-paced world of a fashion magazine and select episodes were woven around the Signature Collection. The drawstring tea bags were cleverly integrated into the story line via a Drawstring Designer Challenge that required designers to create a piece of fashion using drawstrings.

Also, for the first time in broadcast history, the web series was integrated into television and played between 'Pitch



Perfect,' a prime time movie and TV show featured on the Slice network. The series also travelled onto social platforms and TGB Canada was able to leverage this content and drive awareness with great consumer receptivity.

- The brand received over 2 million impressions from promotional ads that ran for this campaign from October to December 2015.
- 25,000 unique posts were created leading to 40,000 interactions.
- In just 3 months, the show boasted almost 450,000 views on YouTube and reached over half a million people through television!

### The outcome

The numbers and consumer feedback speak for themselves:

- Contributed to 70% of Tetley specialty baseline growth.
- Achieved 1.2% Household Penetration (HHPEN), highest gain out of all specialty tea brands.
- Gained loyalty in the Tetley Herbal segment (from 24.6% - 27.0%).
- 90% of consumers liked the product after trying a sample.
- 84% would recommend the product to a friend.

# Deliver

**Delivering pioneering products of outstanding quality and value is the second step to being truly consumer centric. Having developed a good understanding of consumers' needs, our next task is to deliver to consumers exactly what they need. For our consumers to truly cherish our products, we have to offer outstanding quality and value. Quality is non-negotiable and value always on top of the consumer's mind.**

At TGB, our understanding of developing exactly what the consumer needs is wide-ranging and comprehensive. Across the world our consumers want the products they use to be sustainably sourced and produced. They want to ensure that the communities that produce

their daily cup of tea and coffee are fairly and justly treated. We understand this need, and support it wholeheartedly by partnering with established organisations like Ethical Tea Partnership, Rainforest Alliance, amongst others that are committed to conserving biodiversity and ensuring sustainable livelihoods.

We are also devoted to delivering products that meet growing consumer needs. Health and wellness has been a growing trend amongst our consumers. In response, we launched Tetley Super Teas, the first functional range of teas in the UK with approved health benefits. The teas are fortified with different vitamins and minerals to benefit heart health, immune system, energy levels and hair and skin.

Our endeavour to develop products of enduring quality and value also echo in our efforts with our JVs – NourishCo and Tata Starbucks.



# Building Sustainability into our Products

**Sustainable products are good for people, good for the planet and also good for business. Consumers today are increasingly aware and interested in the sustainability of the products they purchase. Has it been sourced, manufactured and packaged responsibly, is it a healthy product, is it eco-friendly? These are some of the questions that today's consumers ask. At TGB, we believe that integrating sustainability into our products and in the way we do business is the right thing to do.**

## 600+ FACTORIES

The Trustea programme in India is targeting 500 million kg of tea from 600+ factories



As a recent World Bank Report revealed, the world today is showing improvement on many developmental indicators, but a lot of work remains which is encapsulated in the global Sustainable Development Goals (SDGs) launched by the UN in 2015. TGB's sustainability initiatives align with many of the SDGs - sustainable production and consumption, providing productive employment, ensuring healthy lives, managing climate change and achieving gender equality. The global market no longer operates in silos, it is a networked structure, which means the way products are produced and consumed has implications across the world.

## Sourcing it right

It starts from the source. Sustainable sourcing forms a key part of TGB's strategy. In India, the Trustea initiative is a good example of this. TGB is one of the founding members of the Trustea initiative in India, a multi-stakeholder initiative led by the Tea Board of India, to sustainably transform the Indian tea industry. The 5-year programme targets 500 million kg of tea from 600+ factories, and hopes to have a positive impact on the livelihoods of 5,00,000 tea plantation workers and 40,000 smallholders.

## 50%+

Currently, more than 50% of Tetley tea worldwide is Rainforest Alliance Certified™

The Trustea initiative aims to protect the ecosystem while improving the quality of life for small tea growers and workers. This means that a Trustea certification for an estate certifies that production and manufacturing is being done according to sustainable principles.

Globally, TGB is a founding member of the Ethical Tea Partnership (ETP), a non-commercial partnership of tea companies committed to improving the lives of tea workers and their environment, to create a thriving tea industry that is socially just and environmentally sustainable.

TGB's collaboration with Rainforest Alliance is another big effort in sustainable sourcing. Rainforest Alliance is an international non-profit organisation that works to conserve biodiversity and ensure sustainable livelihoods. It enables us to tackle specific sustainability issues within the tea sector. We are committed to sourcing 100% of our black teas from Rainforest Alliance Certified™ farms for all our Tetley-branded teas in EMEA (Europe, the Middle East and Africa) and CAA (Canada, Australia and America) regions. Currently, more than 50% of Tetley tea worldwide is Rainforest Alliance Certified™.

Another TGB funded project focuses on training small tea growers in Assam, with the support of ETP and Tea Research Association. As small growers produce around 40% of the total green leaves in India, sound training is required for better production of quality tea. The programme aims to improve yield and quality with better crop management practices. Around 2000 small growers are being trained initially in a special 'cluster training programme' which will continue till later this year.

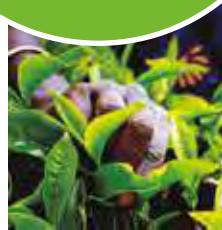
### Protecting the environment

Climate change is a reality and the categories we are present in – tea, coffee and water are all heavily influenced by climate change patterns. Our climate change strategy focuses on four key areas - sustainable agriculture, sustainable forestry, renewable energy and energy efficiency.

TGB featured again on the Climate Disclosure Leadership Index (CDLI) in India. We have earned our position on the index by disclosing high quality carbon emissions and energy data through Carbon Disclosure Project's (CDP's) climate change programme with a score of 99 out of 100. Today, we monitor our carbon footprint in more than 70 different sites in Asia, Africa, Europe, North America and Australia.

**70+**

Today, we monitor our carbon footprint in more than 70 different sites in Asia, Africa, Europe, North America and Australia



The CDLI was developed by CDP, a global sustainability organisation that reports on behalf of 722 investors representing \$87 trillion in assets. TGB is also listed on the S&P BSE Carbonex in India. It is a first-of-its-kind index that takes a strategic view of organisational commitment to climate change mitigation.

Recently, TGB commissioned a study on the impact of climate change in the tea growing regions of Assam. The report aims at identifying those areas that will continue to remain suitable for tea cultivation, those areas that will require adaptation and those that may become unsuitable and hence, may need to switch from tea to other crops.

TGB is also making good progress on Project S-PPF (Sustainable Plant Protection Formulations). This is an initiative between Tata Chemicals, Rallis, TGB and associate plantation companies KDHP in Munnar and APPL in Assam, to develop ecological solutions

for plant protection in tea. In a unique and fast-track collaborative effort, 20 multidisciplinary scientists from the Tata group have studied the biology and ecology of tea pests, identified alternative practices for their management, and conducted over 20 yield trials on Non-Pesticidal Management (NPM) of significant tea pests such as Tea Mosquito Bug (*Helopeltis Theivora*), Red Spider Mites, Thrips, Blister blight, Tea Looper Caterpillar and Termites. The Indian tea industry loses 15-30% of its crops due to pests, diseases and weeds.

The multi-locational yield trials of plant extracts developed have shown initial success in different agro-climatic zones, especially towards controlling pest incidents of Red Spider Mites.

### Improving lives

Over 3 million workers are employed in tea estates across India alone. So, the industry supports a very large number of people and livelihoods. Consumers increasingly want to be assured that the people growing their tea are well cared for and live a life of dignity. Improving the quality of life in the communities that we serve is a key part of TGB's purpose. We are committed to the communities where we operate, and are proud to be a part of them.

TGB is one of the funders of an ambitious project run by UNICEF and ETP, to improve opportunities for tens of thousands of children in the tea growing communities in Assam and reduce their vulnerability to trafficking and abuse. The project works with stakeholders ranging from community members, panchayats, police force, health officers, district and state level governments. It aims to equip more than 25,000 girls with knowledge and life skills that will help them secure a better future and reduce their vulnerability to exploitation. It will give more than 10,000 community members the knowledge and training to protect children from all forms of violence, abuse and exploitation as well as make families aware of children's rights and the support they can call on.

We believe that the right to health is a fundamental part of human rights and of a life led with dignity. So, we have invested in hospitals in Munnar and Chubwa that provide inclusive and affordable healthcare facilities to about 100,000 people annually from local communities.

### Breaking barriers

Consumers are increasingly interested in how products they buy are being produced or grown. Perhaps as a result of the fast paced lifestyle most of us lead, there is a yearning to connect back with nature, the ecosystem, growing practices and the very source of our daily food and beverages. TGB's innovative digital initiative - Farmers First Hand (FFH) aims to provide that connect.

FFH is an innovative social media initiative using Facebook, where



consumers can talk directly with the people who grow, harvest and produce their favourite cuppa. The thought behind FFH was to enable connection through conversation, and it does just that. With over 700,000 consumers connected on a single platform, this

digital campaign has taken on a life of its own and become a favourite - from more than a page to a platform to catch up on life. Conversations on the FFH page range from providing valuable insights into tea production and certification to sharing experiences on the farm and family life.



# Making Healthy Fun



The 'Gas Minus Energy Plus' drink, Tata Gluco Plus, has carved a niche for itself in the nutrient water segment. To revitalise the brand and ensure that its inherent purpose reaches the consumer, we revamped the brand's identity last year.

## Real instant energy

Tata Gluco Plus, a non-carbonated energy drink from the house of NourishCo (a joint venture between Tata Global Beverages Limited and PepsiCo India) was repositioned in the hydration market with a new look and a new voice. The

new visual design and communication proposition have lent a fun and energetic vibe to the drink. Playful imagery aided by colourful illustrations has been built into the communication to enhance the overall look and feel of the drink.

This restage was effective in reinforcing the energy credentials of Tata Gluco Plus and its ability to deliver on the need for a tasty energy alternative to carbonated soft drinks.



## 200 MN SERVINGS

Tata Gluco Plus is a young, four-year-old brand which has energised customers with more than 200 million servings



**A significant part of the Indian population is anaemic due to Iron deficiency. Tata Gluco Plus provides instant energy through glucose, salt replenishment and iron fortification**

The genesis of this product began with identifying a need gap in the hot tropical Indian market. With a large number of people working outdoors, there was a latent need for a water-based drink that goes beyond being a mere thirst-quencher. Until 2012, this was a huge unmet need in the mass segment which was looking for something delightfully refreshing coupled with convenience and affordability.

### Big benefits, small package

An on-the-go, non-carbonated, re-hydration beverage, Tata Gluco Plus packs a punch in a convenient, easy-to-use 200 ml plastic cup. It contains instantly energising glucose and minerals such as electrolytes and iron that recharge. A first of its kind, innovative cup format ensures product quality at a convenient price point, without any compromise on taste or flavour.

### Consumer Speak on Social Media

**"I drink it at least once a day for instant energy! Thanks to Tata Gluco Plus, my life is energetic every day!"**

**RAUNAK KUMAR**

**"Really this is the best for summer. This drink is energetic, good for health and not only taste. The lime flavour is very nice."**

**ARUN ARUMUNGAM**

**"Much better than any cold drink. A healthy drink with no side effects, gives energy and keeps the body cool."**

**ADITHYA DHANRAJ**

### Outcome

The brand has doubled its volume following the restage in 2015. With more than 200 million servings to customers the current overall volume growth is 84%.

*(Source: Volume Market Share of LRB Ex. Water as per AC Nielsen March '16)*

With Tata Gluco Plus, our main focus was to deliver a quality product in the health and wellness segment, offering a healthy drink at an affordable price. Based on consumer feedback we delivered well on that front.

# Brewing Connections over Coffee



**Starbucks prides itself in creating a consistent, welcoming environment so customers, both new and regular, all over the world can enjoy their cup of coffee, exactly as they want it. Three primary components which Starbucks defines as the foundation of the *Starbucks Experience* are 'our products, our places and our people'. Customers come for coffee, stay for the inviting warmth and return for the human connection. It is this commitment and connection that Starbucks is known for globally.**

In October 2012, the *Starbucks Experience* entered India through Tata Starbucks Private Limited, a 50/50 joint venture between Starbucks Coffee Company and Tata Global Beverages Limited. Since then, this partnership has grown to over 80 Starbucks stores across six cities. Consumers in India

have embraced the elevated coffee house experience for its highest quality Arabica coffee, delicious handcrafted Starbucks beverages and locally-relevant food in an unparalleled store environment driven by passionate and knowledgeable partners - our employees.

## A fitting tribute

To mark the one year anniversary of Tata Starbucks Private Limited in India, the Company launched a special India sourced coffee, aptly named India Estates Blend - a unique whole bean offering to Starbucks consumers across India.

India Estates Blend captures the essence and rich heritage of the Indian coffee history and draws inspiration from the finest Arabica beans carefully selected from Tata Coffee's estates spread across Coorg and Chikkamagaluru, the birth place of coffee in India. It is the perfect example of the strong synergy between Starbucks and Tata Coffee, and their commitment to develop and improve the profile of Indian-grown Arabica coffees. The country-specific blend has been named to represent the origin of the coffee and the packaging has been aptly designed to reflect the nuances of traditional Indian design.

This debut of Indian coffee in the Starbucks world is a balanced and medium-bodied roast with layers of chocolate and herbal "a'our notes. The product has since been extended across various markets in China and Asia Pacific in 2015 and in the USA through online sales.

This launch is a testimony to our pursuit of the finest coffee with a rich heritage to enhance the consumer experience which is core to who we are.

#### Innovating for the Indian palate

At Tata Starbucks, beverage innovation is centred round the consumer's need with the objective of creating a seasonally relevant, emotionally evocative beverage which has a story and cultural relevance.

Alphonso Mango Frappuccino is inspired by mangoes - the king of fruits, loved by Indian consumers. This coffee-free, fruit based Frappuccino is made using pure Alphonso Mango puree blended with milk, ice and unique Starbucks Frappuccino ingredients to deliver the authentic taste of rich Alphonso Mangoes in a cup.

Launched in the summer of 2015, this blended beverage is a seasonal premium offering crafted especially for the Indian palate. The success of this summer favourite ensured a return in 2016 as well.

This offering alone contributed to 10%+ beverage volume and became the second



Raghu Ram & Rajiv Lakshman

**10%+**

Alphonso Mango alone contributed to 10%+ beverage volume and became the second highest selling Frappuccino during the launch



Sonakshi Sinha

highest selling Frappuccino during the launch. The product was so successful that some of the China Asia Pacific markets have adapted the same concept for their respective markets this financial year.

#### Creating the 'Fourth Place'

The new age millennial is a huge part of Tata Starbucks' customer base. To engage this segment, Tata Starbucks required a campaign which would appeal to the consumer who is always on the move. So, Tata Starbucks went beyond stores to extend the Starbucks Experience to the digital space as well. Digital, for the Company, is the 'fourth place' after home, work and our coffee house. We build online communities through storytelling and two-way dialogue using Facebook, Twitter, e-mailers, SMS and microsites for specific campaigns with interactive content. The Company has been recognised for its recent digital campaigns to create meaningful connections that delight our consumers.

Tata Starbucks also launched the innovative Sip Face Challenge last summer with social influencers and bloggers, to encourage the digital audience to indulge in the 'Frappuccino spirit'. World No. 1 Badminton player, Saina Nehwal changed her profile picture

on Facebook, posing with a badminton racket and the Mango Frappuccino. This post received over 200,000 'likes'.

Other youth influencers on Indian television like Raghu Ram and Rajiv Lakshman, actress Sonakshi Sinha and fashion & lifestyle influencer Miss Malini also created Sip Face videos, which garnered great engagement on social channels.

#### The results

The campaign generated an overwhelming response. Some of the key metrics include the 2015 Summer Best Digital Experiential Marketing Award in Starbucks Asia Pacific and over 100,000 incremental Facebook fans, 5300+ incremental Twitter followers, 59 online media releases and 57 million social media impressions. As on June 2016, Starbucks India Facebook page had 933,711 number of fans and 61,631 followers of Twitter.

The campaign also witnessed a great partner-customer connect in-stores. It gave consumers the chance to rediscover the thrill of summer and adventure while creating personal moments of connection.

# Super Teas to Supercharge your Day

The world is abuzz with the 'healthy' trend coupled with the need for 'convenience'.

The prominent insight underpinning this is accessibility to ways of maintaining health and fitness in the midst of a stressful modern lifestyle. This has led to the health and wellness segment clocking substantial growth in the food and beverages category, with the rise of products promising convenient access to good health and communicating clear and specific benefits.

**28%**  
Y-O-Y

The momentum behind Super Green Tea has enabled Tetley in UK to grow value share by 28% year-on-year

**25%**  
OF TOTAL TETLEY  
GREEN TEA SALES

In the last 12 months, Super Green Tea equates to 25% of our total Tetley Green value sales

The vitamin market in UK is growing rapidly with 1 in 3 consumers taking vitamin supplements every day, a practice that many find expensive and inconvenient. Consumers want to enjoy their healthy food and beverages without compromising on taste while achieving their health goals.

Tea has benefited from its positive health association, especially green teas and fruit-based and herbal teas; and as a significant player in the tea industry, we responded to this growing trend. We sharply focused on the overall well-being that our products provided by launching a ground-breaking, innovative line - Tetley Super Teas.



## The right mix

Tetley Super Teas is the first functional range of teas in the UK with approved health benefits. The teas are fortified with different vitamins and minerals to benefit heart health, immune system, energy levels and hair and skin.

The main challenge was to ensure that the vitamins could withstand the hot brewed process and were evenly distributed in the product without affecting the taste. We formulated the products with care and redesigned the manufacturing process to ensure that every single tea bag had the right amount of vitamins based on recommended serving.

The range was first introduced with four Super Green Tea variations. Super Green Tea Immune containing Vitamin C to boost the immune system was launched in two delicious flavours - Tropical and Lemon & Honey. To reduce tiredness, Super Green Tea Boost with added Vitamin B6 was brought into the market with Berry Burst and Lime flavours. In addition to the vitamin enhancement, the new range delivered on taste too.



Tetley Super Green Tea soon became a hit! The taste, combined with functional benefits, has been drawing in consumers making Super Green the No. 1 NPD (New Product Developed) in the UK. In the last 12 months, Super Green Tea equates to



25% of our total Tetley Green value sales and the line-up has propelled Tetley Green tea to the No. 2 spot making Tetley the fastest growing green tea brand in the UK.

## Capturing the market

Building on the huge success of Super Green Tea, the team followed it up with another exciting launch - Tetley Super Fruits. These fruity infusions in Immune and Boost variants, met with good market response. Lemon & Ginger and Peach & Orange flavours constitute Tetley Super Fruits Immune with added Vitamin C while Tetley Super Fruits Boost with added Vitamin B6 come in Cranberry & Elderberry and Blueberry & Raspberry flavours.

With more than a quarter of fruit and herbal drinks bought for health reasons there is a strong market opportunity for these new products. Unlike many fruit and herbal drinks, Tetley Super Fruits are made from premium natural flavours delivering a superior taste which scored highly in taste tests.

The focus on healthier lifestyles has created a very positive market for this range. The momentum behind Super Green Tea has enabled Tetley in UK to grow value share by 28% year-on-year. With the Boost and Immune variants doing exceptionally well, it was important to extend the range to include other popular health benefits which are appealing to younger consumers who

have been turning away from tea. To further drive penetration, more intriguing flavours combinations and relevant benefits to the younger consumer were made available this year, relating to heart health, mind, detox and beauty.

The wide range of benefits offered by this range now gives consumers an added reason to drink green tea. The functional benefits have appealed to shoppers and repeat rates of purchase have been high. Nearly 28% of buyers are completely new to tea, thereby growing the category and reinvigorating the tea market as a whole.

The 'super' concept is being rolled out in other geographies and as a company we are pushing boundaries in the area of health with exciting innovations in the pipeline.

## The outcome

The superior taste of the natural flavours used has been rewarded with a 2015 Great Taste Award for the Lime variant of Tetley Super Green Tea Boost. The Great Taste Awards is one of the world's largest and most trusted food and drink awards where products are assessed on taste alone, by a large panel of food experts, top chefs, buyers, retailers and food writers. The recognition reaffirmed that Tetley has yet again delivered on the ability to provide a good quality cuppa, suited to a variety of tastes.

Tetley Super Green Tea range also won the coveted 2016 Product of The Year, the largest award for product innovation voted for by consumers. Only 40 products win per year, with over 11,500 households participating in the vote. Super Green has now achieved 3.6% value share of the total green market in UK and is bigger than main competitors.

We have sold over 1.7 million packs of Super Teas since the launch in early 2015, achieving £2 million retail value and securing strong distribution through this unique proposition.

**Being healthy never tasted so good!**

# Delight

**Delight, the third D of our consumer promise, is all about putting a big smile on the consumer's face. Every brand we market has many touchpoints with consumers – the packaging and advertising of our products, the on-ground activations and promotions, our people who interact with consumers, and our website and mobile applications. We have the opportunity to delight the consumer at each of these touchpoints.**

For instance Gaon Chalo, our effort in last mile distribution in rural Indian villages, is all about ensuring that we create the networks that allow us to serve consumers in far-flung geographies. While Eight O'Clock coffee's partnership with Warner Bros, in the US, to commemorate the 20<sup>th</sup> anniversary of the star-studded sitcom F.R.I.E.N.D.S. was all about creating an on-ground experience around coffee with a strong cultural and emotional tone.

In the Middle East we are attempting to delight consumers by weaving our brand story into the local culture. And in Canada we invited consumers to select a Tetley 'pink pack' to support Canadian Breast Cancer Foundation.

Serving up consumer delight is about ensuring that at every touchpoint we produce experiences that reiterate our brand values, create an emotional resonance with consumers and ultimately lead to brand loyalty.





# Reaching the Rural Indian Consumer

**Close to 70% of India's population resides in villages. This large rural market presents great opportunity for growth. And while everyone talks about the sizeable opportunity lying at the bottom of the pyramid, very few have gone down that path and succeeded.**

Serving the rural consumer with our brands and products presented many challenges. There existed no effective last mile distribution network that would ensure our products reach the deepest and farthest corners of this large subcontinent. Building awareness of our offerings was another concern. A huge number of villages in India are 'media dark' (very little media reach). There is no reliable electricity source and therefore

limited access to TV. Literacy levels are low, ruling out the print medium.

Responding to the challenge for an effective distribution network, the 'Gaon Chalo' model, was born. The programme is our effort in last mile rural distribution. While tapping unreached rural markets, the programme also provides a means of sustainable livelihood to women, youth and small entrepreneurs, who join us as

**26%  
OF THE POPULATION**

TV barely reaches 26% of the population in UP, the lowest in the country. This statistic is further endangered by the frequent power cuts which last for 12-16 hours a day

channel partners. This programme, run through NGOs, is present in more than 19 Indian states and benefits a number of women and youth.

The strength of Gaon Chalo lies in understanding rural as it exists - identifying unique rural channel partners, leveraging their strengths to design a non-traditional, yet effective business model, while helping create a culture of entrepreneurship and self-sufficiency.

Our next challenge was creating awareness around our offerings. We needed to craft a customised marketing strategy for the rural consumer, leveraging the media they use most. Uttar Pradesh (UP) was the market chosen for this initiative.

The first step in solving this challenge was identifying the medium with the most reach. With higher reach than TV, the mobile phone emerged as the most cost-effective medium in rural UP. TV barely reaches 26% of the population in UP, the lowest in the country. This statistic is further endangered by frequent power cuts which last for 12-16 hours a day. Consequently, the mobile phone emerged as a medium of empowerment providing a window to the outside world, especially for women.

### Campaign with a cause

Consumers in rural UP were hungry for entertainment. This presented an opportunity to entertain and empower



# 19%

Sales shot up by 19% in the campaign markets versus a mere 2% in the whole state of UP

all at once. The Gaon Chalo Mobile Activation campaign was thus devised.

In rural India, people adopt a smart money-saving practice - instead of spending phone credit on actual calls, they give a missed call prompting the other person to call back. The Gaon Chalo Mobile Activation platform leveraged this very insight.

The idea was simple, effective and customised to the rural audience. Consumers would give a missed call to an advertised toll-free number, and then receive a free call back. The return call would offer Bollywood songs interspersed with brand messaging, thus raising awareness of our products. This mobile offer was publicised through advertisements painted on walls.

At TGB, we went a step ahead. We also used this opportunity to raise awareness on relevant social issues. The social content dispersed through the platform covered women's issues like female foeticide, dowry and eve-teasing in a manner that was relatable. The aim with this approach was to inform and thereby empower women to make a difference in their own lives.

Some of our earlier initiatives and campaigns assisted in driving the objectives of the Gaon Chalo Mobile Activation campaign. We used the vast repository of over 8 lakh issues amassed during the "Power of 49" campaign to zero in on the issues and concerns of people at the district level in rural UP.



An inference made from the results was that locals were closely impacted by the issues at a micro-level as opposed to people in the urban areas who were mostly affected by macro issues. A good example of this is corruption versus black marketing. People in villages are adversely affected on a daily basis by black marketing, a micro-level issue. Thus, the social evils of black marketing along with other such pertinent concerns formed an important part of the free mobile content.

Our leading social awareness platform Tata Tea 'Jaago Re' was also re-crafted to

better suit the rural audience. We shifted the focus from 'National interest' to 'Neighbourhood upliftment' by weaving micro issues into campaign content. The introduction and discussion of social content in this manner helped sensitise rural audiences in a subtle and engaging way. The campaign positioned itself as a good mix of social education and entertainment - it was social edutainment at its best.

It was also important for the campaign to have a character, a voice, to effectively connect and convey the content.

Our leading brand Tata Tea Agni was enlisted for the role. We personified the brand through the character of Agni, the torchbearer in solving issues. The 'Jaago Re' campaign was used as a launch-pad to position Tata Tea Agni as a catalyst who had the answers to drive social change. Agni was inspirational in her delivery of powerful and effective solutions for issues, in true 'Jaago Re' style. All of this helped awaken people's conscience in small but important ways.

### Consumer Speak:

"The entire content is heart touching. When companies advertise, we expect them to promote their products. What I liked here, was the part where they talked about people wanting to know the gender of the baby during pregnancy. This is something which should be abolished from our system. This tradition has been there for too long a time."

-Mohan, Allahabad.

**This year, Gaon Chalo Mobile Activation campaign was recognised and awarded for its impact and reach with the EMVIE Gold for Best Media Strategy Consumer Goods, Ad Club Big Bang Awards and the Tata Innovista (Global & Regional) Awards**

### Outcome

The campaign achieved all that it set out to do and then some more:

- Sales shot up by 19% in the campaign markets versus a mere 2% in the whole state of UP
- Brand consideration for Tata Tea Agni went up by 16% and brand imagery by 19% in just 3 months  
(Source: Millward Brown)
- Unique Reach by the media was 6 times the set target  
(Source: Own mobile data backend)
- Consumers spent 9 minutes engaging with the campaign content versus the benchmark of 90 seconds  
(Source: Own mobile data backend)
- Social benefits accrued to the Gaon Chalo campaign by way of increased sales was translated into increased income for the last mile sales representatives and also helped generate additional employment in villages through NGOs

### What led to the success of this campaign?

"Keen insight into the lives of rural consumers was the defining factor for success," says Ms. Sonia Serrao, Deputy General Manager, Media & Marketing Procurement, TGB. "The campaign was crafted by keeping the rural consumer at the very centre. The content they like, the media they subscribe to and the issues that concern them formed the building blocks for the campaign. We delivered something that not just built brand awareness and boosted sales but went a step ahead and started a conversation on social issues close to their heart. We delighted our consumer by providing a novel experience, through an unexpected touchpoint."

### Bringing consumer centricity to the heartlands of India

Our sales force is essential in delivering our promise of consumer centricity to the heartlands of India, challenged by limited media access and poor connectivity in these areas. From understanding consumer needs to servicing rural stockists and encouraging

consumer trials, our sales force is critical in making the last mile connect truly effective. Gaon Chalo was conceived as a rural penetration channel as well as an opportunity for inclusive growth.

Rural entrepreneurs in our Gaon Chalo initiative, serve as our de-facto sales force.

**Neeraj Verma, a rural distributor from the Barabanki district of UP has been associated with Gaon Chalo for a decade now. During this time, he has grown significantly within the Gaon Chalo hierarchy and currently manages the Barabanki district (UP). A critical link between TGB and the rural stockists, Neeraj describes how we are slowly but surely building an effective network to serve rural India.**



#### What work does your job entail on a day-to-day basis?

I am responsible for two District Co-ordinators (DC), who manage the Barabanki district. My job is to supervise and fulfil requests that come in from the rural areas through my team. My team is responsible for ensuring that TGB products are transported to remote areas in good condition and in a timely manner. On a day-to-day basis I monitor the stock in my district, process requests and manage the chain of money/credit. Every day, I try and visit a market with a team member to ensure that rural stockists, who receive our stock at their doorstep for sales to micro interior village shops and houses, are being serviced appropriately. I try and understand what our consumers want.

#### What do you like about your job? What excites you?

I experience great pride in working for the Tata group, and ensuring that consumers in the heartlands of India get to experience natural products that are good for them. The Gaon Chalo programme provides employment to

rural youth. These small entrepreneurs earn enough to take care of their families without having to leave their homes for employment opportunities in big towns. In a small way, we are able to strengthen the rural economy and that adds meaning to my job.

#### How do you serve your customers and resolve their queries?

Both I and my team are committed to living the Tata values. I believe we do this by providing rural consumers with products of great quality that they can trust. The needs of rural consumers are not all the same - there are some who want good value for their money and others who want the best quality. We match our products to their demands. Depending on their need we sell the many variants of Tata Tea - Agni, Premium, Gold.

We also try and build awareness about the quality of our teas by organising small activations in the village hot tea shops. We brew our Tata Teas and other local teas, side-by-side. When left aside for a

short while, the local chai loses its golden colour, whereas Agni tea remains just the same. We invite consumers to taste our tea. We have found that these activations showcase the quality of our products to consumers, who are then keen to buy them. Everyone in the Gaon Chalo chain is geared to serve the consumer.

#### Tell us more about yourself

My entire family was dependent on agriculture – my two brothers and I had no other choice but to plow the yields. We come from a low-income family. With Gaon Chalo I got the opportunity to fulfil my family obligations without leaving my native town. After ten years with this initiative, I have progressed quite a bit. I have been able to construct a small house for my family, and my son and daughter attend government school. It is my hope and wish that the next generation continues to be associated with the Tata group and we together are able to build a better future for the rural economy.

# Socially Responsible and Responsive

**As a brand that aims to delight our consumers, we at TGB go beyond providing quality and innovation in our products. We also stand in support of the social concerns that affect the lives of the communities we serve.**

One such grave concern is breast cancer. Breast Cancer is the second leading cause of cancer deaths in Canadian women, after lung cancer - 1 in 4 (26.1%) cancer diagnoses are breast cancer. Tetley in Canada has been a staunch supporter of the Canadian Breast Cancer Foundation (CBCF) since 2001. In our continued support of CBCF, an organisation that assures the best in breast cancer research and breast health education and advocacy initiatives, we have donated over \$550,000 (\$50,000 annually) till date.

## Pick the pink

Consumers are the reason for our existence; they are our final and most important stakeholder so we wanted to engage with them meaningfully on a cause that we have supported and promoted for a decade and a half.

To highlight our support for the CBCF and to deepen our engagement with our loyal Tetley consumers, we decided to provide them with an opportunity to pick the final pack design for our limited edition Tetley 'pink pack', where 15 cents from the sale of every pack would be contributed to CBCF. Tetley guaranteed a contribution of \$50,000.

We chose 4 potential designs and leveraging the growing power of social media, we invited our loyal community of Facebook fans to vote for the pack they liked the most. The one with the most votes would be converted into an actual Tetley pack.

Consumers were delighted with this opportunity to pick a pack design. We received instant feedback and comments from consumers.

The initiative reached over 140,000 people and received over 10,000 engagements. The campaign posts on Facebook achieved both the highest organic reach and a record-setting engagement rate of nearly 10%, which is well above industry norms. In October 2015, we released 350,000 limited edition, consumer-selected 'Pink Packs'.

The comments on our Facebook page were truly heart-warming and the love that consumers felt for the Tetley brand shone through, along with their support and encouragement in the form of purchases of the limited edition packs.

## Consumer speak – Facebook campaign

*"Hard to choose - so make all four and we can make our choices at the store or buy all four - which is what I would do. Thank you for your support of this very worthy cause."*

*"Fabulous designs! Amazing cause! Love them all, but A is my fave! Great job Tetley!"*

*"Two time breast cancer survivor chooses A!!"*

"At Tetley Canada, we have been long-standing supporters of CBCF. With the 'pink pack' initiative we wanted to not just showcase our support to this great cause, but also take our consumers along on that journey. We wanted to engage in conversations, outside of the banal, that showcase our solidarity for the big issues and challenges our consumers face" stated Ms. Kathy Grant-Munoz, Senior VP, Marketing and Sales, Canada, for TGB when talking of the objective for the campaign.

"The campaign not just helped promote awareness for breast cancer, but also provided an opportunity for our Facebook community to share their own experiences and support the cause." she concludes.



# In Keeping with Culture

**TGB has been selling branded tea in the Middle East for several years and the region represents an integral part of our global expansion plan.**

TGB has been selling branded tea in the Middle East for several years and the region represents an integral part of our global expansion plan.

Confirming this fact is TGB's Managing Director for the Middle East region, Mr. Danny Finney. "Our growth strategy is to capture a sizeable brand share for Tetley in the Gulf Cooperation Council (GCC) countries and to then use that as a springboard for expansion into wider Arabia. Our goal is to reach the No. 2 position in five years. In order to achieve that, we need to deliver products that suit the local palate, brand communication that cuts through and brand experiences that create delight for local consumers."

The six GCC countries which are the current focus of TGB's efforts are Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar and Bahrain. In these traditional tea-drinking markets, Tetley is positioned as a premium international brand with innovation, differentiation and local relevance at its core. For example, the brand was launched in this market with the innovative drawstring tea bag format, which allows consumers to squeeze every last drop of flavor from bag to cup. Also, our brand campaign is locally relevant. The campaign thought - 'Squeeze more out of life,' ties the benefit of the drawstring bag to the attitude of the new generation of Arabs.

**35%**

Tetley was the fastest growing brand in the GCC in 2015 with 35% growth over prior year



The next step was to make the brand more relevant in everyday life, by crafting new opportunities to experience the brand. We therefore implemented several brand building activities to delight consumers and generate product trials for Tetley Drawstring tea bags.



A long drive through traffic-filled city roads can be tiring. A beverage has the potential to make this ride refreshing. Building on this very insight, we gave Tetley tea samples to consumers at petrol stations / service stations. Every motorist waiting to fuel up their vehicle was treated to a refreshing cup of Tetley Strong or Golden black tea. A team of promoters worked tirelessly every day during the peak hours of 5 pm to 10 pm. The 14 service stations were specifically selected based on high traffic volumes to optimise impact. More than 220,000 consumers across varied demographics sampled and enjoyed a cup of warm Tetley tea. Consumer sentiment was very positive with an average sample acceptance rate of 45%. Thanks to a specifically designed tray which held 4 cups together with a storage chamber, each promoter was 'hands free' thereby enabling him to demonstrate the unique Drawstring function to consumers.

Fitness is an emerging trend across the world, and it is no different in the Gulf. Tea has always been viewed as a refreshing, healthy and natural beverage. In Kuwait, we brought the natural goodness of a cup of tea to fitness seekers in a gym. The members of Fitness First, the largest privately-owned health club group in the world were treated to samples of Tetley Drawstring black and green tea, following their gym session. Branded counter-top units holding drawstring envelopes, branded cups and water boilers were placed in their member lounges. Following the success of this campaign Tetley has signed a bigger contract with Fitness First in which Tetley will be served in all the 58 members' lounges across the GCC gym network. Projected servings are 50,000 cups per month. As part of the tie-up, Fitness First and Tetley will also carry out joint marketing activities using social media, email alerts, in-gym branding and joint consumer promotions thus leading to a wider reach with consumers.

Ramadan is an important month in the GCC countries. Tetley shared the Ramadan spirit by offering free Tetley samples in mosques during "Iftar" – the evening period when Muslims break their fast after prayers. This promotional activity held in Kuwait and UAE was carried out through the presence of both stationary branded booths and mobile promoters with backpacks. The drive received a phenomenal response with Tetley being sampled by 105,000 worshippers at 80 mosques across the two countries during the holy month.

An innovative way in which these sampling drives were carried out was the use of branded backpacks used by promoters to serve consumers on the move, quickly and efficiently. A first for the region was mobile sampling conducted in a large gathering at a live televised football match in Kuwait. The Tetley brand was also featured on the perimeter LED advertising hoarding with the line 'Squeeze more flavour from your tea' along with pack shots of the core variants - Strong and Golden.



**220,000+**

More than 220,000 consumers across varied demographics sampled and enjoyed a cup of warm Tetley tea

**45%**

Consumer sentiment was very positive with an average sample acceptance rate of 45%

**"Being locally relevant is key. In all our sampling and promotion efforts in the Middle East, we have attempted to find a space for Tetley in daily life and in local culture. Consumer delight begins with understanding consumer needs in relation to local culture. That is what we have attempted to do to drive growth in the GCC market."**  
**Mr. Finney signs off. All of these efforts were rewarded with great revenue results.**  
**Tetley was the fastest growing brand in the GCC in 2015 with 35% growth over prior year.**

# Coffee with F.R.I.E.N.D.S.

**Many marketers today will argue that 'the experience is the brand'. Achieving consumer delight is no longer just about a quality product on the shelf, or even about great engagement in-store. It is much more than that – it is about taking ownership of the entire consumer experience and steering the interface between the Company and the consumer.**



## Brewing a brand experience

Going beyond the product benefit and message to reimagine the whole consumer journey to deliver new signature moments, is what creating consumer delight is all about.

TGB's coffee brand in the US – Eight O'Clock (EOC) Coffee, did just that. Drawing from iconic pop-culture on the silver screen, EOC created a unique experience for coffee lovers, with a little help from F.R.I.E.N.D.S. at Warner Bros.

## Coffee with a legacy

EOC, America's Original Gourmet Coffee, has a rich legacy of 150 years and brings to consumers high quality 100% Arabica coffee at great value. EOC carefully selects coffee

beans from the world's most popular coffee regions and expertly blends and roasts them to achieve consistent, great tasting cup profiles which have stood the test of time. It is the 3<sup>rd</sup> largest bagged coffee brand in the USA, in terms of volume.

However, the growing popularity of K-Cups was crowding out EOC bagged coffee on retail shelves and declining bag sales were impacting the business. Connecting with a younger demographic was also proving to be a challenge. EOC Coffee needed a jolt to stand out. We needed to create an experience that would excite retailers and consumers, pampered by an array of sale priced options.

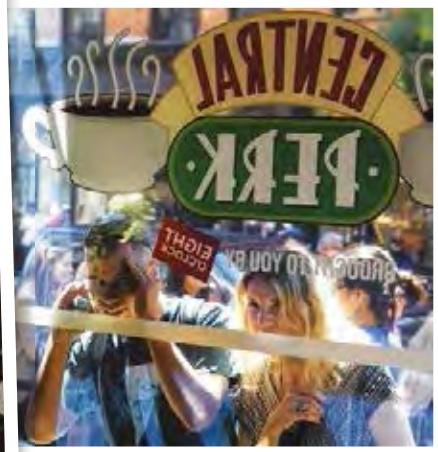
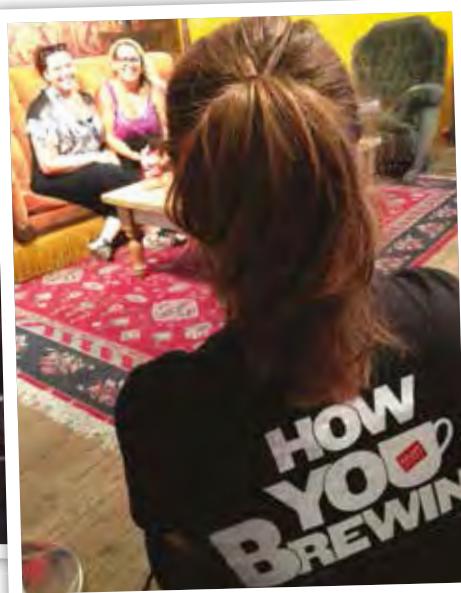
## Coffee with F.R.I.E.N.D.S.

The star-studded iconic sitcom F.R.I.E.N.D.S. was celebrating its 20<sup>th</sup> anniversary - the perfect time to create 'Coffee with F.R.I.E.N.D.S.' To celebrate this milestone, EOC Coffee joined hands with Warner Bros. to open a replica Central Perk coffee shop, identical to the one frequented by the characters of the hit, Emmy®-winning comedy. The pop-up replica promised to provide a variety of unique

experiences - including complimentary coffee and F.R.I.E.N.D.S. themed fun - for fans and coffee lovers alike. This was a big idea that brought two iconic coffee-centric brands together to form one captivating campaign. The Central Perk coffee shop served as the heart of all things F.R.I.E.N.D.S. To commemorate the occasion we crafted a limited edition bag coffee product 'Eight O'Clock Central Perk' coffee.

The fully functioning pop-up Central Perk coffee bar located at 199 Lafayette Street in Manhattan's SoHo neighbourhood opened its doors to the public in September 2014. Fans of the long-running hit series could check out signature props from the show in the decorated storefront, relax on Central Perk's iconic orange couch, order coffee off the famous Central Perk chalkboard or win prizes through fun and exciting in-store promotions. F.R.I.E.N.D.S. - themed merchandise and EOC Coffee's Central Perk roast and other bagged varieties were also available for purchase in-store at Central Perk.

A F.R.I.E.N.D.S. mecca was born and 60,000 fans lined up to enjoy an immersive experience. Fans waiting to get into Central Perk weren't just local New

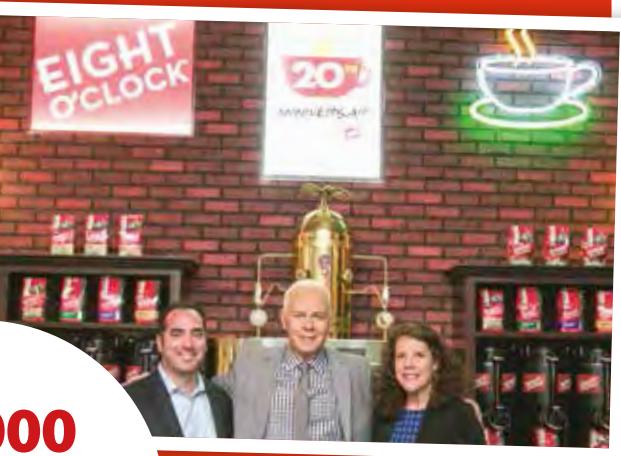


Yorkers – just as F.R.I.E.N.D.S.' popularity crossed international borders, so did the fans stopping by the pop-up – they were from diverse and faraway locales such as Australia, Brazil, China, Israel, UK and more.

Special guests like Gunther, America's best known barista from the show, and F.R.I.E.N.D.S.' theme song artist The Rembrandts joined in the celebrations.

**60,000  
FANS**

A F.R.I.E.N.D.S. mecca was born and 60,000 fans lined up to enjoy an immersive experience



### Celebrating success

This 360 degree integrated marketing promotion was a breakthrough. The Central Perk pop-up brought EOC unprecedented publicity - on the air and all over the press. Overall, there were 1.6 billion earned media impressions. And that wasn't all!

Some fun facts on this successful consumer promotion:

- There were close to 2,000 consumers at Central Perk's opening day.
- Consumers waited in line up to 3 hours to enter the Central Perk shop.
- Over 11,500 cups of EOC Coffee were handed out on September 29<sup>th</sup>, 2014, National Coffee Day. Visitors to Central Perk enjoyed varieties of the brand including the limited-edition Central Perk Roast, Caramel Macchiato, Dark Italian Espresso and The Original Decaf.
- Plus, 27,189 photos were taken on the iconic orange couch.

The retail element of the programme demonstrated a contemporary brand image which appealed to a younger demographic. During the 12-week promotional period EOC achieved the following:

- EOC's Bag Coffee grew 21% versus the previous period.



- EOC's share of the bag category increased +0.9 points versus the prior period.
- EOC's household penetration increased by +12% which represents over 1 million new households.

(Source: Nielsen)

The partnership met our dual goals - it helped engage with the younger consumer group and drive sales. In this age of viral videos and trending hash tags, an on-ground event and promotion with a strong cultural resonance drew in the right consumers.

Media and industry peers recognised this as a brilliant promotion and the campaign bagged multiple US Industry Awards:

- GOLD Reggie award in the Partnership category.
- BRONZE Reggie award in the Sponsorship and Licensed Property category.
- BRONZE Pro Award in the category of Best Entertainment Sponsorship or Tie in.

### What was our success mantra?

"Engaging with the consumer today is all about creating meaningful experiences. Brands are increasingly built by the takeaway experience of the brand. To turn consumers into advocates, marketers need to produce experiences that create an emotional resonance with consumers, ultimately creating brand loyalty. The objective of the campaign was to create something exciting for our consumers, a promotion with a strong cultural and emotional tone," says Mr. David Allen, Senior VP, Sales and Marketing, EOC. "The promotion was based on the insight

that coffee is a catalyst for connections with F.R.I.E.N.D.S. The joint campaign was a true blockbuster, drawing thousands of devoted F.R.I.E.N.D.S. fans and coffee lovers. The overall promotion surpassed expectations, delivering a 21% bump in bagged ground coffee sales. The mantra here is clear – create brand experiences that are relevant for your consumer, and they will reward you with their loyalty."

# Hello Mr. Barista!

**Talk of coffee and everyone has an opinion on it - from the right way to brew it to the flavours that need to go in. There is so much you can do with coffee and who better than a Barista to share the secret of a perfect brew?**

TGB's MAP coffee business in Australia introduced the Mr. Barista brand in the coffee pods segment. This brand was created exclusively for Coles - Australia's second largest grocery retailer. We partnered with Coles to support their growing share within the second biggest capsule coffee system - Caffitaly. The objective was to create a coffee pod brand that would appeal to the mass market. MAP did this by creating the lovable character of Mr. Barista.

**57%**

Adding the brand to the existing MAP coffee family has added over 57% incremental capsule sales to our portfolio in Coles

He celebrates the coffee maker by making the consumer a connoisseur who can enjoy café quality coffee at home with the Mr. Barista brand.

Adding the brand to the existing MAP coffee family has added over 57% incremental capsule sales to our portfolio in Coles. Since launching Mr. Barista, sales in Coles have taken TGB's share of the total capsules market from 9.7% to 11.9% in a capsule segment that is growing at 20%.

(Source: Aztec Grocery Scan Data, June 2016)

Creating a strong brand which delights the consumer starts with a great name and a memorable pack design. Extensive brainstorming resulted in the name and visual for Mr. Barista being chosen. The brand personality was that of an everyday guy who loves a chat, is friendly and approachable and happy-go-lucky. He is the perfect guide to the perfect blend for you.



*Mild*

**Let me take you on a smooth, subtly sweet flavour journey.**

Made only from quality South American and Ethiopian Arabica beans, Mild Mr. Barista offers a fruity-citrus profile with an intense but smooth taste with hints of almond and hazelnut cream. Ideal as an espresso or café latte, this lightly roasted blend is delicious, perfect for a little pick-me-up.

*Strong*

**Let me introduce you to my strong and rich coffee.**

This superb blend is full in body thanks to its perfectly blended Arabica and Robusta beans offering hints of cocoa and cereal along with a delicious crema. Excellent as a milk-based beverage or as a strong espresso, this is one of Mr. Barista's favourite blends as its smooth-richness is delicious. You'll never need another coffee!

*Super Strong*

**Let me show you an intense coffee!**

Full in body offering hints of cocoa, dark chocolate, mild wood, this blend is crafted using quality Arabica and Robusta beans to create an extra strong profile for that punchy pick-me-up. Excellent as a milk-based beverage or as a robust espresso, this powerful dark roast is for the true coffee lovers, not for the faint-hearted.

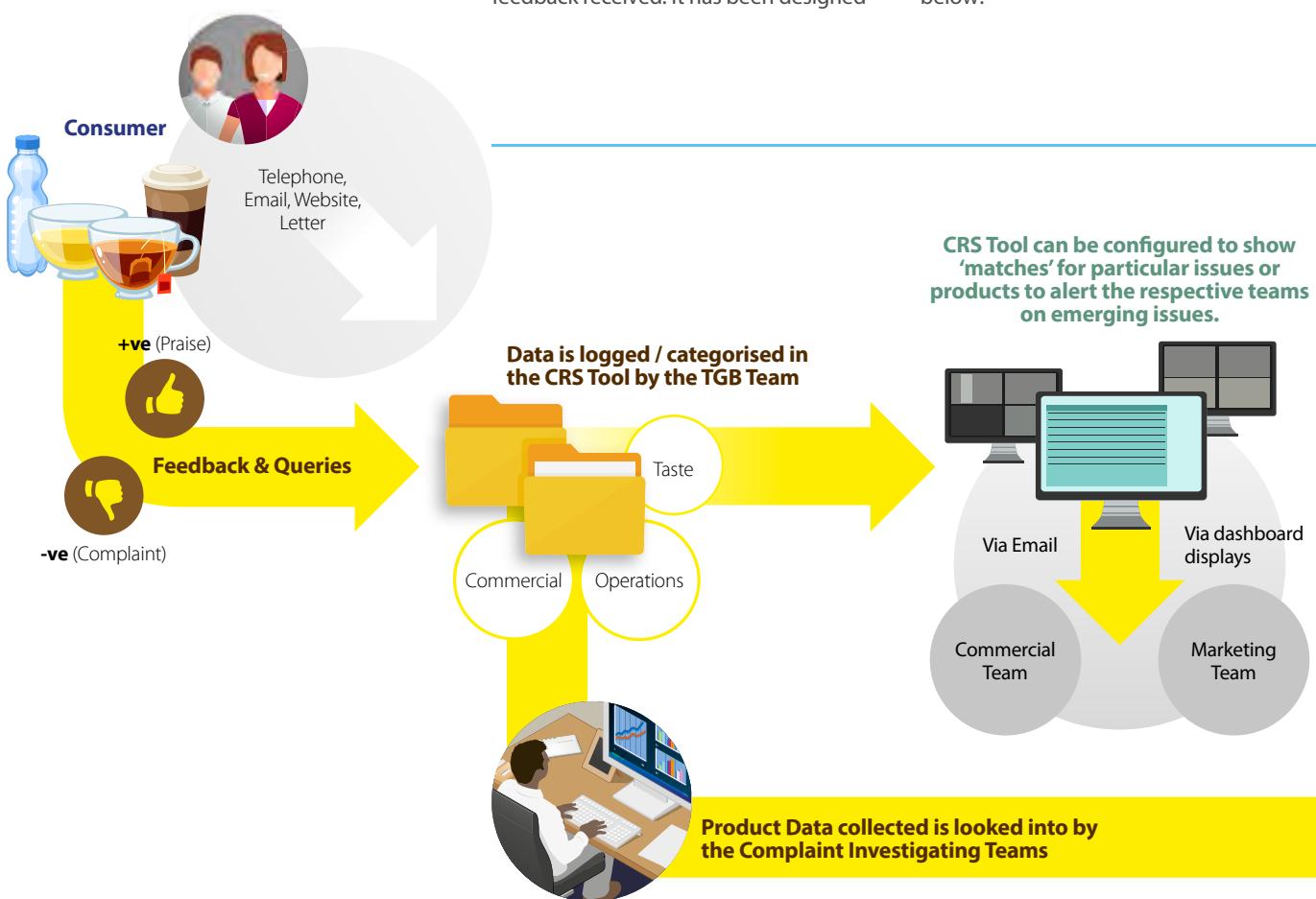
# Consumer Relationship Service

**Our vision at TGB is 'To be the most admired natural beverages company in the world by making a big and lasting difference in Tea, Coffee and Water.' To ensure that we move closer to this goal each day we need to listen to our consumers. We need an in-depth understanding on how they view us, what they think of our practices and our products in order to be able to effectively cater to their needs and expectations.**

At TGB we value consumer centricity, and the Consumer Relationship Service (CRS) is one way to make sure we understand the pulse of our consumers.

The CRS team is the touchpoint for the consumer to share their views and queries about TGB's products. The teams use the CRS tool to facilitate the collation, escalation and response cycle of the feedback received. It has been designed

to manage consumer contacts across the business globally and we make effective use of this information in marketing and business activities. The downstream flow of consumer feedback has been depicted below:



## Consumer response volumes, country wise, annual figures:

Country	Consumer Response Volumes (Annual)
Australia	41,200*
Canada	3,000
Czech Republic	60
France	600
India	424
Russia	60
UK	15,000
USA	10,800*
<b>Total</b>	<b>71,144</b>

\*These volumes are projected figures based on current reporting and soon to be reported through CRS.

### Objective of CRS

With the deployment of CRS, the aim is to convert each direct contact with our consumers into an opportunity, with perfect execution of the contact management process and related actions in order to:

- Ensure consumers receive answers that demonstrate our commitment to their satisfaction.

- Reassure that actions are being taken to avoid problems and improve product quality.
- Improve brand image.

### Benefits of the CRS tool

- Allows for easy management of data.
- Reduces complexity e.g. many systems to one.
- Improves process management with all the actions being monitored by a central team.
- References single repository for all contacts (consumer, internal).
- Supports the business excellence aims of process management and business results.
- Breaks down information barriers to improve data visibility.
- Reduces scope for administrative and human errors due to data visibility.
- Generates real-time reports quickly.
- Creates all correspondence to consumers, printed and electronic, through pre-planned templates for consistency and efficiency.

- Allows consumer-facing teams in different regions to interact with each other to pass on consumer contacts, solve queries and share best practices.

### In the pipeline

- A Global Consumer Service Report will receive sales data from the SAP system to be integrated with the CRS tool. This enhancement will cater to the global reporting requirements with figures for the number of contacts versus total products sold in each market being readily available.
- Automated Data Protection to be incorporated in compliance with regional legislation.
- Integration with contact forms on websites across locations.
- Functionality which enables consumers to contact the CRS team through social media.

The CRS tool is the ideal culmination of TGB's promise to every consumer – Develop, Deliver, Delight.

This flow represents the life cycle of consumer input that finds its way to the CRS team. Behind the scenes each month a Centralised Global Reporting process takes place across locations where the CRS tool is currently in

use. These include UK, France, Russia, Czech Republic, Canada, India, USA and Australia. As part of this process, a Global Consumer Service Report is produced to give visibility to complaints in commercial, manufacturing and

taste categories segregated on the basis of region, market and complaint categories. This report forms the basis for identifying and taking action on complaints in order to protect TGB's brands and improve consumer service.



# Board of Directors



## Cyrus P. Mistry

### CHAIRMAN

Mr. Cyrus P. Mistry is the sixth Chairman of Tata Sons Limited. He was appointed as Chairman of the Board of Tata Global Beverages Limited in December 2012. Mr. Mistry was earlier Managing Director of the Shapoorji Pallonji Group. He graduated with a degree in Civil Engineering from Imperial College, UK in 1990. In 1997, he received an M.Sc. in Management from the London Business School. He is a recipient of the 'Alumni Achievement Award' from the London Business School. He is a Fellow of the Institution of Civil Engineers, London. He is a Member of the Presidential CEO Advisory Board of the Massachusetts Institute of Technology. Mr. Mistry serves as the co-Chair of the India-US CEO Forum as well as India-UK CEO Forum.



## Mr. V. Leeladhar

### INDEPENDENT DIRECTOR

Mr. V. Leeladhar has long experience in the banking industry having served as the Executive Director of the Bank of Maharashtra, Chairman and Managing Director of Vijaya Bank and Chairman and Managing Director of Union Bank of India. He also served as the Deputy Governor of the Reserve Bank of India for over four years. Mr. Leeladhar is an expert on banking and in financial matters. He was also a member of the Securities & Exchange Board of India for about three years. His expertise is in the area of banking and finance. He is also on the Board of Tata Cleantech Capital Limited and Axis Mutual Fund Trustee Limited.



## Mrs. Mallika Srinivasan

### INDEPENDENT DIRECTOR

Mrs. Mallika Srinivasan is the Chairman & Chief Executive Officer of Tractors and Farm Equipment Limited, a flagship company of the Amalgamations Group. A thought leader and strategist, recognised for her commitment to excellence and contribution to Indian Industry, 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 & Industry and the Southern Regional Council of CII. She is the Director of five other Indian companies. She is a recipient of several business awards and has been recognised by Business Today for 7 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. S. Santhanakrishnan

### DIRECTOR

Mr. S. Santhanakrishnan, FCA is a partner of PKF Sridhar & Santhanam, Chartered Accountants. He has more than 30 years of experience in Finance, Accounts including IFRS, Strategy & Planning, Global Assurance, Corporate Laws and Consulting. He was a member of the Central Council of the Institute of Chartered Accountants of India (ICAI). He is actively involved in numerous industry oriented initiatives of the Reserve Bank of India and the Ministry of Corporate Affairs. He is on the Board of other Tata companies and IDBI Federal Life Insurance Co. Ltd., ICICI Home Finance Co. Ltd. and is the Non-Executive Chairman of Catholic Syrian Bank Limited.



## Mrs. Irene Vittal

### INDEPENDENT DIRECTOR

Mrs. Irene Vittal, a former partner with McKinsey & Co., is a recognised thought partner to consumer-facing companies looking to build large-scale, profitable businesses in emerging markets. Ms. Vittal was a founding member of the economic-development practice and the global emerging-markets practice at McKinsey & Co. She is an Independent Director on the board of select Indian companies such as Titan Company, Indian Hotels, Godrej Consumer, Tata Industries, Wipro, and on the global advisory board of IDEO.org, a non-profit organisation dedicated to applying human-centered design to alleviate poverty. She graduated in electronics and has an MBA Degree from the Indian Institute of Management, Calcutta.



## Mr. Harish Bhat

### DIRECTOR

Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from IIM, Ahmedabad. He joined the Tata Group as a TAS probationer in 1987 and has completed 29 years of service with the Group. Mr. Harish Bhat was the CEO and Managing Director of Tata Global Beverages Limited from 1<sup>st</sup> July 2012 to 31<sup>st</sup> March 2014. He continues to serve on the Board of TGB as a Non-Executive Director from 1<sup>st</sup> April 2014. He was also previously with Tata Tea Limited from 1988 to 2000 holding various positions in the Company. He is on the Board of Directors of many Tata Group Companies including Tata Consumer Limited, Tata Starbucks Private Limited, Inyiniti Retail Limited, Titan Company Limited, Tata Unistore Limited and Trent Limited.

**Mr. Analjit Singh****INDEPENDENT DIRECTOR**

Mr. Analjit Singh is the Founder & Chairman Emeritus of The Max Group. He is the non-executive Chairman of Vodafone India and a Director on the boards of TGB, Soyna NV/SA, Belgium and advisor to some leading international companies. Mr. Analjit Singh has been honoured with Padma Bhushan, India's third highest civilian award by the President of India. He has been honoured with the Ernst and Young Entrepreneur of the Year Award (Service Category) and the Golden Peacock Award for Leadership and Service Excellence. He also serves as the Honorary Consul General of the Republic of San Marino in India.

**Mrs. Ranjana Kumar****INDEPENDENT DIRECTOR**

Mrs. Ranjana Kumar retired as Vigilance Commissioner in Central Vigilance Commission, Government of India. She was also a Member, Governing Council, National Innovation Foundation, Ahmedabad. She had held very significant positions in her career including that as the Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD), Executive Director, holding concurrent charge as Chairman and Managing Director of Canara Bank and CEO of the US operations of the Bank of India based in New York. She has also been appointed as Chairperson of the Advisory Board on Bank Commercial and Financial Frauds.

**Mr. Darius Pandole****INDEPENDENT DIRECTOR**

Mr. Darius Pandole holds a BA (Economics) Degree from Harvard and an MBA from the University of Chicago. He is a Partner and Executive Director at New Silk Route Advisors Pvt. Ltd., a private equity advisory firm focused on investing in India and other Asian economies. Mr. Pandole had earlier worked with Kraft General Foods in the US and returned to India in 1993. He served as Managing Director of IndAsia Fund Advisors Private Limited, the Indian advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP of Australia. He joined IDFC PE Ltd. in February 2003, and was the Executive Director, and later Chief Operating Officer. He is on the Board of several companies including Tata Global Beverages Group UK and NourishCo Beverages Limited.

**Mr. Ajoy Misra****MANAGING DIRECTOR & CEO**

Mr. Ajoy Misra is the Managing Director and CEO of the Company with effect from 1<sup>st</sup> April 2014. In a career spanning 35 years, 30 of which were with the Taj Group of Hotels, Ajoy Misra has led various departments of Taj Hotels from Sales and Marketing to Operations. He was the General Manager of Taj President Hotel in Mumbai and was the Area Director for Sri Lanka and Maldives and General Manager of the Taj Samudra Hotel in Colombo. He has a Bachelors Degree in Civil Engineering from BITS, Pilani and a MBA from the Faculty of Management Studies, Delhi University. He has also done the Advanced Management Program (AMP-174) at Harvard Business School, Boston.

**Mr. L. KrishnaKumar****EXECUTIVE DIRECTOR &  
GROUP CHIEF FINANCIAL OFFICER**

Mr. L. KrishnaKumar graduated from Loyola College in Madras and subsequently obtained professional qualifications in Chartered Accountancy, Cost Accountancy and Company Secretarial. He is the Executive Director and Group Chief Financial Officer of Tata Global Beverages Limited. He supervises the Finance, Governance and IT functions. He also oversees the Global Buying and Blending and Supply Chain functions. He is also a director on the board of NourishCo Beverages Limited and several of the Company's overseas subsidiaries. He joined the Tata Group in 2000 in the hotels business as its Vice President, Finance. He took over the head of finance function of Tata Tea in India in the year 2004 and has been part of its growth story since then.

# Executive Office



## Mr. Ajoy Misra

### MANAGING DIRECTOR & CEO

Mr. Misra has been with Tata Group for over 30 years. Before becoming a part of Tata Global Beverages Limited, he held with distinction several leadership roles at the Taj Group of Hotels, including that of Head of Global Marketing & Sales, Area Director in the Sri Lanka and Maldives regions, and General Manager of various regions and properties of Taj. Mr. Misra is a Civil Engineering graduate from BITS Pilani and holds an MBA from the Faculty of Management Studies, Delhi University. He has also completed the Advanced Management Program from Harvard Business School.



## Mr. L. KrishnaKumar

### EXECUTIVE DIRECTOR & GROUP CHIEF FINANCIAL OFFICER

Mr. L. KrishnaKumar joined Tata Group in 2000 as Vice President, Finance, in the Hotels business, and was then promoted as Head of Finance of Tata Tea in India in 2004. He is currently the Executive Director & Group Chief Financial Officer, and supervises the finance, governance and IT functions. He has worked with Larsen and Toubro Limited (L&T), a diversified conglomerate company, in a variety of areas. His last role with L&T, before joining Tata Group, was as General Manager, Finance, in their corporate office.



## Mr. K. S. Srinivasan

### GLOBAL CHIEF HUMAN RESOURCES OFFICER

Mr. K. S. Srinivasan joined Tata Global Beverages Limited as Chief Human Resources Officer in 2013, and has been with the Tata Group for 24 years. He has more than 30 years of global experience in the human resources function. Prior to joining TGB, Mr. Srinivasan headed the Human Resources function, including Learning & Development, for the Americas and Europe for the Taj Group of Hotels based out of New York. His core expertise is in the areas of managing and integrating organisation culture, performance management, organisational change initiatives, reward and compensation management, industrial relations, and employee engagement.



## Mr. Adil Ahmad

### GLOBAL CHIEF MARKETING OFFICER

Mr. Adil Ahmad joined Tata Global Beverages in 2015 as Chief Marketing Officer. In this role, Adil aligns our efforts and drives synergies across geographies and markets to develop a strong portfolio of global brands. As brand custodian, he focuses on overall health, profitability and premiumisation of brands across various markets. He is also responsible for innovation and developing new growth opportunities for the global brands and businesses across regions and markets focusing on Tea, Coffee and Enhanced Water. Prior to this, Adil has had a twenty year career with Reckitt Benckiser, holding leadership positions across UK, India, Mideast and East Asia, in both strategic and operational roles. Adil graduated from St. Stephen's College, Delhi and holds an MBA from Case Western University, Cleveland, Ohio, USA.



## Mr. Sushant Dash

### REGIONAL PRESIDENT, INDIA

Mr. Dash joined Tata Global Beverages in 2000, and has successfully handled various strategic and operational roles for the organisation. Some of his previous roles include Marketing Head for India, Team Leader of a Venture Team based in UK, and Senior Director – Marketing and Business Development – for Tata Starbucks. In his most recent role, he was the Global Brand Director of TGB. Prior to joining the Company, he worked at ORG Marg in various capacities in Consumer and Market Research. Mr. Dash holds a post graduate degree from Mudra Institute of Communication, Ahmedabad (MICA) and is a graduate in Economics from Ravenshaw University, Cuttack.



### Mr. Stephen Rice

#### REGIONAL PRESIDENT, CANADA, AMERICA AND AUSTRALIA (CAA)

Mr. Stephen Rice is the Regional President for the Canada, America and Australia (CAA) region of Tetley. Prior to joining Tetley, he worked for Coca-Cola, first as Financial Analyst and then as Product Manager. He then joined Cadbury Beverages, Canada, as Product Manager, moving up as Business Manager for a number of brands within Cadbury, including allied brands - Welch's and Motts - and was then appointed as District Sales Manager. He joined Tetley in 1999 as Marketing Manager and grew to become Vice President, Marketing, in 2004. He became Regional President for the CAA region in 2010. Mr. Rice holds an Honours BComm degree, majoring in Marketing.



### Mr. Vikram Grover

#### PRESIDENT, WATER VERTICAL

Mr. Vikram Grover is Head of Tata Global Beverages' water business, responsible for product and market development of functional waters and building a global footprint for the water business. He is based in Mumbai, India and also has overall responsibility for the Company's tea business in Bangladesh. Vikram 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 joining TGB, he worked with Unilever holding significant roles such as Global Strategy and Archetypes Director for Beverages and Country Head for Beverages in India. Vikram has an MBA in Marketing from the Indian Institute of Management, Kolkata, and is an engineering graduate from the Punjab Engineering College, Chandigarh.



### Mr. Sanjiv Sarin

#### MANAGING DIRECTOR & CEO, TATA COFFEE LIMITED

Mr. Sanjiv Sarin is Chief Executive Officer and Managing Director of Tata Coffee Limited. Mr. Sarin has held the position of Regional President, South Asia, of TGB since 2010. During his tenure, he has significantly strengthened TGB's position in the Indian branded tea market. Mr. Sarin has over 38 years of experience in a variety of significant roles. Prior to his stint at TGB, he held the position of Executive Director – Business Development, at Tata Coffee Limited. He has global experience with leading international organisations, including 16 years at Cadbury Schweppes in the Philippines, Egypt, India and the UK, his last assignment being Country Director of Cadbury Philippines. Mr. Sarin graduated from Asian Institute of Management, Manila, Philippines, with a distinction, and has a Masters in Economics from Bombay University, where he graduated with a gold medal.



### Mr. Nigel Holland

#### REGIONAL PRESIDENT, EUROPE, MIDDLE EAST AND AFRICA (EMEA)

Mr. Nigel Holland joined the Management team in 2011 and is responsible for the regions of Europe, the Middle East and Africa (EMEA). He is also the Executive Director and Chairman of Joeckels Tea Packers Limited, South Africa, as well as the President of the UK Tea & Infusions Association (UKTIA). With a degree and MBA in Economics, Mr. Holland joined the Tetley Group in 1998 as Marketing Controller, having previously worked in various consumer marketing positions for a number of leading FMCG brands, including Scottish & Newcastle Breweries, Kraft Jacobs Suchard, and Boots Healthcare International. A year later, he became the Marketing Director. In 2002, he was appointed as the Commercial Director for the UK business, which later extended to the regions of Western Europe and Australia. In 2008, with the formation of Tata Global Beverages Limited, Mr. Holland was appointed as Regional President for UK and Africa, which was subsequently expanded to cover the Europe-Middle East-Africa region.

# 10-Year Financial Highlights

		Rs. in Crores									
	2015-16 #	2014-15 #	2013-14 #	2012-13 #	2011-12 #	2010-11 #	2009-10	2008-09	2007-08	2006-07	
Total Revenue	3190	3040	2868	2439	2129	1924	1837	1525	1263	1146	
EBITDA	342	317	284	239	232	147	191	153	176	198	
Operating Profits	319	297	268	222	220	135	179	142	166	179	
Profit before Tax	661	349	585	321	370	230	495	229	386	350	
Tax	97	60	139	62	67	50	104	70	73	43	
Profit after Tax	564	289	447	259	303	181	391	159	313	307	
Dividend payout @	164	162	147	154	154	142	143	125	253	109	
Equity Capital	63	62	62	62	62	62	62	62	62	59	
Share Warrants / Share Suspense Account	-	1	-	-	-	-	-	-	-	22	
Reserves & Surplus	2833	2439	2511	2256	2148	1995	2016	1737	1742	1485	
Shareholders' Funds	2896	2502	2573	2318	2210	2056	2078	1799	1804	1566	
Borrowings ^	378	477	457	509	367	505	500	755	758	797	
Capital Employed	3274	2979	3030	2827	2577	2561	2578	2554	2562	2363	
Net Block	209	205	162	150	143	126	111	104	98	247	
Contribution to Exchequer	172	118	141	96	87	72	120	80	83	54	
Payments relating to Employees	187	162	136	120	101	95	95	92	72	179	
No. of Employees	2552	2549	2466	2489	2218	2373	2419	2422	2510	34506	
Book value per Share (Rs.)*	45.54 +	39.29 +	41.26 +	37.13 +	35.39 +	32.90 +	332.47	287.43	288.19	261.51	
Earnings per Share (Rs.)	8.93 +	4.58 +	7.23 +	4.18 +	4.89 +	2.92 +	63.30	25.72	50.79 **	53.56	
Dividend per Share (Rs.)	2.25 +	2.25 +	2.25 +	2.15 +	2.15 +	2.00 +	20.00	17.50	35.00 &	15.00	
Total Debt to Equity*	0.13	0.19	0.18	0.22	0.17	0.25	0.24	0.42	0.43	0.52	
<b>CONSOLIDATED FINANCIAL HIGHLIGHTS</b>											
Total Revenue	8181	8063	7819	7437	6735	6100	5855	4907	4376	4103	
EBITDA	675	775	752	768	623	608	722	646	709	704	
Operating Profits	532	642	623	663	527	509	619	547	617	608	
Profit before Tax	545	500	707	637	574	494	641	1256	2059	566	
Net Profit	326	248	481	373	356	254	390	701	1,543	443	
Book value per Share (Rs.)*	89.96 +	86.38 +	93.90 +	77.08 +	73.15 +	63.37 +	596.35	580.94	557.34	359.96	
Basic Earnings per Share (Rs.)	5.16 +	3.93 +	7.77 +	6.03 +	5.76 +	4.11 +	63.11	113.28	250.41 **	77.46 **	
Total Debt to Equity *	0.18	0.21	0.21	0.25	0.16	0.21	0.38	0.53	0.59	1.67	

# Figures as per Schedule III.

@ Includes Tax On Dividend.

^ Includes current maturities of long term debts.

\* Computation excludes Revaluation Reserves.

+ Computation based on revised face value of shares.

\*\* On the average Share capital for the year/period.

& Includes one time special dividend of Rs. 20 per share.

# Notice

Notice is hereby given that the Fifty Third Annual General Meeting of the Members of Tata Global Beverages Limited will be held at The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata – 700 013 on Wednesday, 24<sup>th</sup> August 2016 at 10.30 a.m. to transact the following businesses:

## Ordinary Business

1. To receive, consider and adopt:
  - (a) the audited financial statements of the Company for the financial year ended March 31, 2016, together with the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 together with the report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Cyrus P Mistry (DIN 00010178), who retires by rotation and, being eligible, offers himself for reappointment.
4. Ratification of Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Lovelock & Lewes (Firm Registration No. 301056E), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifty-fourth AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. for the financial year ending March 31, 2017, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

## Special Business

5. Remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shome & Banarjee, Cost Accountants, (Firm Registration Number 000001), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2017, be paid a remuneration of Rs. 3,25,000 plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

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. Issue of Non Convertible Debentures on private placement basis

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification, amendment, substitution or re-enactment thereof, for the time being in force and pursuant to SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and other applicable Regulations / Guidelines and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, approval of the members of the Company is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to issue / offer / invite for subscription / to allot

Secured / Unsecured Redeemable Non-Convertible Debentures ("NCDs") including but not limited to bonds and / or other debt securities (hereinafter collectively referred as "Securities"), on private placement basis, listed or unlisted, in one or more tranches, during the period of one year from the date of passing of this special resolution, to eligible person(s), upto a limit of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores), within the overall borrowing limits of the Company as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT the Board is hereby authorised to determine the terms of the issue including providing security over any of the Company's assets, the class of investors to whom such Securities are to be issued, timing of the issue, total amount to be raised by issuance of Securities, the number of Securities, tranches, issue price, tenor, interest rate, premium / discount, redemption terms, appointment of trustee(s), security, listing etc., and to do all such acts, deeds, filings, matters and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as the Board may, in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and / or officer(s) of the Company, as it may in its absolute discretion deem necessary."

**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4, 5 and 6 are annexed hereto. Information under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Director proposed to be reappointed is provided in 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. 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. 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. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 10<sup>th</sup> August, 2016 to Wednesday, 24<sup>th</sup> August 2016, both days inclusive.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio Number.
5. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after Friday, 26<sup>th</sup> August, 2016 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 Wednesday, 10<sup>th</sup> August 2016.
  - 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 Tuesday, 9<sup>th</sup> August 2016.
6. Shareholders holding shares in physical form are requested to advise any change of address, email address, bank details immediately to Company's Registrar and Share Transfer Agents, TSR Darashaw Limited(TSRDL). Shareholders holding shares in electronic form must advise their respective depository participants about any change in 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 electronic form are, therefore, requested

to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.

7. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.
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 returned 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.
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 are requested to immediately notify their bank particulars giving the name of the bank and the branch, 9 digit MICR number, 11 digit IFS Code, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited (TSRDL), in respect of shares held in physical form and to their Depository Participants in case of shares held in electronic form.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for 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 [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) (under 'Investors' section).

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 participants.

13. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):  
  
Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of 7 years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the IEPF or the Company for the amounts so transferred prior to 31<sup>st</sup> March, 2016. Shareholders who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2008-09 and / or any subsequent years are requested to make their claims without any delay to the Registrars. It may be noted that the unclaimed dividend for the financial year 2008-09 declared by the Company on 1<sup>st</sup> September, 2009 can be claimed by the shareholders by 10<sup>th</sup> September, 2016. Attention of the shareholders is also drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.
14. In accordance with the Companies Act, 2013 read with the relevant Rules, the Notice of the AGM along with the Annual Report for 2015-16 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.
15. We request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
16. 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.

17. It is in interest of the 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 that have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System.
18. The shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
19. Updation of Member's Details:

The format of Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Share Registrar & Transfer Agents to record additional details of the members, including their PAN details, email address, Bank details for payment of dividend etc. A form capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents, M/s TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

20. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 electronically through the e-voting services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in the Notice. In this regard, your Demat Account/ Folio Number has been enrolled by the Company for your participation in e-voting on the resolutions placed by the Company on the e-Voting

system. Shareholders may exercise their right to vote through remote e-voting through e-voting services provided by NSDL or vote at the 53<sup>rd</sup> Annual General Meeting (AGM) by electronic means or poll paper. The instructions for e-voting are as under:-

- A. In case a member receives an email from NSDL [for members whose email Ids are registered with the Company/Depository Participants]:
  - i. Open email and open PDF file viz, "TGBL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password /PIN for e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - iii. Click on Shareholder – Login
  - iv. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - v. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. On first login, the system will prompt you to change your password and update your contact details like mobile number, email id etc. in the user profile of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials. Home page of e-voting will open.

vii. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password and cast your vote.

viii. Once the e-voting Home page opens, Click on e-Voting > Active Voting Cycles.

ix. Select "EVEN" (E-Voting event number) of Tata Global Beverages Limited which is 104330. Now you are ready for e-voting as Cast Vote page opens.

x. Cast your vote by selecting appropriate option "For" or "Against" and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.

xi. Upon confirmation, the message "Vote cast successfully" will be displayed.

xii. You may similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, members can login any number of times till they have voted on all the Resolutions. If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.

xiii. 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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [asimsecy@gmail.com](mailto:asimsecy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or requesting physical copy]:

- i. Initial password is provided in the enclosed attendance slip along with EVEN (E Voting Event Number), USER ID and PASSWORD/PIN
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xi) in A. above, to cast vote.

C. Members who are already registered with NSDL for e-voting can use their existing user Id and password for casting their votes.

II. 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 downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

III. The e-voting period commences on Saturday 20<sup>th</sup> August 2016 at 9.00 am and ends on Tuesday 23<sup>rd</sup> August 2016 at 5.00 pm. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, namely 17<sup>th</sup> August 2016, 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. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date, which is 17<sup>th</sup> August 2016. 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.

- V. The facility to vote at the AGM will be provided by any electronic means or Poll paper to the shareholders who will be attending the AGM and have not cast their vote through remote e-voting.
- VI. 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.
- VII. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the Meeting and thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company.

The Scrutinizer will collate the votes cast at the Meeting, votes downloaded from the e-voting system and make a Consolidated Scrutinizer's Report of total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

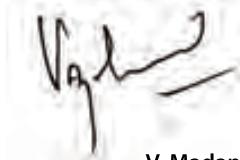
- VIII. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already 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](http://www.evoting.nsdl.com).

- IX. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results are 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 route map showing directions to reach the venue of the fifty third AGM is annexed.

By Order of the Board



**V. Madan**

Vice President & Company Secretary

Registered Office:

1, Bishop Lefroy Road,  
Kolkata – 700 020  
CIN - L15491WB1962PLC031425  
E-mail id: [investor.relations@tbl.com](mailto:investor.relations@tbl.com)  
Website address: [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

Mumbai

24<sup>th</sup> May 2016

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ("the Act")

**As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 4, 5 and 6**

### Item No. 4

#### Ratification of Appointment of Auditors

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

Lovelock & Lewes (Firm Registration No. 301056E), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of three years to hold office from the conclusion of the fifty first AGM till the conclusion of the fifty-fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM). In pursuance of the same, their ratification for appointment from the conclusion of the fifty third AGM till the conclusion of the fifty fourth AGM is being put up to the shareholders for their ratification.

The Board commends the Ordinary Resolution at Item No. 4 for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

### Item No. 5

#### Remuneration of Cost Auditors

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Shome & Banarjee as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 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 ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice.

### Item No. 6

#### Issue of Non Convertible Debentures on private placement basis

As per the provisions of Section 42 of the Companies Act, 2013 ("Act"), including any statutory modifications or re-enactments thereof for the time being in force, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

from time to time, a company offering or making an invitation to subscribe to Non Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

The Company is considering to issue NCDs/other debt securities to augment the long term resources of the Company for its business as the current NCDs are falling due for repayment. The approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of the special resolution, upto an amount not exceeding Rs. 350 Crores, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, listing, redemption terms, security etc. of the NCDs / other debt securities.

The proposed borrowings, along with the existing borrowings of the Company, would not exceed the aggregate outstanding borrowings of the Company approved by the Members, from time to time.

The Directors commend the Special Resolution at Item No. 6 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

By Order of the Board



**V. Madan**

Vice President & Company Secretary

Registered Office:

1, Bishop Lefroy Road,

Kolkata – 700 020

CIN - L15491WB1962PLC031425

E-mail id: investor.relations@tbl.com

Website address: [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

Mumbai

24<sup>th</sup> May 2016

# Annexure to Notice

## Particulars of Director seeking reappointment

Particulars	Mr. Cyrus P Mistry
Date of Birth	July 4, 1968
Date of Appointment	June 22, 2012
Qualifications	Graduate Degree in Civil Engineering, UK; M. Sc. In Management, London Business School
Expertise in specific functional areas	Wide business experience in variety of industries
Directorships held in other public companies (excluding foreign companies and companies registered under Section 25 of the Companies Act, 1956)	<ul style="list-style-type: none"> <li>• Tata Sons Limited#</li> <li>• Tata Industries Limited *</li> <li>• The Tata Power Company Limited *</li> <li>• Tata Teleservices Limited *</li> <li>• Tata Consultancy Services Limited*</li> <li>• Tata Steel Limited*</li> <li>• Tata Motors Limited*</li> <li>• Tata Chemicals Limited *</li> <li>• The Indian Hotels Company Limited*</li> </ul>
Memberships/Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee)	Nil
Number of shares held in the Company	33,000
Inter-se relationship with other Directors and Key Managerial Personnel	Nil

#Executive Chairman

\*Chairman of the Board

For other details such as number of meetings of the board attended and amount of sitting fees drawn during 2015-16, in respect of Mr. Cyrus P. Mistry, please refer to the Corporate Governance Report.

# Route Map to the AGM Venue

Venue: The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata – 700 013

**Route Map of The Oberoi Grand, Kolkata  
from Netaji Subhash Chandra Bose Airport / Howrah Station / Sealdah Station**

**Distance from Airport - 16.8 km.**

Route map via VIP Road & CR Avenue Road:

From NH12 take Kazi Nazrul Islam Sarani/VIP Road Kestopur - Baguihati Flyover, VIP Road, Vivekananda Road and CR Avenue Road to Jawaharlal Nehru Road in New Market Area



**Distance from Sealdah Station - 2.8 Km**  
Route map via S. N. Banerjee Road  
Take A.P.C. Road / Sealdah Flyover / Moula Ali Crossing. Head towards S. N. Banerjee Road to Chowringhee Pl in New Market Area

**Distance from Howrah Station - 4.6 Km**  
Route map via Rabindra Setu - Brabourne Road  
Take Station Road to H M Basu Road  
Take Rabindra Setu and Sido Kanhu Dahan to Chowringhee Rd/Jawaharlal Nehru Rd in New Market Area, Kolkata

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly.

**THE OBEROI GRAND, KOLKATA**  
15, Jawaharlal Nehru Road,  
Kolkata - 700 013

**Land Mark:** Near Esplanade Metro Station

# DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to submit their fifty third report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March 2016.

## Financial Results

	Rs. in Crores			
	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	8,111	7,993	3,084	2,885
Profit from Operations before Other Income, Finance Costs, Depreciation and Exceptional Items	675	775	342	317
Less : Depreciation	(143)	(133)	(23)	(20)
Profit from Operations before Other Income, Finance Costs and Exceptional Items	532	642	319	297
Add: Other Income (Standalone results include intra-group dividends eliminated on consolidation)	71	70	107	155
Less : Finance Costs	(69)	(82)	(30)	(34)
Profit before exceptional items and taxes	534	630	396	418
Exceptional items (net)	11	(130)	265	(69)
Profit before tax	545	500	661	349
Provision for tax	(210)	(216)	(97)	(60)
Profit after tax	335	284	564	289
Share of Net loss in Associates	(1)	(11)	-	-
Minority Interest	(8)	(25)	-	-
Profit for the year	326	248	564	289
Add: Surplus brought forward from previous year	3,331	3,276	920	820
Add: Adjustment on Amalgamation	-	20	-	2
Amount available for appropriation	3,657	3,544	1,484	1,111
Proposed dividend	(142)	(142)	(142)	(142)
Dividend distribution tax	(23)	(21)	(23)	(19)
Transfer to general reserve	(68)	(49)	(56)	(29)
Adjustment on evaluation of useful life of Fixed Asset	-	(1)	-	(1)
	(233)	(213)	(221)	(191)
Retained in profit and loss statement	3,424	3,331	1,263	920

## State of Company's Affairs

### Consolidated Performance

Consolidated Income from operations for 2015-16 was Rs. 8,111 Crores, against Rs. 7,993 Crores in the previous year, reflecting a 2% growth aided by improved performance both in the branded and unbranded businesses. At prior year exchange rates, the increase would be 3%. Within the branded business, India tea business performed well with good value and volume growth and our incubatory businesses, such as MAP in Australia, Tata Starbucks and NourishCo also increased their revenues. Within the

non branded portfolio, improvements were mainly recorded in Coffee plantation and Coffee extraction businesses.

Profit from operations declined against the prior year mainly in the branded business due to underperformances in some developed markets. This decline is largely attributable to commodity price increases in coffee and tea in the international markets, higher spends behind brands and new launches, category decline in some developed markets and increased competitor and retailer activities. The Indian branded and non-branded businesses

performed well offsetting the lower performance in developed markets. Profit after tax was however significantly higher than prior year mainly due to the impact of exceptional items. During the year, your Company sold some non-core investments realising a profit of Rs. 328 Crores. The Company also recognised non cash impairment losses amounting to Rs. 270 Crores mainly relating to its businesses in Eastern Europe and US. While the Company is actively pursuing various growth opportunities, the accounting impairment has been recognised due to underperformances as compared to plans mainly arising out of factors like macro-economic instability in Russia and category decline in every day black tea in certain markets and higher competitive intensity in some markets.

We continued our focus on green and specialty teas across markets during the year under review. There was renewed focus of increasing the distribution for our super premium segment whilst focus on new innovative products continued. The "Super Green tea" which is the first fortified green tea with proven health benefits which was launched in UK saw significant growth and was ahead of category growth on a full year basis. There was also significant growth in the green tea segment in India, France and US. Fruit and herbal teas were launched in UK and US where customer response has been very positive. Teapigs, our super premium tea brand, saw significant growth in UK, US and Canada and other international markets with improved distribution. In India, our new coffee brand, Tata Coffee Grand had a high impact launch which created the desired buzz and visibility. In addition, Tata Tea Gold with a region specific blend was launched in the state of Maharashtra which received favourable customer response. Various new products like the Signature Collection and London Blend have been launched in select developed markets. The year also reflected good execution of the launch plans in Middle-East which resulted in market share increases. The performance of the businesses under our strategic partnership with Starbucks and PepsiCo also saw good growth. In Tata Starbucks, growth has been achieved as a result of good in-store performance and expansion in the number of stores. NourishCo reflected good growth based on significant increase in the sales of Tata Gluco Plus and a moderate growth in Himalayan sales.

Your Company's consolidated performance has to be viewed in the context of difficult macro economic conditions and the emerging category trends in some of the developed markets that the Company operates in and that investments are being made for future growth.

Your Company's focus in 2016-17 would be to invest in innovations and capability building in line with the Group's medium term strategy plan and balancing the same with pressures on EBIT margins by prioritising our strategic objectives. The key focus themes across all regions will be to drive innovation and build momentum on the recent launches. Our focus will also be on improving distribution and driving cost efficiencies. We will meet these objectives through strengthening and leveraging people capabilities and robust execution of plans with continued commitment to our sustainability initiatives.

### Standalone Performance

Your Company's Income from operations for the year ended 31<sup>st</sup> March 2016 was Rs. 3,084 Crores, registering an improvement against the prior year, driven by increase in volumes and average realisation reflecting the increase in both national and regional brands. Profit from operations at Rs. 319 Crores was higher than the previous year mainly driven by increased sales and lower commodity and input cost trends despite higher spends behind brands and new launches. Profit before and after tax was significantly higher aided by exceptional income, derived through sale of non-core investments partially offset by provisions relating mainly to the China extraction business arising out of delays in startup and stabilisation of technology for an enhanced product range.

Your Company recorded 7% income growth over the prior year with increases in the flagship Tata Tea Brands and also in the Regional brands. Your Company is pleased to report that it continues to maintain both volume and value leadership in the overall branded tea category and leadership in the green tea category, in a challenging and competitive environment. During the year, your Company renewed its focus on green tea and launched innovative products. The Company launched Tata Tea Gold with a region specific blend to strengthen its foothold in Maharashtra for which consumer response has been positive. In addition, to expand the product category, your Company launched Tata Coffee Grand with a unique blend that is gaining consumer acceptance.

### Share Capital

The Amalgamation of Mount Everest Mineral Water Limited (MEMW) with the Company was completed during the year under review. Pursuant to and in consideration of the Scheme of Amalgamation of MEMW with your Company, which was effective 18<sup>th</sup> May 2015, your Company issued and allotted 1.27 Crore equity shares of Re. 1 to the eligible shareholders of MEMW, post which, the paid up capital of the Company increased to Rs. 63.11 Crores.

## Dividend

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of Rs. 2.25 per share on the equity share capital of the Company with respect to the financial year 2015-16. The total outgo on account of dividend, inclusive of taxes, for 2015-16 is Rs. 165 Crores which represents a pay-out of 29% of the Company's stand alone profits.

## Transfer to Reserves

An amount of Rs. 56 Crores is proposed to be transferred to General Reserves out of the amount available for appropriation and an amount of Rs. 1,263 Crores is proposed to be retained in the profit and loss statement.

## Review of Subsidiaries, Associates and Joint Venture Companies

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries, joint ventures and associates, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013, 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 Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate accounts in respect of subsidiaries are available on the website of the Company.

There have been no material changes in the nature of the business of the subsidiaries (including associates and joint ventures) during the financial year 2015-16. Acquisitions/ divestments, as applicable, have been adequately disclosed in the financial statements.

Your Company has adopted a policy for determining material subsidiaries in terms of Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Policy as approved may be accessed on the Company's website at the link: <http://www.tataglobalbeverages.com/docs/default-source/Investor-Governance-Policy-/policy-on-subsidiary.pdf?sfvrsn=0>

## Performance highlights of key operating subsidiaries / associates / joint ventures

### Indian Operations

#### Tata Coffee Limited

Tata Coffee recorded a turnover of Rs. 718 Crores reflecting a growth of 5% over the prior year. The improvement is mainly attributable to higher instant coffee sales. The turnover of the plantation business also showed improvement driven by higher sales of Robusta and Pepper offset by lower Arabica volumes due to off year trends. The Instant Coffee business reported a strong growth in Africa and a favourable portfolio mix of volumes contributed to the Instant Coffee's turnover and profitability. The overall profitability of the plantation business was flat impacted by seasonal nature of the business, soft tea prices and higher costs. The depreciation policy for Tata Coffee was changed to align to a single basis of depreciation for similar type of assets as opposed to different basis of depreciation being followed earlier. A write-back was taken to exceptional items to reflect the impact of the change. Post the impact of exceptional items, Profits before and after tax are at prior year levels.

The Directors of Tata Coffee Limited have recommended a dividend of Rs.1.30 per equity share of Re. 1 each for the year 2015-16 which is the same as last year.

The instant coffee operations continues to focus on operational discipline, cost reduction and sustainability in operations. With a specific focus on cost reduction, various alternatives have been used to reduce the power and fuel costs in the instant coffee factories. In addition, the Theni Unit won the CII Sustainability award and Toopran unit won the National level Energy conservation award.

Tata Coffee also won two awards at the 12<sup>th</sup> Golden Leaf India Awards 2016 in recognition of the high quality teas produced at their factory located in the Anamalai hills in South India. Additionally, Plantation Trails, Tata Coffee's hospitality brand, was awarded the 'Certificate of Excellence' from Trip Advisor, the world's largest travel website, for the third consecutive year. The award is based purely on customer feedback and ratings.

### NourishCo Beverages Limited

NourishCo Beverages Limited, a joint venture with PepsiCo, is driving our water agenda in India. It distributes the Himalayan brand whilst it manufactures and sells the Tata Water Plus and Tata Gluco Plus brands. The Company registered a turnover of Rs. 125 Crores for 2015-16, reflecting a growth of 44%. Tata Gluco Plus has been performing extremely well and high double digit growth in volume and value terms were recorded during the year 2015-16.

The new proposition of "Gas minus Energy Plus" and the visual changes on the packaging to communicate "Energy" for the brand were received very well by the consumers and have accelerated the brand's growth rate. We strengthened our distribution with presence in Maharashtra, Karnataka, Gujarat and Kerala. In addition, Himalayan sales declared a double digit growth in volume and value by focusing on channel mix and selective price increases. During the year, a television commercial was run with the objective of establishing Himalayan's source credentials.

### **Tata Starbucks Private Limited**

Tata Starbucks recorded a turnover of Rs. 235 Crores during 2015-16 registering a growth of 39% over the prior year. Tata Starbucks' store count stands at 82 at the end of the financial year. The business continues to perform well with revenue growth driven by improved store performance and increase in the number of stores. In-store performance has been robust helped by various initiatives such as localisation of supply chain and other similar initiatives contributing to improving profitability.

### **Amalgamated Plantations Private Limited (APPL)**

For the financial year 2015-16, turnover at Rs. 570 Crores was in line with prior year. However, profits were impacted mainly due to wage revisions which were negotiated on a tripartite basis. The business registered record production in February/ March 2016 due to good rains during end season. During the year, whilst regular tea prices were soft, premium teas reflected a hardening trend. In addition APPL is also involved with the tea extension planting advisory services initiative which ensures that the small tea growers are trained in Good Tea Cultivation practices to increase yield and improve compliance and quality of green leaf. This will help them get a fair price for sustainable livelihood and become a stable supply base to APPL factories. This initiative has led to identification and linkage of 5,252 small tea growers to APPL Estates for green leaf supply in 2016-17. Further, certain gardens achieved RA certifications and Trust Tea certification, in addition to ISO 22000 and SA 8000.

### **Kanan Devan Hills Plantation Company Private Limited (KDHP)**

For the financial year 2015-16, KDHP recorded a turnover of Rs. 259 Crores. The profitability and operations were impacted by labour unrest in its estates and factories for a week in September and for a fortnight in October, resulting in heavy loss of production. The unrest was across most plantations in Kerala due to demands for wage revision and higher bonus. Additionally, loss of production during this period of unrest and its aftermath, left the tea fields in overgrown condition necessitating substantial costs for ensuing restoration work on the affected fields, which

further impacted both production and income. The Company also incurred substantial increase in costs due to a significant increase in labour wages as decided by the Plantation Labour Committee, constituted by the Government of Kerala, and this plantation industry wide wage revision, done once in three years, was due in 2015.

Despite the labour unrest, the productivity for the season was higher than the previous year and total crop production performance was better than that of other companies in Munnar. The average price of tea achieved for the year was also higher than previous year, due to the increased production of high value teas and firming up of tea prices during the second half. In the Great Places to Work Survey (2015) conducted by the Economic Times and Great Place to Work® Institute, KDHP was ranked 97 in the Top 100 of India's Best Companies to Work for in 2015. On the quality front, KDHP won two awards at the 2016 Golden Leaf India Awards competition held at Dubai, a testimony to the stringent quality standards adopted by the Company. Additionally, two tea factories were awarded the Appreciation Award under the Small Industry Category of the Kerala State Pollution Control Award, 2016. This is a testimony to the strict safety standards maintained by all KDHP establishments. On the certifications front, KDHP continues to maintain all certifications of international repute, including Rainforest Alliance, Fairtrade, Organic, ISO 22000, ETP, GMP and Trustea. It was a moment of great joy and pride when the Company passed the Rainforest Alliance annual audit, with an astounding score of 98.9%.

### **International Operations**

#### **Eight O Clock Coffee Company (EOC)**

EOC's total income, under IGAAP, during 2015-16 at Rs. 1,046 Crores was higher than the previous year's income of Rs. 1,008 Crores. The increase in top line is mainly due to favourable currency movement. The business grew its non-promoted volumes over prior year but a significant increase in competitor intensity through additional promotional events and deeper discounting adversely affected the overall sales. Profits were impacted because of lower sales coupled with increase in coffee commodity costs. During the year, Eight O Clock Coffee was the recipient of two Reggie awards for their earlier partnership with Warner Brothers celebrating the 20<sup>th</sup> anniversary of the hit comedy TV show "Friends". The award recognises the best marketing campaigns activated by brands with a focus on strategy, creativity, originality, integration and results. The campaign resulted in introducing the brand to a younger consumer base which ultimately contributed to brand sales growth.

### Tata Global Beverages Group Limited, UK

The consolidated income from Tata Global Beverages Group Limited, UK, under IGAAP, which substantially reflects the financial performance of the Tetley business and other international brands, at Rs. 3,313 Crores, was lower than prior year mainly due to adverse translation impact. At constant exchange rates, there was a marginal underlying topline growth. The improvement in underlying sales is mainly due to improvements in the Teapigs brand, Russia, Middle East, South Africa, and coffee business in Australia partially offset by lower performance in other key markets. The operating profit was behind prior year mainly due to category de-growth and high competitive intensity in some major markets, higher commodity prices, impact of the macro-economic condition prevailing in countries like Russia and higher spends on new launches and market entries. The underlying performance of the main brands was strong with many successes. Teapigs, our super premium brand has done exceedingly well by growing distribution in UK, US and in other international markets. Green tea has exceeded expectations and our growth is significantly higher than the category growth in UK. Super greens is the star performer in UK and the green tea portfolio, though small, has significantly increased in the last couple of years. In addition to UK, green tea has also done well in US, Canada and France. During the year, fruit and herbal categories were launched in UK and US and the initial response is positive. A new premium variant, the Signature Collection which was launched in Canada is gaining distribution and a new blend – "British Brands" was launched in US. Various advertisement campaigns were deployed in markets to support the Tetley brand and new launches. Whilst in the UK there was a focus on Tetley advertisement using the iconic "teafolk" and implementation of a new pack, Canada concentrated on Signature Collections and new packaging changes. We continue to be market leaders in Canada and have gained volume share in the UK.

The Company is happy to inform you that for the second year running, Tetley has been recognised in the 2015 Great Taste Awards, winning coveted gold stars for its Kenyan Gold (Blend Collection), Pure Green, Redbush Vanilla, Super Green Tea, Boost, Lime and Serenity, and Mood Infusions. The Great Taste Awards is one of the world's largest and most trusted food and drink awards, organised by the Guild of Fine Food. This respected seal of approval is a sign of quality, which consumers can trust whilst buying food and drink from their local retailer.

Non Cash Goodwill impairments were recorded during the year under review mainly relating to its businesses in Eastern Europe and US. While the Company is actively pursuing various growth opportunities, the accounting impairment has been recognised

due to underperformances as compared to plans mainly arising out of factors like macro-economic instability in Russia and category decline in every day black tea / competitive intensity in other markets.

### Tata Tea Extractions Inc.

Tata Tea Extractions Inc., a wholly owned subsidiary in the USA supplies customer specific tea ingredients to Iced Tea Beverage companies. During the year, the income from sales in underlying currency increased by 1%, while the Profit from Operations grew by over 5%, when compared to the previous year. This was mainly on account of improved realisation from customers despite challenging market conditions, favourable blend mix and a marginal reduction in the cost of goods sold.

In addition to the existing products, Tata Tea Extractions has developed a new formulation during the year to cater to the requirements of new customers as well as existing customers. The initial feedback on this formulation from some of the customers have been favourable. In the manufacturing plant in Munnar, we are also working on an enhanced product range for one of our major customers. Developmental activities such as these, coupled with the existing product range is expected to help the company to sustain and grow the extraction business.

### Zhejiang Tata Tea Extraction Company Limited- China Joint Venture operations

Delays continue in stabilisation of the China business. While prospective customers have shown interest in our instant tea products, the final conversion to orders will be dependent on meeting the product profile requirements. Going forward, stabilising the production process and establishing a pipeline of external customers and successful scaling of technology will be key to the success of the project. In view of the continued uncertainty of the business, your Company is evaluating various options for restructuring the business.

### Estate Management Services Private Limited (EMSPL)

Estate Management Services Private Limited, Sri Lanka (EMSPL) in which your Company owns 31.85% of the shares, is the holding company of Watawala Plantations Limited (WPL). WPL is one of the largest producers of tea and palm oil in Sri Lanka and amongst the most efficiently run in that country. EMSPL also owns Watawala Tea Ceylon Limited (WTCL) which is in the branded business and owns three key brands 'Zesta', 'Watawala' and 'Ran Kahata' which together command 33% market share of the branded tea market in Sri Lanka. Sri Lankan tea has good acceptance in several countries including Russia, South East Asia, Australia and Middle East.

EMSPL has continued to perform well during 2015-16. Watawala Plantations PLC registered growth in profitability driven by better performance of tea and rubber segments. Watawala Tea Ceylon also recorded healthy growth in operating performance with both revenue and profitability substantially improving over the previous financial year.

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

During 2015-16, RBC Hold Co LLC ceased to be a subsidiary as it was dissolved during the year. As stated above, Mount Everest Mineral Water Limited, an erstwhile subsidiary, was amalgamated with the Company, effective 18<sup>th</sup> May, 2015. No other company became or ceased to be a subsidiary, joint venture or associate during 2015-16.

### **Human Resources and Industrial Relations**

During the year under review, a key agenda of the Company was to prioritise HR imperatives to support the Company's ambitious growth plans. The theme was 'Raising the Bar' and laying down practices on HR policies and principles to support in accelerating business Growth. The Company further continued leveraging the 3 tier leadership program to build the leadership capabilities across regions.

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

### **Corporate Governance and MD &A**

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis (MDA). The MDA also covers the consolidated operations and reflects the global nature of our business.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has a vigil mechanism for directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimisation of the director(s) and employee(s) who avail of the mechanism. No director/employee has been denied access to the Chairman of the Audit Committee.

### **Internal Financial Controls**

The Company has adequate system of Internal Controls which are detailed in the Management Discussion and Analysis Report.

### **Governance Guidelines**

The Company has adopted a governance guidelines on Board effectiveness. The guidelines cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, term of directors, retirement age and committees of the Board. The guidelines also cover aspects relating to nomination, appointment and induction and development of directors, directors remuneration, subsidiary oversight, code of conduct, Board effectiveness reviews and mandates of Board committees.

### **Procedure for Nomination and appointment of directors**

The Nomination and Remuneration Committee (NRC) is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects 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. The NRC also conducts a gap analysis to refresh the Board on a periodic basis, including each time a directors appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

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

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of directors in terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the key features of which are:

- 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 Companies Act, 2013, the directors are expected to demonstrate high standards of ethical behaviour, 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 meet the criteria laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) the Listing Regulations.

### Annual Evaluation of the Board, its Committees and Individual Directors

The Board of directors had carried out an annual evaluation of its own performance, board committees and individual directors as required under the Companies Act, 2013 and the Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as board composition, structure, board processes and their effectiveness, information given to the board etc. The performance of the board committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as committee composition, structure, effectiveness of committee meetings etc.

The Board and the NRC reviewed the performance of the individual directors on the basis of criteria such as contribution at meetings, their preparedness on the issues to be discussed etc. Additionally the Chairman was also evaluated on key aspects of his role.

### Remuneration Policy

The NRC has formulated a policy relating to the remuneration for the directors, key managerial personnel and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the Listing Regulations. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Companies Act, 2013, 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, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The 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 / Executive directors / KMPs / employees are paid basic/ fixed salary, benefits, perquisites and 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 independent non executive directors

The non-executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. 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. Cyrus Mistry, Chairman and Mr. Harish Bhat, Director). For meetings of all other Committees of the Board, a sitting fee of

Rs. 20,000 per meeting per director is paid (Rs. 15,000 in case of Mr. Cyrus Mistry, Chairman and Mr. Harish Bhat, Director). Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 2013, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and 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 had approved payment of commission to the non-executive directors at the Annual General Meeting held on 26<sup>th</sup> August 2014, which is valid up to the financial year ending 31<sup>st</sup> March 2019. No Stock option has been granted to the Non-Executive Directors.

### **Familiarisation programme for independent directors**

The details for familiarisation of the independent directors are given in the website and the same can be accessed at the link <http://www.tataglobalbeverages.com/company/leadership/board-of-directors>

As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarisation programmes conducted during the year 2015-16, is also put on the Company's website.

### **Number of meetings of the Board**

Nine meetings of the Board of Directors were held during the year 2015-16. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

### **Audit Committee**

The details pertaining to composition of audit committee are included in the Corporate Governance Report which forms part of this Annual Report.

### **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 and Sustainability initiatives**

The Natural Beverages Policy of Tata Global Beverages is the apex policy that incorporates all relevant elements of Sustainability, Corporate Social Responsibility, Affirmative Action, Community Initiatives and volunteering. It is aligned with the Tata Group Sustainability Policy, and is applicable to all units of Tata Global

Beverages, including associate companies and joint ventures. Through this policy, Tata Global Beverages aspires for global sustainability leadership in the natural beverages sector. The policy states that, "Tata Global Beverages 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. We shall achieve this by being the consumer's first choice in sustainable beverage production and consumption." The policy is built around the five pillars of sustainability - community development, sustainable sourcing, climate change, water management and waste management.

In compliance with Section 135 of Companies Act, 2013, Tata Global Beverages has undertaken CSR activities, projects and programs, excluding activities undertaken in pursuance of its normal course of business. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure 1 forming part of this report. The CSR Policy may be accessed on the Company's website at the link <http://www.tataglobalbeverages.com/docs/default-source/default-document-library/corporate-social-responsibility-policy7214b6881a2368caa65dff02001c5be1.pdf?sfvrsn=0>

During the year under review, the Company has spent Rs. 5.53 Crores (around 2.46% of the average net profits of last three financial years) on CSR activities on projects qualifying as per Section 135 of the Companies Act, 2013 duly approved by the CSR Committee.

In addition to the projects specified as CSR activities under Section 135 of Companies Act 2013, the Company has also carried out several other sustainability / responsible business initiatives and projects on a global scale. In 2015, for the fourth year in a row, Tata Global Beverages (TGB) was recognised on the Climate Disclosure Leadership Index (CDLI), and ranked second in India by CDP.

### **Particulars of employees**

The Information required under Section 197 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 Companies Act, 2013 the details of remuneration received by the Managing and Executive directors from the Company's subsidiary company during 2015-16 are also given in Annexure 2 attached to this report.

### **Particulars of Loans, Guarantees or Investments by the Company**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Annexure 3 attached to this report.

## Risk Management

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 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 Risk Management Committee reviews the key risks, the Risk register and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

## Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted 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 thereunder for prevention and redressal of complaints of sexual harassment at workplace.

## Deposits from public

The Company has not accepted any deposits from the public during the year under review. No amounts on account of principal or interest on deposits from public was outstanding as on 31<sup>st</sup> March 2016.

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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 2015-16 is attached herewith as Annexure 4. There are no qualifications in the said report.

## Annual Return

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return in Form MGT-9 is given in Annexure 5 which forms part of this report.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2016, 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 were 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 31<sup>st</sup> March 2016 on a 'going concern' basis.
- (v) The Directors have laid down internal financial controls for the company which are adequate and are operating effectively.
- (vi) 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by 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 effective during the financial year 2015-16.

## Related Party Transactions

All Related party transactions that were entered into during the financial year were on an arms length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company during the year that would have required shareholder approval under Regulation 23(4) of the Listing Regulations and the erstwhile Clause 49 of the Listing Agreement. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained for the transactions which are planned and/ or repetitive in nature and omnibus approvals are taken within the criteria/ limits laid down for unforeseen transactions. The disclosure under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. The Policy on Related Party transactions as approved by the Board has been uploaded on the Company's Website and may be accessed at the link <http://www.tataglobalbeverages.com/our-investors/governance>.

The details of the transactions with related parties during 2015-16 are provided in the accompanying financial statements.

None of the Directors had any pecuniary relationship or transactions with the Company during the year under review.

## Directors and key managerial personnel

At the Annual General Meeting of the Company held on 26<sup>th</sup> August 2014, the members had approved the appointments of Mr. Analjit Singh, Mrs. Mallika Srinivasan, Mr. V Leeladhar, Mrs. Ranjana Kumar, Mr. Darius Pandole and Mrs. Irene Vittal as Independent Directors for a term of five years from 26<sup>th</sup> August 2014. All the independent directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and they are independent of the management.

Mr. Cyrus P Mistry retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election. Brief particulars and expertise of Mr. Mistry together with his 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 Listing Regulations.

No director or key managerial personnel was appointed or has retired or resigned during the year under review.

## Auditors and Auditors' Report

The Members at the Annual General Meeting held on 26<sup>th</sup> August 2014, had appointed M/s. Lovelock and Lewes, as the Statutory Auditors for three years subject to ratification by the members each year. The members are requested to ratify the appointment of M/s. Lovelock and Lewes as Statutory Auditors from the conclusion of the fifty third Annual General Meeting till the conclusion of the fifty fourth Annual General Meeting. The Auditors' report on the financial statements for the year 2015-16 does not contain any qualifications, reservations or adverse remarks.

## Cost Auditors

Your Board has appointed M/s. Shome and Banerjee, 5A Nurulla Doctor Lane, 2<sup>nd</sup> Floor, Kolkata - 700 017 as cost auditors of the Company for conducting cost audit for the financial year 2016-17. The members are requested to ratify the remuneration payable to the Cost Auditors for 2016-17.

## Disclosure requirements

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure 6 attached to this report.

## Concluding Remarks

The Directors wish to convey their appreciation to all of the Company's employees for their sincere and dedicated services as well as their collective contribution to the Company's performance.

On behalf of the Board of Directors



Cyrus P Mistry  
Chairman

Mumbai,  
24<sup>th</sup> May 2016

# Annexure 1 to Directors' 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. We shall achieve this by being the consumer's first choice in sustainable beverage production and consumption.

TGB shall focus on Climate Change, Water Management, Sustainable Sourcing, Waste Management and Community Development. Towards community development, we shall undertake programs focused on education and skills, healthcare and women empowerment. We shall actively participate in TATA Group activities and programs for volunteering and affirmative action.

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

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

### Overview of projects implemented during 2015-16 as identified for the purpose of Section 135 of the Companies Act, 2013:

#### Education

- Srishti is a welfare centre for the differently abled in Munnar, Kerala. 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. Set up in 1991, Srishti has five projects: The DARE (Development Activities in Rehabilitative Education) School, DARE Strawberry Unit, Athulya (handmade paper and paper products), Aranya (natural dye project) and The Deli (confectionery unit). The welfare centre serves differently-abled children of the members of the plantation community. TGB supports the welfare centre by sponsoring the operational expenses.

#### 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 subsidized medical facilities

to general population and the tea communities. New medical specialities, namely, Orthopaedics, Neurosurgery and Physiotherapy have been introduced at the hospital. The eHub, located at RHRC for the e-Healthcare Project in collaboration with Hewlett Packard, has been completed and gone live. During FY 2015-16, the hospital has treated a total of 38,660 patients (OPD & IPD). TGB's CSR contribution to the hospital is accounted for by covering the deficit incurred by the hospital.

- TGB supports the St. Jude's India Child Care Centres to extend help to the cancer affected children. St Judes 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.

#### Skill Development

- TGB supports Unnati (a Bangalore based NGO) in providing job oriented training for youth from the under privileged communities. Unnati has provided training and placement of 182 youths from the under privileged communities in FY 15-16.

#### Women Empowerment

- The UNICEF-ETP project aims to promote child rights and reduce their vulnerability to trafficking and abuse in the 3 districts of Assam (Dibrugarh, Sivasagar, Tinsukia). The first year of the project has seen the successful implementation at 87 tea gardens, all of which now have active Adolescent Girls' Groups (AGG) and Child Protection Committees (CPC). Across these estates and the local communities, nearly 14,000 girls have been reached. TGB co-funds the cost of the program that includes awareness creation and on-ground implementation of the programme to prevent human trafficking.
- TGB is supporting Concern India Foundation for livelihood opportunities for rural women in 1100 families of 11 villages from Haveri and Ranebennur districts in Karnataka.

#### 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.

#### Rural Infrastructure

TGB has funded rural infrastructure upgradation in Dhaulakuan, District Sirmour, Himachal Pradesh during the financial year 2015-16.

## 2. Composition of the CSR Committee

TGBL 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 TGBL will be headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committee of the Company to act on their behalf.

The CSR Committee of the Board comprises of the following members:

- a. Ranjana Kumar (Mrs.) (Chairperson)
- b. V. Leeladhar
- c. S. Santhanakrishnan

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or Activity Identified	Relevant Section of Schedule VII in which the project is covered	Projects 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
1	Skill Development training to AA Youth	(ii)	Bangalore, Karnataka	0.26	0.22	0.22	Unnati
2	Skill Development training to differently abled	(ii)	Munnar, Kerala	1.30	1.52	1.52	Direct
3	Affordable healthcare for all	(i)	Chubwa, Assam	2.25	2.87	2.87	Associate Company
4	Creating Awareness on human trafficking	(iii)	Assam	0.50	0.49	0.49	UNICEF and ETP
5	Enhancing skills of women in up cycling of laminates	(ii)	Chennai	0.12	0.12	0.12	Exanora
6	Supporting Cancer affected children	(i)	Kolkata	0.22	0.20	0.20	ST Jude's Child Care Centres
7	Providing rural infrastructure	(x)	Paonta Sahib, Himachal Pradesh	-	0.05	0.05	Government of H.P.
8	Formation and strengthening of women self-help groups	(iii)	Haveri, Karnataka	0.04	0.06	0.06	Concern India Foundation
				4.69	5.53	5.53	

## Schedule VII

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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.
- (x) Rural Infrastructure

## CSR Committee responsibility statement

Through this report, TGBL seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies 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**

Chief Executive Officer and Managing Director

Mumbai,  
24<sup>th</sup> May 2016



**Ranjana Kumar**

Chairperson, CSR Committee

## Annexure 2 to Directors' 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. Cyrus P Mistry	1.79
Mr. Harish Bhat	2.97
Mrs. Mallika Srinivasan	10.35
Mr. Analjit Singh	3.75
Mr. V Leeladhar	54.48
Mrs. Ranjana Kumar	41.81
Mr. Darius Pandole	36.31
Mr. S Santhanakrishnan	25.96
Mrs. Ireena Vittal	26.36
Executive Directors	Ratio to median remuneration*
Mr. Ajoy Misra	229.68
Mr. L KrishnaKumar	205.23

\*Median salary computation is based on a total employee head count of 2,552 of which approximately 2,000 employees are within collective bargaining process.

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. Cyrus P Mistry#	47%
Mr. Harish Bhat #	18%
Mrs. Mallika Srinivasan	1%
Mr. Analjit Singh	(47%)
Mr. V Leeladhar	5%
Mrs. Ranjana Kumar	13%
Mr. Darius Pandole	18%
Mr. S Santhanakrishnan	(3%)
Mrs. Ireena Vittal	18%
Mr. Ajoy Misra, Chief Executive Officer and Managing Director**	12%
Mr. L KrishnaKumar, Executive Director and Group CFO**	8%
Mr. John Jacob, Chief Financial Officer***	-
Mr. V Madan, Company Secretary	13%

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

# Mr. Cyrus P Mistry and Mr. Harish Bhat draw only sitting fees from the Company.

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

\*\*\*Appointed as CFO for a part of the year in FY 2014-15 and hence remuneration numbers are not comparable.

- c) The percentage increase in median remuneration of employees in the financial year: 8%
- d) The number of permanent employees on the rolls of the Company: 2,552
- e) The explanation on the relationship between average increase in remuneration and Company performance:  
On an average, employees (excluding unionised staff) received an annual increase of around 12%. The increase in remuneration is in line with current market trends. In order to ensure that remuneration reflects Company performance, the performance pay is linked to both individual performance rating and business performance.
- f) Comparison of the performance of the key managerial personnel against the performance of the Company:  
In line with Company's remuneration policy, salary increases and annual bonus pay-outs of its employees including key managerial personnel are directly linked to individual performance as well as Company's performance. The remuneration to key managerial personnel in addition to these factors also takes into account various other parameters as decided and approved by Nomination and Remuneration Committee.
- g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31 2016	March 31, 2015	% Change
Market Capitalisation (Rs. Crores)	7652.45	9201.77	(16.84%)
Price Earnings Ratio*	23.50	37.86	(37.93%)

\* Based on consolidated performance

- h) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31 2016	Issue price at last IPO	% Change
Market Price (Rs.)*	121.25	1	12025%

\*Face value of share was sub-divided to Re. 1 from Rs. 10 on 2<sup>nd</sup> July 2010.

- i) 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 12%. The percentage increase for all employees was 10%. Increase in the managerial remuneration was 10% (including compensation paid from a Subsidiary Company in the UK). Percentage increases for various categories are granted based on market trends and performance criteria.

j) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Mr Ajoy Misra CEO and Managing Director	Mr L KrishnaKumar Executive Director and Group CFO	Mr John Jacob CFO	Mr V Madan Company Secretary
Remuneration (Rs. Crores)	2.82	2.52	1.44	1.11
Standalone Revenue (Rs. Crores)		3190.49		
Remuneration as a % of Standalone Revenue	0.09	0.08	0.05	0.03
Standalone Earnings Before Interest and Tax (Rs. Crores)		319.44		
Remuneration as a % of Standalone Earnings Before Interest and Tax	0.88	0.79	0.45	0.35
Consolidated Revenue (Rs. Crores)		8181.11		
Remuneration as a % of Consolidated Revenue	0.03	0.03	0.02	0.01
Consolidated Earnings Before Interest and Tax (Rs. Crores)		531.73		
Remuneration as a % of Consolidated Earnings Before Interest and Tax	0.53	0.47	0.27	0.21

k) The key parameters for any variable component of remuneration availed by directors:

The variable pay for the directors is recommended by the Nomination and Remuneration Committee based on the actual performance of the organisation against the performance criteria laid down in addition to the evaluation of directors' personal contribution.

l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.

m) 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.

n) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 ("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. However, 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.

o) 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. 65.35 Lakhs and Rs.42.39 Lakhs respectively from the Company's overseas subsidiary, Tata Global Beverages (GB) Ltd. during the year 2015-16. (The remuneration drawn in GBP has been converted into INR at average exchange rate).

On behalf of the Board of Directors



Cyrus P Mistry

Chairman

Mumbai

24<sup>th</sup> May 2016

# Annexure 3 to Directors' Report

## 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 recipient
Investments	NourishCo Beverages Limited	13.00	Not Applicable
	Tata Starbucks Private Limited	28.00	
	Zhejiang Tata Tea Extractions Limited#	33.54	
	Mutual Funds - Net	162.50	
Guarantee	Zhejiang Tata Tea Extractions Limited	3.41	Corporate Guarantees were issued against loans drawn by a Subsidiary Company from banks as working capital loans and term debts
Inter Corporate Deposits	Kerala Ayurveda Limited^	4.75	Cash Management / Trade Deposits
	Casa Décor Private Limited*^	5.00	
	Taj Air Limited^	7.50	
	Tata Housing Limited*	50.00	

# Loans converted into Equity

\* Given and repaid during the year

^ Renewed during the year

On behalf of the Board of Directors



Cyrus P Mistry

Chairman

Mumbai

24<sup>th</sup> May 2016

# ANNEXURE 4 TO DIRECTORS' REPORT

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2016

### [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of 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 conduct/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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 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 on 31<sup>st</sup> March 2016 according to the provisions as may be applicable to the Company of:

- (i) The Companies Act, 2013 (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;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not applicable during the period under review.
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not applicable during the period under review as the Company is not acting as a Registrar and Share Transfer Agent.
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable during the period under review.
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable during the period under review.
  - (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) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.

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. No changes has 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.

The Resolutions passed by the Board of Directors and Committees thereof had no dissenting views which were required to be captured and minuted.

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

**I also report that** with regard to Amalgamation of Mount Everest Mineral Water Limited with the Company, on the basis of Scheme of Amalgamation as approved by both the Hon'ble High Courts at Calcutta and Himachal Pradesh (Shimla) **Effective Date** of the Amalgamation /Merger was 18<sup>th</sup> May 2015 on submission of requisite Form with the Registrar of Companies, West Bengal as well as Himachal Pradesh. Accordingly, the Equity Shares of the Company were allotted thereafter to the Equity Shareholders of the Transferor Company as per the said scheme and also Listed with the Company's concerned stock exchanges.

**Dr. Asim Kumar Chattopadhyay**  
Practising Company Secretary  
FCS No. 2303  
Certificate of Practice No. 880

12<sup>th</sup> May 2016

## Annexure "A"

### (TO THE SECRETARIAL AUDIT REPORT OF TATA GLOBAL BEVERAGES LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2016)

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

My Report for the financial year ended 31<sup>st</sup> March 2016 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Dr. Asim Kumar Chattopadhyay**  
Practising Company Secretary  
FCS No. 2303  
Certificate of Practice No. 880

12<sup>th</sup> May 2016

# ANNEXURE 5 TO DIRECTORS' REPORT

## Form No. MGT-9

### Extract Of Annual Return

As on the financial year ended on 31st March 2016

[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	18 <sup>th</sup> October 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	1, Bishop Lefroy Road, Kolkata – 700 020 Tel: 033-22836917 Fax: -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 : 022-66568494 Website : <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a> 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	NIC Code 107921	98.96

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Tata Global Beverages Group Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	88.65	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)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Tata Global Beverages Overseas Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex , UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
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	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 3 <sup>rd</sup> Floor Tea House, Nyerere Avenue 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 Joekels 12 Caversham Road Pinetown 3610 Kwazulu Natal South Africa	N.A.	Subsidiary	51	2 (87)
16	Tata Global Beverages Polska Sp.zo.o. UL Zolny 33 02-815 Warszawa, 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	N.A.	Subsidiary	100	2 (87)
19	Tetley USA Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
20	Good Earth Corporation 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
21	Good Earth Teas Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22	Tata Global Beverages Canada Inc. 10 Carlson street, Etobicoke, Ontario M9W6L2, Canada	N.A.	Subsidiary	100	2 (87)
23	Tata Global Beverages Australia Pty. Limited 620 Church Street, Richmond, Victoria, Australia 3121	N.A.	Subsidiary	100	2 (87)
24	Earth Rules Pty. Limited 620 Church Street, Richmond, Victoria, Australia 3121	N.A.	Subsidiary	100	2(87)
25	Tata Global Beverages Investments Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
26	Campestres Holdings Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
27	Kahutara Holdings Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	65	2 (87)
28	Suntyco Holding Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
29	Onomento Co. Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
30	OOO Sunty LLC Prospect Mira Street, 69 Building 1, Moscow, 129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
31	OOO Tea Trade LLC Prospect Mira Street, 69 Building 1, Moscow, 129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
32	Tata Global Beverages Capital Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
33	Tata Coffee Ltd Pollibetta, Kodagu, Karnataka	L01131KA1943PLC000833	Subsidiary	57.48	2 (87)
34	Consolidated Coffee Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
35	Eight 'O Clock Holdings Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
36	Eight 'O Clock Coffee Company 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
37	Tata Tea Extractions Inc 1001 W Dr M L King Jr Blvd Plant City, FL 33563, USA	N.A.	Subsidiary	100	2 (87)
38	Zhejiang Tata Tea Extraction Co. Limited Economic Development Zone, Anji, Zhejiang, China	N.A.	Subsidiary	81.46	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
39	Tata Tea Holdings Private Limited 4 <sup>th</sup> Floor, New Excelsior Building, Amrit Keshav Nayak Marg, Fort, Mumbai – 400 001	U67190MH2008PTC187767	Subsidiary	100	2 (87)
40	RBC Hold Co LLC <sup>§</sup> 1614, 15 <sup>th</sup> Street Suite 200 Denver, CO 80202 USA	N.A.	Subsidiary	59.89	2 (87)
41	TRIL Constructions Limited Elphinstone Building, 2 <sup>nd</sup> Floor, 10 Veer Nariman Road, Mumbai - 400 001	U45201MH2007PLC171985	Subsidiary	50.12 <sup>®</sup>	2 (6)
42	Mount Everest Mineral Water Limited* Village Dhaula Kuan , District Sirmour-173 025 Himachal Pradesh , India	L15543HP1991PLC019065	Subsidiary	50.07	2 (87)
43	Estate Management Services Private Ltd No.60, Dharmapala Mawatha, Colombo 03	N.A.	Associate	31.85	2 (6)
44	Amalgamated Plantations Private Ltd 1, Bishop Lefroy Road, Kolkata – 700 020	U01132WB2007PTC112852	Associate	41.03	2 (6)
45	Kanan Devan Hills Plantations Private Ltd KDHP House, Munnar, Kerala- 685612	U01132KL2005PTC018014	Associate	28.52	2 (6)
46	B Jets Pte. Limited <sup>#</sup> 80, Raffles Place, #32-01 UOB, Plaza 1, Singapore-048624	N.A.	Associate	49.31	2 (6)
47	Empirical Group, LLC 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Joint Venture	56.00	2 (6)
48	NourishCo Beverages Limited 3B, DLF Corporate Park'S'Block Phase 3 Gurgaon 122002 Haryana	U15500HR2010PLC041616	Joint Venture	50	2 (6)
49	Tata Starbucks Private Limited 4 <sup>th</sup> Floor, New Excelsior Building, Amrit Keshav Nayak Marg Fort, Mumbai – 400 001	U74900MH2011PTC222589	Joint Venture	50	2 (6)
50	Tetley ACI (Bangladesh) Limited 245 Tejgaon Industrial Area, Dhaka - 1208	N.A.	Joint Venture	50	2 (6)
51	Southern Tea, LLC 1267 Cobb Industrial Drive, Marietta, Georgia 30066	N.A.	Joint Venture	50	2( 6)
52	Tetley Clover (Private) Limited Lakson Square Building No 2 Sarwar Shaheed Road, Karachi	N.A.	Joint Venture	50	2 (6)

% of shares held shown above is by the immediate Holding Company

§ Dissolved during 2015-16

# Ceased to be accounted as an Associate Company since 2014-15

\* Amalgamated with the Company w.e.f. 18.05.2015 (Appointed date 1<sup>st</sup> April 2013)

® Includes investments in Preference Shares

## 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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 Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	21,70,83,190	0	21,70,83,190	35.10	21,71,28,190	0	21,71,28,190	34.40	-0.70
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
<b>Sub-total (A)(1)</b>	<b>21,70,83,190</b>	<b>0</b>	<b>21,70,83,190</b>	<b>35.10</b>	<b>21,71,28,190</b>	<b>0</b>	<b>21,71,28,190</b>	<b>34.40</b>	<b>-0.70</b>
<b>(2) Foreign</b>									
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
<b>Sub-total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>21,70,83,190</b>	<b>0</b>	<b>21,70,83,190</b>	<b>35.10</b>	<b>21,71,28,190</b>	<b>0</b>	<b>21,71,28,190</b>	<b>34.40</b>	<b>-0.70</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	2,49,90,354	90,690	2,50,81,044	4.05	4,24,26,761	1,34,715	4,25,61,476	6.74	2.69
b) Banks / Financial Institutions	5,61,35,315	96,270	5,62,31,585	9.09	7,98,12,436	62,845	7,98,75,281	12.66	3.56
c) Central Government	3,53,281	5,850	3,59,131	0.06	3,53,281	5,850	3,59,131	0.06	0.00
d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	37,43,054	0	37,43,054	0.61	39,36,673	0	39,36,673	0.62	0.02
g) Foreign Institutional Investors	10,59,09,066	8,260	10,59,17,326	17.13	2,95,81,793	8,260	2,95,90,053	4.69	-12.44
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investors (corporate)	1,91,78,855	0	1,91,78,855	3.10	5,38,99,882	0	5,38,99,882	8.54	5.44
j) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub -total (B)(1)</b>	<b>21,03,09,925</b>	<b>2,01,070</b>	<b>21,05,10,995</b>	<b>34.04</b>	<b>21,00,10,826</b>	<b>2,11,670</b>	<b>21,02,22,496</b>	<b>33.31</b>	<b>-0.73</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate	1,46,30,622	2,61,470	1,48,92,092	2.41	1,46,94,821	2,79,940	1,49,74,761	2.37	-0.04
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	12,06,76,684	1,43,27,708	13,50,04,392	21.83	12,73,19,409	1,41,45,161	14,14,64,570	22.41	0.58
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	79,31,359	10,19,370	89,50,729	1.45	96,77,479	6,01,870	1,02,79,349	1.63	0.18
c) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
d) Any Others (specify)									
(i) Trusts	31,81,986	4,630	31,86,616	0.51	67,34,843	4,630	67,39,473	1.07	0.56
(ii) Directors and their relatives	33,500	0	33,500	0.01	33,500	0	33,500	0.01	0.00
(iii) OCB's/Foreign Cos	0	0	0	0.00	975	50,100	51,075	0.01	0.01
(iv) Non-Resident Individuals	47,39,159	85,835	48,24,994	0.78	66,17,416	1,32,117	67,49,533	1.07	0.29
(v) Foreign Bodies-DR	2,92,566	0	2,92,566	0.05	0	0	0	0.00	-0.05
(vi) Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) Foreign Institutional Investors	12,49,030	0	12,49,030	0.20	67,262	0	67,262	0.01	-0.19
(viii) Foreign Nationals- DR	500	0	500	0.00	500	0	500	0.00	0.00
<b>Sub-Total(B)(2)</b>	<b>15,27,35,406</b>	<b>1,56,99,013</b>	<b>16,84,34,419</b>	<b>27.24</b>	<b>16,51,46,205</b>	<b>1,52,13,818</b>	<b>18,03,60,023</b>	<b>28.58</b>	<b>1.34</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>36,30,45,331</b>	<b>1,59,00,083</b>	<b>37,89,45,414</b>	<b>61.28</b>	<b>37,51,57,031</b>	<b>1,54,25,488</b>	<b>39,05,82,519</b>	<b>61.89</b>	<b>0.61</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>2,23,69,966</b>	<b>0</b>	<b>2,23,69,966</b>	<b>3.62</b>	<b>2,34,19,020</b>	<b>0</b>	<b>2,34,19,020</b>	<b>3.71</b>	<b>0.09</b>
<b>Grand Total (A+B+C)</b>	<b>60,24,98,487</b>	<b>1,59,00,083</b>	<b>61,83,98,570</b>	<b>100.00</b>	<b>61,57,04,241</b>	<b>1,54,25,488</b>	<b>63,11,29,729</b>	<b>100.00</b>	<b>0.00</b>

**II. Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015			Shareholding at the end of the year i.e. 31.03.2016			% 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 Limited	14,28,54,570	23.10	1.86	14,28,54,570	22.63	1.86	- 0.47
2	Tata Chemicals Limited	4,31,75,140	6.98	0.00	4,31,75,140	6.84	0.00	- 0.14
3	Tata Investment Corporation Limited**	2,69,00,000	4.35	0.00	2,69,45,000	4.27	0.00	- 0.08
4	Ewart Investments Limited	34,16,360	0.55	0.00	34,16,360	0.54	0.00	- 0.01
5	Tata Industries Limited	7,31,120	0.12	0.00	7,31,120	0.12	0.00	0.00
6	Titan Company Limited	6,000	0.00	0.00	6,000	0.00	0.00	0.00
<b>Total</b>		<b>21,70,83,190</b>	<b>35.10</b>	<b>1.86</b>	<b>21,71,28,190</b>	<b>34.40</b>	<b>1.86</b>	<b>- 0.70</b>

\*% change in Shareholding is consequent to increase in paid up share capital arising due to allotment of shares pursuant to the amalgamation of Mount Everest Mineral Water Limited with the Company.

**III. Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No	Name of Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		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
<b>Part of Promoter Group</b>									
1	Tata Investment Corporation Ltd**	2,69,00,000	4.35	02.07.2015	Allotment	45,000	0.00	2,69,45,000	4.27
				31.03.2016	At the year end			2,69,45,000	4.27

\*\* Increase in Shareholding is consequent to allotment of shares pursuant to the amalgamation of Mount Everest Mineral Water Limited with the Company.

Note: Except for the above there is no change in the holding of the Promoter and/ or Promoter Group during the Financial Year 2015 -16

**iv. Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase/Decrease in shareholding	% of total shares of the Company <sup>#</sup>	Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
1	LIC of India Child Fortune Plus Growth Fund LIC of India Profit Plus Balanced Fund Life Insurance Corporation of India LIC of India Money Plus Growth Fund LIC of India Market Plus 1 Growth Fund Life Insurance Corporation of India - Ulif002180912licflx+Mix512 Life Insurance Corporation of India	31,213,954	5.05	01-Apr-2015					
				10-Apr-2015	Transfer	1,136,872	0.18	32,350,826	5.13
				24-Apr-2015	Transfer	1,000,000	0.16	33,350,826	5.28
				01-May-2015	Transfer	550,000	0.09	33,900,826	5.37
				08-May-2015	Transfer	1,037,996	0.17	34,938,822	5.54
				15-May-2015	Transfer	1,831,062	0.30	36,769,884	5.83
				15-May-2015	Transfer	1,527,291	0.25	38,297,175	6.07
				22-May-2015	Transfer	586,798	0.09	38,883,973	6.16
				22-May-2015	Transfer	300,000	0.05	39,183,973	6.21
				05-Jun-2015	Transfer	450,000	0.07	39,633,973	6.28
				05-Jun-2015	Transfer	1,708,461	0.28	41,342,434	6.55
				12-Jun-2015	Transfer	860,348	0.14	42,202,782	6.69
				24-Jul-2015	Transfer	969,351	0.16	43,172,133	6.84
				31-Jul-2015	Transfer	1,379,080	0.22	44,551,213	7.06
				07-Aug-2015	Transfer	1,170,321	0.19	45,721,534	7.24
				14-Aug-2015	Transfer	1,200,000	0.19	46,921,534	7.43
				21-Aug-2015	Transfer	132,248	0.02	47,053,782	7.46
				04-Sep-2015	Transfer	810,654	0.13	47,864,436	7.58
				11-Sep-2015	Transfer	1,731,690	0.28	49,596,126	7.86
				18-Sep-2015	Transfer	647,221	0.10	50,243,347	7.96
				25-Sep-2015	Transfer	697,231	0.11	50,940,578	8.07
				30-Sep-2015	Transfer	445,000	0.07	51,385,578	8.14
				18-Mar-2016	Transfer	1,356,420	0.22	52,741,998	8.36
				25-Mar-2016	Transfer	775,000	0.13	53,516,998	8.48
		54,416,998	8.62	31-Mar-2016	Transfer	900,000	0.15	54,416,998	8.62
2	ICICI Prudential Mutual Fund ICICI Prudential Fmcg Fund ICICI Prudential Top 100 Fund ICICI Prudential Long Term Equity Fund (Tax Saving) ICICI Prudential Equity Arbitrage Fund ICICI Prudential Balanced Advantage Fund ICICI Prudential Midcap Fund ICICI Prudential Blended Plan - Plan A ICICI Prudential Dynamic Plan ICICI Prudential Select Large Cap Fund ICICI Prudential Nifty Next 50 Index Fund ICICI Prudential Nifty 100 EtF ICICI Prudential Value Fund Series 1 ICICI Prudential Value Fund Series 2 ICICI Prudential Value Fund-Series 5 ICICI Prudential Equity Income Fund ICICI Prudential Growth Fund-Series 8 ICICI Prudential Value Fund - Series 6 ICICI Prudential Value Fund - Series 7 ICICI Prudential Business Cycle Fund Series 2	15,803,894	2.56	01-Apr-2015					
				10-Apr-2015	Transfer	336	0.00	15,804,230	2.50
				17-Apr-2015	Transfer	-323	0.00	15,803,907	2.50
				24-Apr-2015	Transfer	250,000	0.04	16,053,907	2.54
				24-Apr-2015	Transfer	150	0.00	16,054,057	2.54
				01-May-2015	Transfer	640,000	0.10	16,694,057	2.65
				01-May-2015	Transfer	228	0.00	16,694,285	2.65
				08-May-2015	Transfer	421,419	0.07	17,115,704	2.71
				08-May-2015	Transfer	108	0.00	17,115,812	2.71
				08-May-2015	Transfer	23	0.00	17,115,835	2.71
				15-May-2015	Transfer	305	0.00	17,116,140	2.71
				22-May-2015	Transfer	428,000	0.07	17,544,140	2.78
				22-May-2015	Transfer	-276,000	-0.04	17,268,140	2.74
				22-May-2015	Transfer	-264,680	-0.04	17,003,460	2.69
				29-May-2015	Transfer	-506,822	-0.08	16,496,638	2.61
				29-May-2015	Transfer	-652	0.00	16,495,986	2.61
				05-Jun-2015	Transfer	-4,376	0.00	16,491,610	2.61
				05-Jun-2015	Transfer	-14	0.00	16,491,596	2.61
				12-Jun-2015	Transfer	568,245	0.09	17,059,841	2.70
				12-Jun-2015	Transfer	351	0.00	17,060,192	2.70
				19-Jun-2015	Transfer	594,815	0.10	17,655,007	2.80
				19-Jun-2015	Transfer	-275	0.00	17,654,732	2.80
				26-Jun-2015	Transfer	343,911	0.06	17,998,643	2.85
				30-Jun-2015	Transfer	-150	0.00	17,998,493	2.85
				03-Jul-2015	Transfer	2,207,627	0.36	20,206,120	3.20
				10-Jul-2015	Transfer	-141	0.00	20,205,979	3.20

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase/ Decrease in share- holding	% of total shares of the Company <sup>#</sup>	Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
		17-Jul-2015	Transfer	375,503		0.06	20,581,482	3.26	
		17-Jul-2015	Transfer	1,195,079		0.19	21,776,561	3.45	
		17-Jul-2015	Transfer	-1,096		0.00	21,775,465	3.45	
		24-Jul-2015	Transfer	2,640		0.00	21,778,105	3.45	
		24-Jul-2015	Transfer	7,958		0.00	21,786,063	3.45	
		24-Jul-2015	Transfer	-700,000		-0.11	21,086,063	3.34	
		31-Jul-2015	Transfer	700,000		0.11	21,786,063	3.45	
		31-Jul-2015	Transfer	-356		0.00	21,785,707	3.45	
		07-Aug-2015	Transfer	299,916		0.05	22,085,623	3.50	
		07-Aug-2015	Transfer	-199		0.00	22,085,424	3.50	
		14-Aug-2015	Transfer	74		0.00	22,085,498	3.50	
		14-Aug-2015	Transfer	83		0.00	22,085,581	3.50	
		21-Aug-2015	Transfer	74		0.00	22,085,655	3.50	
		21-Aug-2015	Transfer	61,448		0.01	22,147,103	3.51	
		28-Aug-2015	Transfer	735		0.00	22,147,838	3.51	
		04-Sep-2015	Transfer	-73		0.00	22,147,765	3.51	
		04-Sep-2015	Transfer	62,835		0.01	22,210,600	3.52	
		11-Sep-2015	Transfer	305		0.00	22,210,905	3.52	
		18-Sep-2015	Transfer	496		0.00	22,211,401	3.52	
		25-Sep-2015	Transfer	-264		0.00	22,211,137	3.52	
		30-Sep-2015	Transfer	492,468		0.08	22,703,605	3.60	
		30-Sep-2015	Transfer	-96		0.00	22,703,509	3.60	
		30-Sep-2015	Transfer	-22		0.00	22,703,487	3.60	
		09-Oct-2015	Transfer	-573		0.00	22,702,914	3.60	
		16-Oct-2015	Transfer	480,000		0.08	23,182,914	3.67	
		16-Oct-2015	Transfer	446		0.00	23,183,360	3.67	
		23-Oct-2015	Transfer	-525		0.00	23,182,835	3.67	
		23-Oct-2015	Transfer	-9		0.00	23,182,826	3.67	
		30-Oct-2015	Transfer	440		0.00	23,183,266	3.67	
		06-Nov-2015	Transfer	185		0.00	23,183,451	3.67	
		13-Nov-2015	Transfer	115,606		0.02	23,299,057	3.69	
		13-Nov-2015	Transfer	171		0.00	23,299,228	3.69	
		20-Nov-2015	Transfer	345,910		0.06	23,645,138	3.75	
		20-Nov-2015	Transfer	788		0.00	23,645,926	3.75	
		20-Nov-2015	Transfer	19,223		0.00	23,665,149	3.75	
		20-Nov-2015	Transfer	194,199		0.03	23,859,348	3.78	
		27-Nov-2015	Transfer	226		0.00	23,859,574	3.78	
		27-Nov-2015	Transfer	132,491		0.02	23,992,065	3.80	
		04-Dec-2015	Transfer	-221		0.00	23,991,844	3.80	
		11-Dec-2015	Transfer	-556		0.00	23,991,288	3.80	
		18-Dec-2015	Transfer	4,865		0.00	23,996,153	3.80	
		25-Dec-2015	Transfer	149		0.00	23,996,302	3.80	
		25-Dec-2015	Transfer	-21,560		0.00	23,974,742	3.80	
		31-Dec-2015	Transfer	-393,867		-0.06	23,580,875	3.74	
		31-Dec-2015	Transfer	-477		0.00	23,580,398	3.74	
		31-Dec-2015	Transfer	-237,586		-0.04	23,342,812	3.70	
		31-Dec-2015	Transfer	-197,403		-0.03	23,145,409	3.67	
		08-Jan-2016	Transfer	-100		0.00	23,145,309	3.67	
		08-Jan-2016	Transfer	-2,248		0.00	23,143,061	3.67	
		15-Jan-2016	Transfer	-473,372		-0.08	22,669,689	3.59	
		15-Jan-2016	Transfer	240,000		0.04	22,909,689	3.63	
		15-Jan-2016	Transfer	529		0.00	22,910,218	3.63	
		15-Jan-2016	Transfer	-129,287		-0.02	22,780,931	3.61	

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase/Decrease in shareholding	% of total shares of the Company <sup>#</sup>	Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
3	Government Pension Fund Global	22,401,478	3.55	22-Jan-2016	Transfer	-393	0.00	22,780,538	3.61
				12-Feb-2016	Transfer	-100,000	-0.02	22,680,538	3.59
				19-Feb-2016	Transfer	623,258	0.10	23,303,796	3.69
				19-Feb-2016	Transfer	423	0.00	23,304,219	3.69
				19-Feb-2016	Transfer	100,000	0.02	23,404,219	3.71
				19-Feb-2016	Transfer	60,000	0.01	23,464,219	3.72
				19-Feb-2016	Transfer	200,000	0.03	23,664,219	3.75
				19-Feb-2016	Transfer	20,000	0.00	23,684,219	3.75
				26-Feb-2016	Transfer	-1,211	0.00	23,683,008	3.75
				04-Mar-2016	Transfer	100,000	0.02	23,783,008	3.77
				04-Mar-2016	Transfer	238	0.00	23,783,246	3.77
				11-Mar-2016	Transfer	-651	0.00	23,782,595	3.77
				18-Mar-2016	Transfer	140	0.00	23,782,735	3.77
				18-Mar-2016	Transfer	11	0.00	23,782,746	3.77
				18-Mar-2016	Transfer	-480,099	-0.08	23,302,647	3.69
				18-Mar-2016	Transfer	-200,000	-0.03	23,102,647	3.66
				18-Mar-2016	Transfer	-20,000	0.00	23,082,647	3.66
				25-Mar-2016	Transfer	-36,680	-0.01	23,045,967	3.65
				25-Mar-2016	Transfer	-183,434	-0.03	22,862,533	3.62
				25-Mar-2016	Transfer	-100,000	-0.02	22,762,533	3.61
				22,401,478	31-Mar-2016	Transfer	-361,055	-0.06	22,401,478
4	National Westminster Bank Plc As Depositary Of First State Asia Pacific Fund A Sub Fund Of First State Investments Icvc	8,682,045	1.38	01-Apr-2015					
				18-Sep-2015	Transfer	42,000	0.01	7,734,045	1.23
				25-Sep-2015	Transfer	98,000	0.02	7,832,045	1.24
				30-Sep-2015	Transfer	100,000	0.02	7,932,045	1.26
				16-Oct-2015	Transfer	55,000	0.01	7,987,045	1.27
				13-Nov-2015	Transfer	45,000	0.01	8,032,045	1.27
				01-Jan-2016	Transfer	70,000	0.01	8,102,045	1.28
				08-Jan-2016	Transfer	130,000	0.02	8,232,045	1.30
				15-Jan-2016	Transfer	80,180	0.01	8,312,225	1.32
				22-Jan-2016	Transfer	519,820	0.08	8,832,045	1.40
				26-Feb-2016	Transfer	-150,000	-0.02	8,682,045	1.38
				8,682,045	31-Mar-2016			8,682,045	1.38
5	National Insurance Company Ltd	7,952,367	1.26	01-Apr-2015					
				22-May-2015	Transfer	530,781	0.09	5,523,347	0.88
				19-Jun-2015	Transfer	557,399	0.09	6,080,746	0.96
				28-Aug-2015	Transfer	558,920	0.09	6,639,666	1.05
				26-Feb-2016	Transfer	316,843	0.05	6,956,509	1.10
				04-Mar-2016	Transfer	995,858	0.16	7,952,367	1.26
				7,952,367	31-Mar-2016			7,952,367	1.26
5	National Insurance Company Ltd	7,264,780	1.15	01-Apr-2015					
				10-Apr-2015	Transfer	100,000	0.02	7,105,780	1.13
				01-May-2015	Transfer	100,000	0.02	7,205,780	1.14
				01-Jan-2016	Transfer	-50,000	-0.01	7,155,780	1.13
				08-Jan-2016	Transfer	-41,000	-0.01	7,114,780	1.13
				12-Feb-2016	Transfer	150,000	0.02	7,264,780	1.15

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase/ Decrease in share- holding	% of total shares of the Company <sup>#</sup>	Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
6	Dimensional Emerging Markets Value Fund	5,996,268	0.97	01-Apr-2015					
				10-Apr-2015	Transfer	26,677	0.00	6,022,945	0.95
				01-May-2015	Transfer	21,370	0.00	6,044,315	0.96
				15-May-2015	Transfer	185,475	0.03	6,229,790	0.99
				22-May-2015	Transfer	66,047	0.01	6,295,837	1.00
				29-May-2015	Transfer	28,193	0.00	6,324,030	1.00
				30-Oct-2015	Transfer	13,871	0.00	6,337,901	1.00
				06-Nov-2015	Transfer	9,979	0.00	6,347,880	1.01
				13-Nov-2015	Transfer	12,086	0.00	6,359,966	1.01
				20-Nov-2015	Transfer	11,767	0.00	6,371,733	1.01
				25-Dec-2015	Transfer	58,938	0.01	6,430,671	1.02
				31-Dec-2015	Transfer	39,669	0.01	6,470,340	1.03
				08-Jan-2016	Transfer	24,344	0.00	6,494,684	1.03
				15-Jan-2016	Transfer	93,844	0.02	6,588,528	1.04
				22-Jan-2016	Transfer	43,708	0.01	6,632,236	1.05
		6,632,236	1.05	31-Mar-2016				6,632,236	1.05
7	UTI- Unit Scheme For Charitable And Religious Trusts and Registered Societies UTI- Mid Cap Fund UTI- Monthly Income Scheme UTI- Equity Fund UTI- Balanced Fund UTI- Spread Fund UTI- Retirement Benefit Pension Fund UTI- Childrens Career Balanced Plan UTI- Capital Protection Oriented Scheme - Series iv - i (1103 Days) UTI- Capital Protection Oriented Scheme - Series iv - ii (1104 Days) UTI- Capital Protection Oriented Scheme - Series iv - iii (1105 Days) UTI- Capital Protection Oriented Scheme - Series v - i (1163 Days) 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 - iv (1099 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)	2,727,295	0.44	01-Apr-2015					
				10-Apr-2015	Transfer	147,000	0.02	2,874,295	0.00
				10-Apr-2015	Transfer	6,000	0.00	2,880,295	0.00
				24-Apr-2015	Transfer	81,000	0.01	2,961,295	0.27
				24-Apr-2015	Transfer	50,000	0.01	3,011,295	0.01
				15-May-2015	Transfer	170,000	0.03	3,181,295	0.30
				05-Jun-2015	Transfer	61,000	0.01	3,242,295	0.07
				05-Jun-2015	Transfer	-56,000	-0.01	3,186,295	0.00
				12-Jun-2015	Transfer	175,000	0.03	3,361,295	0.32
				12-Jun-2015	Transfer	175,000	0.03	3,536,295	0.10
				19-Jun-2015	Transfer	100,000	0.02	3,636,295	0.12
				03-Jul-2015	Transfer	365,432	0.06	4,001,727	0.38
				10-Jul-2015	Transfer	155,000	0.03	4,156,727	0.41
				17-Jul-2015	Transfer	125,000	0.02	4,281,727	0.43
				17-Jul-2015	Transfer	173,538	0.03	4,455,265	0.14
				21-Aug-2015	Transfer	23,163	0.00	4,478,428	0.43
				21-Aug-2015	Transfer	15,442	0.00	4,493,870	0.15
				28-Aug-2015	Transfer	40,000	0.01	4,533,870	0.01
				28-Aug-2015	Transfer	162,600	0.03	4,696,470	0.46
				28-Aug-2015	Transfer	155,400	0.03	4,851,870	0.17
				28-Aug-2015	Transfer	215,000	0.03	5,066,870	0.03
				28-Aug-2015	Transfer	201,176	0.03	5,268,046	0.03
				28-Aug-2015	Transfer	12,855	0.00	5,280,901	0.00
				04-Sep-2015	Transfer	80,414	0.01	5,361,315	0.02
				04-Sep-2015	Transfer	144,000	0.02	5,505,315	0.48
				04-Sep-2015	Transfer	46,841	0.01	5,552,156	0.01
				04-Sep-2015	Transfer	255,000	0.04	5,807,156	0.07
				04-Sep-2015	Transfer	330,000	0.05	6,137,156	0.08
				04-Sep-2015	Transfer	58,091	0.01	6,195,247	0.01
				04-Sep-2015	Transfer	36,241	0.01	6,231,488	0.01
				04-Sep-2015	Transfer	24,641	0.00	6,256,129	0.00
				04-Sep-2015	Transfer	13,649	0.00	6,269,778	0.00
				04-Sep-2015	Transfer	10,205	0.00	6,279,983	0.00
				04-Sep-2015	Transfer	13,475	0.00	6,293,458	0.00
				04-Sep-2015	Transfer	13,939	0.00	6,307,397	0.00
				11-Sep-2015	Transfer	405,000	0.07	6,712,397	0.14
				11-Sep-2015	Transfer	17,292	0.00	6,729,689	0.00
				11-Sep-2015	Transfer	53,869	0.01	6,783,558	0.01

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		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
8	Platinum International Brands Fund			18-Sep-2015	Transfer	130	0.00	6,783,688	0.48
				18-Sep-2015	Transfer	86	0.00	6,783,774	0.17
				18-Sep-2015	Transfer	50,000	0.01	6,833,774	0.15
				25-Sep-2015	Transfer	100,000	0.02	6,933,774	0.10
				02-Oct-2015	Transfer	100,000	0.02	7,033,774	0.16
				02-Oct-2015	Transfer	50,000	0.01	7,083,774	0.02
				09-Oct-2015	Transfer	165,000	0.03	7,248,774	0.19
				09-Oct-2015	Transfer	50,000	0.01	7,298,774	0.11
				16-Oct-2015	Transfer	16,189	0.00	7,314,963	0.02
				16-Oct-2015	Transfer	55,000	0.01	7,369,963	0.12
				13-Nov-2015	Transfer	75,000	0.01	7,444,963	0.18
				11-Dec-2015	Transfer	50,000	0.01	7,494,963	0.49
				11-Dec-2015	Transfer	230,000	0.04	7,724,963	0.22
				18-Dec-2015	Transfer	9,419	0.00	7,734,382	0.00
				08-Jan-2016	Transfer	45,000	0.01	7,779,382	0.23
				15-Jan-2016	Transfer	-250,000	-0.04	7,529,382	0.19
				15-Jan-2016	Transfer	6,584	0.00	7,535,966	0.00
				15-Jan-2016	Transfer	36,764	0.01	7,572,730	0.01
				22-Jan-2016	Transfer	-1,175,466	-0.19	6,397,264	0.00
				22-Jan-2016	Transfer	10,579	0.00	6,407,843	0.00
				19-Feb-2016	Transfer	15,000	0.00	6,422,843	0.01
				19-Feb-2016	Transfer	9,544	0.00	6,432,387	0.00
				18-Mar-2016	Transfer	13,061	0.00	6,445,448	0.00
		6,445,448	1.02	31-Mar-2016				6,445,448	1.02
8	Platinum International Brands Fund	6,380,060	1.03	01-Apr-2015	No Movement during the year	0			
		6,380,060	1.01	31-Mar-2016				6,380,060	1.01
9	General Insurance Corporation Of India	5,202,120	0.84	01-Apr-2015					
				17-Apr-2015	Transfer	75,000	0.01	5,277,120	0.84
				24-Apr-2015	Transfer	170,000	0.03	5,447,120	0.86
				01-May-2015	Transfer	255,000	0.04	5,702,120	0.90
				08-May-2015	Transfer	75,000	0.01	5,777,120	0.92
		5,777,120	0.92	31-Mar-2016				5,777,120	0.92
10	The New India Assurance Company Limited	5,318,673	0.86	01-Apr-2015					
				09-Oct-2015	Transfer	166,772	0.03	5,485,445	0.87
				16-Oct-2015	Transfer	125,000	0.02	5,610,445	0.89
				23-Oct-2015	Transfer	112,500	0.02	5,722,945	0.91
				06-Nov-2015	Transfer	25,000	0.00	5,747,945	0.91
		5,747,945	0.91	31-Mar-2016				5,747,945	0.91

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		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
11	NPS Trust- A/C LIC Pension Fund Scheme - Central Govt.	2,114,996	0.34	01-Apr-2015					
				08-May-2015	Transfer	15,000	0.00	2,129,996	0.34
				08-May-2015	Transfer	25,000	0.00	2,154,996	0.34
				08-May-2015	Transfer	1,000	0.00	2,155,996	0.34
				08-May-2015	Transfer	2,500	0.00	2,158,496	0.34
				15-May-2015	Transfer	5,000	0.00	2,163,496	0.34
				15-May-2015	Transfer	10,000	0.00	2,173,496	0.34
				05-Jun-2015	Transfer	10,000	0.00	2,183,496	0.35
				05-Jun-2015	Transfer	10,000	0.00	2,193,496	0.35
				12-Jun-2015	Transfer	10,000	0.00	2,203,496	0.35
				12-Jun-2015	Transfer	10,000	0.00	2,213,496	0.35
				19-Jun-2015	Transfer	16,900	0.00	2,230,396	0.35
				19-Jun-2015	Transfer	23,470	0.00	2,253,866	0.36
				19-Jun-2015	Transfer	1,000	0.00	2,254,866	0.36
				17-Jul-2015	Transfer	15,000	0.00	2,269,866	0.36
				17-Jul-2015	Transfer	15,000	0.00	2,284,866	0.36
				24-Jul-2015	Transfer	72,000	0.01	2,356,866	0.37
				24-Jul-2015	Transfer	720	0.00	2,357,586	0.37
				21-Aug-2015	Transfer	150,000	0.02	2,507,586	0.40
				21-Aug-2015	Transfer	225,000	0.04	2,732,586	0.43
				21-Aug-2015	Transfer	1,500	0.00	2,734,086	0.43
				28-Aug-2015	Transfer	482,000	0.08	3,216,086	0.51
				28-Aug-2015	Transfer	657,000	0.11	3,873,086	0.61
				28-Aug-2015	Transfer	15,000	0.00	3,888,086	0.62
				28-Aug-2015	Transfer	5,540	0.00	3,893,626	0.62
				04-Sep-2015	Transfer	275,000	0.04	4,168,626	0.66
				04-Sep-2015	Transfer	375,000	0.06	4,543,626	0.72
				04-Sep-2015	Transfer	9,000	0.00	4,552,626	0.72
				04-Sep-2015	Transfer	5,000	0.00	4,557,626	0.72
				11-Sep-2015	Transfer	156,000	0.03	4,713,626	0.75
				11-Sep-2015	Transfer	227,000	0.04	4,940,626	0.78
				11-Sep-2015	Transfer	8,000	0.00	4,948,626	0.78
				30-Sep-2015	Transfer	12,314	0.00	4,960,940	0.79
				30-Sep-2015	Transfer	902	0.00	4,961,842	0.79
				02-Oct-2015	Transfer	6,477	0.00	4,968,319	0.79
				02-Oct-2015	Transfer	670	0.00	4,968,989	0.79
				02-Oct-2015	Transfer	4,000	0.00	4,972,989	0.79
				09-Oct-2015	Transfer	7,500	0.00	4,980,489	0.79
				09-Oct-2015	Transfer	400	0.00	4,980,889	0.79
				09-Oct-2015	Transfer	199	0.00	4,981,088	0.79
				16-Oct-2015	Transfer	212	0.00	4,981,300	0.79
				23-Oct-2015	Transfer	440	0.00	4,981,740	0.79
				23-Oct-2015	Transfer	32	0.00	4,981,772	0.79
				30-Oct-2015	Transfer	127	0.00	4,981,899	0.79
				30-Oct-2015	Transfer	10	0.00	4,981,909	0.79
				06-Nov-2015	Transfer	143	0.00	4,982,052	0.79
				06-Nov-2015	Transfer	6	0.00	4,982,058	0.79
				13-Nov-2015	Transfer	279	0.00	4,982,337	0.79
				13-Nov-2015	Transfer	8	0.00	4,982,345	0.79
				20-Nov-2015	Transfer	345	0.00	4,982,690	0.79
				20-Nov-2015	Transfer	-47	0.00	4,982,643	0.79
				27-Nov-2015	Transfer	116	0.00	4,982,759	0.79
				27-Nov-2015	Transfer	4	0.00	4,982,763	0.79

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		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
				04-Dec-2015	Transfer	181	0.00	4,982,944	0.79
				04-Dec-2015	Transfer	8	0.00	4,982,952	0.79
				11-Dec-2015	Transfer	20,000	0.00	5,002,952	0.79
				11-Dec-2015	Transfer	379	0.00	5,003,331	0.79
				11-Dec-2015	Transfer	10,000	0.00	5,013,331	0.79
				11-Dec-2015	Transfer	17	0.00	5,013,348	0.79
				11-Dec-2015	Transfer	3,000	0.00	5,016,348	0.79
				11-Dec-2015	Transfer	3,000	0.00	5,019,348	0.80
				18-Dec-2015	Transfer	25,000	0.00	5,044,348	0.80
				18-Dec-2015	Transfer	259	0.00	5,044,607	0.80
				18-Dec-2015	Transfer	25,000	0.00	5,069,607	0.80
				18-Dec-2015	Transfer	8	0.00	5,069,615	0.80
				18-Dec-2015	Transfer	3,000	0.00	5,072,615	0.80
				18-Dec-2015	Transfer	3,000	0.00	5,075,615	0.80
				25-Dec-2015	Transfer	155	0.00	5,075,770	0.80
				25-Dec-2015	Transfer	13	0.00	5,075,783	0.80
				31-Dec-2015	Transfer	196	0.00	5,075,979	0.80
				31-Dec-2015	Transfer	12	0.00	5,075,991	0.80
				01-Jan-2016	Transfer	49	0.00	5,076,040	0.80
				01-Jan-2016	Transfer	3	0.00	5,076,043	0.80
				08-Jan-2016	Transfer	389	0.00	5,076,432	0.80
				08-Jan-2016	Transfer	20	0.00	5,076,452	0.80
				15-Jan-2016	Transfer	503	0.00	5,076,955	0.80
				15-Jan-2016	Transfer	18	0.00	5,076,973	0.80
				22-Jan-2016	Transfer	533	0.00	5,077,506	0.80
				22-Jan-2016	Transfer	31	0.00	5,077,537	0.80
				29-Jan-2016	Transfer	311	0.00	5,077,848	0.80
				29-Jan-2016	Transfer	23	0.00	5,077,871	0.80
				05-Feb-2016	Transfer	644	0.00	5,078,515	0.80
				05-Feb-2016	Transfer	23	0.00	5,078,538	0.80
				12-Feb-2016	Transfer	693	0.00	5,079,231	0.80
				12-Feb-2016	Transfer	20,000	0.00	5,099,231	0.81
				12-Feb-2016	Transfer	39	0.00	5,099,270	0.81
				12-Feb-2016	Transfer	5,000	0.00	5,104,270	0.81
				12-Feb-2016	Transfer	5,000	0.00	5,109,270	0.81
				12-Feb-2016	Transfer	100	0.00	5,109,370	0.81
				12-Feb-2016	Transfer	5,000	0.00	5,114,370	0.81
				19-Feb-2016	Transfer	574	0.00	5,114,944	0.81
				19-Feb-2016	Transfer	14	0.00	5,114,958	0.81
				26-Feb-2016	Transfer	94,000	0.02	5,208,958	0.83
				26-Feb-2016	Transfer	9,400	0.00	5,218,358	0.83
				26-Feb-2016	Transfer	655	0.00	5,219,013	0.83
				26-Feb-2016	Transfer	94,000	0.02	5,313,013	0.84
				26-Feb-2016	Transfer	27	0.00	5,313,040	0.84
				26-Feb-2016	Transfer	9,400	0.00	5,322,440	0.84
		5,305,346	0.84	31-Mar-2016	Transfer	-17,094	0.00	5,305,346	0.84
12	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust	2,821,048	0.46	01-Apr-2015					
				28-Aug-2015	Transfer	341,675	0.06	3,162,723	0.50
				23-Oct-2015	Transfer	684,703	0.11	3,847,426	0.61
				11-Dec-2015	Transfer	796,688	0.13	4,644,114	0.74
				18-Dec-2015	Transfer	114,900	0.02	4,759,014	0.75
		4,759,014	0.75	31-Mar-2016				4,759,014	0.75

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13	The Scottish Oriental Smaller Companies Trust plc	4,221,438	0.68	01-Apr-2015	No Movement during the year	0		4,221,438	0.68
		4,221,438	0.67	31-Mar-2016				4,221,438	0.67
14	The Emerging Markets Small Cap Series of The DFA Investment Trust Company	2,733,817	0.44	01-Apr-2015					
				10-Apr-2015	Transfer	62,402	0.01	2,796,219	0.44
				17-Apr-2015	Transfer	36,121	0.01	2,832,340	0.45
				24-Apr-2015	Transfer	184,053	0.03	3,016,393	0.48
				01-May-2015	Transfer	101,362	0.02	3,117,755	0.49
				08-May-2015	Transfer	216,906	0.04	3,334,661	0.53
				15-May-2015	Transfer	10,569	0.00	3,345,230	0.53
				22-May-2015	Transfer	71,869	0.01	3,417,099	0.54
				30-Sep-2015	Transfer	23,945	0.00	3,441,044	0.55
				02-Oct-2015	Transfer	20,479	0.00	3,461,523	0.55
				16-Oct-2015	Transfer	19,281	0.00	3,480,804	0.55
		3,480,804	0.55	31-Mar-2016				3,480,804	0.55
15	Emerging Markets Core Equity Portfolio (The Portfolio) of Dfa Investment Dimensions Group Inc. (Dfaidg)	27,13,836	0.44	1-Apr-15					
				1-May-15	Transfer	90,771	0.01	28,04,607	0.44
				17-Jul-15	Transfer	93,047	0.02	28,97,654	0.46
				28-Aug-15	Transfer	-1,79,431	-0.03	27,18,223	0.43
				16-Oct-15	Transfer	36,901	0.01	27,55,124	0.44
				23-Oct-15	Transfer	50,674	0.01	28,05,798	0.44
				30-Oct-15	Transfer	26,160	0	28,31,958	0.45
				6-Nov-15	Transfer	9,525	0	28,41,483	0.45
				22-Jan-16	Transfer	24,003	0	28,65,486	0.45
				29-Jan-16	Transfer	1,53,290	0.02	30,18,776	0.48
				5-Feb-16	Transfer	38,358	0.01	30,57,134	0.48
				12-Feb-16	Transfer	47,597	0.01	31,04,731	0.49
				26-Feb-16	Transfer	1,12,034	0.02	32,16,765	0.51
				4-Mar-16	Transfer	44,592	0.01	32,61,357	0.52
		32,61,357	0.52	31-Mar-16				32,61,357	0.52
16	ICICI Lombard General Insurance Company Ltd.	0	0.00	01-Apr-2015					
				12-Jun-2015	Transfer	200,000	0.03	200,000	0.03
				03-Jul-2015	Transfer	100,000	0.02	300,000	0.05
				21-Aug-2015	Transfer	50,000	0.01	350,000	0.06
				28-Aug-2015	Transfer	50,000	0.01	400,000	0.06
				04-Sep-2015	Transfer	1,795,000	0.29	2,195,000	0.35
				11-Sep-2015	Transfer	305,000	0.05	2,500,000	0.40
				29-Jan-2016	Transfer	25,000	0.00	2,525,000	0.40
				05-Feb-2016	Transfer	50,000	0.01	2,575,000	0.41
				12-Feb-2016	Transfer	75,000	0.01	2,650,000	0.42
				19-Feb-2016	Transfer	200,000	0.03	2,850,000	0.45
				04-Mar-2016	Transfer	230,000	0.04	3,080,000	0.49
		3,080,000	0.49	31-Mar-2016				3,080,000	0.49

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		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
17	JM Financial Mutual Fund - JM Arbitrage Advantage Fund	2,084,000	0.34	01-Apr-2015					
				24-Apr-2015	Transfer	160,000	0.03	2,244,000	0.36
				01-May-2015	Transfer	354,000	0.06	2,598,000	0.41
				08-May-2015	Transfer	252,000	0.04	2,850,000	0.45
				19-Jun-2015	Transfer	4,000	0.00	2,854,000	0.45
				26-Jun-2015	Transfer	130,000	0.02	2,984,000	0.47
				30-Jun-2015	Transfer	188,000	0.03	3,172,000	0.50
				04-Sep-2015	Transfer	400,000	0.06	3,572,000	0.57
				18-Sep-2015	Transfer	-98,000	-0.02	3,474,000	0.55
				30-Oct-2015	Transfer	-2,000	0.00	3,472,000	0.55
				11-Dec-2015	Transfer	-252,000	-0.04	3,220,000	0.51
				18-Dec-2015	Transfer	-96,000	-0.02	3,124,000	0.49
				12-Feb-2016	Transfer	-268,000	-0.04	2,856,000	0.45
				04-Mar-2016	Transfer	136,000	0.02	2,992,000	0.47
				18-Mar-2016	Transfer	-64,000	-0.01	2,928,000	0.46
				25-Mar-2016	Transfer	-144,000	-0.02	2,784,000	0.44
		2,784,000	0.44	31-Mar-2016				2,784,000	0.44
18	First State Investments (Hongkong) Limited A/C First State Indian Subcontinent Fund	3,588,131	0.58	01-Apr-2015					
				01-May-2015	Transfer	391,711	0.06	3,979,842	0.63
				28-Aug-2015	Transfer	-1,086,825	-0.18	2,893,017	0.46
				04-Sep-2015	Transfer	-135,251	-0.02	2,757,766	0.44
19	HDFC Standard Life Insurance Company Limited	2,757,766	0.44	31-Mar-2016				2,757,766	0.44
		575,113	0.09	01-Apr-2015					
				10-Apr-2015	Transfer	20	0.00	575,133	0.09
				08-May-2015	Transfer	26	0.00	575,159	0.09
				19-Jun-2015	Transfer	9	0.00	575,168	0.09
				18-Sep-2015	Transfer	-168	0.00	575,000	0.09
				31-Dec-2015	Transfer	-75,000	-0.01	500,000	0.08
20	Citigroup Global Markets Mauritius Private Limited	500,000	0.08	31-Mar-2016				500,000	0.08
		6,266,811	1.01	01-Apr-2015					
				17-Apr-2015	Transfer	544,500	0.09	6,811,311	1.08
				24-Apr-2015	Transfer	-42,000	-0.01	6,769,311	1.07
				01-May-2015	Transfer	-119,311	-0.02	6,650,000	1.05
				08-May-2015	Transfer	-118,000	-0.02	6,532,000	1.03
				15-May-2015	Transfer	-36,000	-0.01	6,496,000	1.03
				29-May-2015	Transfer	-450,000	-0.07	6,046,000	0.96
				05-Jun-2015	Transfer	-564,000	-0.09	5,482,000	0.87
				12-Jun-2015	Transfer	-790,000	-0.13	4,692,000	0.74
				26-Jun-2015	Transfer	-28,000	0.00	4,664,000	0.74
				28-Aug-2015	Transfer	-1,428,000	-0.23	3,236,000	0.51
				04-Sep-2015	Transfer	-184,000	-0.03	3,052,000	0.48
				11-Sep-2015	Transfer	-124,000	-0.02	2,928,000	0.46
				18-Sep-2015	Transfer	-158,000	-0.03	2,770,000	0.44
				25-Sep-2015	Transfer	-902,000	-0.15	1,868,000	0.30
				30-Sep-2015	Transfer	-194,000	-0.03	1,674,000	0.27
				09-Oct-2015	Transfer	-735,200	-0.12	938,800	0.15
				09-Oct-2015	Transfer	417,200	0.07	1,356,000	0.21
				16-Oct-2015	Transfer	-8,000	0.00	1,348,000	0.21
				30-Oct-2015	Transfer	-700,000	-0.11	648,000	0.10

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase/ Decrease in share- holding	% of total shares of the Company <sup>#</sup>	Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.2015 / end of year 31.03.2016)	% of total shares of the Company					No. of shares	% of total shares of the Company <sup>#</sup>
				04-Dec-2015	Transfer	-24,000	0.00	624,000	0.10
				11-Dec-2015	Transfer	-152,000	-0.02	472,000	0.07
				18-Dec-2015	Transfer	-48,000	-0.01	424,000	0.07
				18-Dec-2015	Transfer	-120,000	-0.02	304,000	0.05
				08-Jan-2016	Transfer	84,000	0.01	388,000	0.06
				29-Jan-2016	Transfer	-266,800	-0.04	121,200	0.02
				29-Jan-2016	Transfer	-121,200	-0.02	0	0.00
				18-Mar-2016	Transfer	17,700	0.00	17,700	0.00
				25-Mar-2016	Transfer	38,300	0.01	56,000	0.01
		56,000	0.01	31-Mar-2016				56,000	0.01
21	Merrill Lynch Capital Markets Espana S.A. S.V.	4,818,644	0.78	01-Apr-2015					
				10-Apr-2015	Transfer	78,000	0.01	4,896,644	0.78
				17-Apr-2015	Transfer	448,135	0.07	5,344,779	0.85
				24-Apr-2015	Transfer	68,000	0.01	5,412,779	0.86
				01-May-2015	Transfer	2,710	0.00	5,415,489	0.86
				08-May-2015	Transfer	-450,000	-0.07	4,965,489	0.79
				15-May-2015	Transfer	-688,000	-0.11	4,277,489	0.68
				22-May-2015	Transfer	-134,365	-0.02	4,143,124	0.66
				29-May-2015	Transfer	-44,690	-0.01	4,098,434	0.65
				05-Jun-2015	Transfer	-1,935	0.00	4,096,499	0.65
				19-Jun-2015	Transfer	-539,164	-0.09	3,557,335	0.56
				26-Jun-2015	Transfer	-503,000	-0.08	3,054,335	0.48
				30-Jun-2015	Transfer	-123,000	-0.02	2,931,335	0.46
				03-Jul-2015	Transfer	-998,000	-0.16	1,933,335	0.31
				10-Jul-2015	Transfer	-483,000	-0.08	1,450,335	0.23
				10-Jul-2015	Transfer	210,263	0.03	1,660,598	0.26
				17-Jul-2015	Transfer	-718,000	-0.12	942,598	0.15
				24-Jul-2015	Transfer	-293,000	-0.05	649,598	0.10
				24-Jul-2015	Transfer	-224,000	-0.04	425,598	0.07
				31-Jul-2015	Transfer	-93,171	-0.02	332,427	0.05
				31-Jul-2015	Transfer	-278,829	-0.05	53,598	0.01
				07-Aug-2015	Transfer	-53,598	-0.01	0	0.00
				21-Aug-2015	Transfer	120,000	0.02	120,000	0.02
				04-Sep-2015	Transfer	-94,000	-0.02	26,000	0.00
				30-Sep-2015	Transfer	-26,000	0.00	0	0.00
				18-Dec-2015	Transfer	56,248	0.01	56,248	0.01
				25-Dec-2015	Transfer	47,355	0.01	103,603	0.02
				08-Jan-2016	Transfer	-27,214	0.00	76,389	0.01
				15-Jan-2016	Transfer	-18,744	0.00	57,645	0.01
				05-Feb-2016	Transfer	-57,645	-0.01	0	0.00
				12-Feb-2016	Transfer	8,000	0.00	8,000	0.00
				19-Feb-2016	Transfer	-8,000	0.00	0	0.00
		0	0.00	31-Mar-2016	Transfer			0	0.00

Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

# Based on the increased paid up equity capital consequent to allotment of new shares pursuant to the amalgamation of Mount Everest Mineral Water Limited with the Company.

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Directors and/ or KMP	Shareholding at the beginning of the year as on 01.04.2015		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		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.	Mr. Cyrus P Mistry (Chairman)	33,000	0.01		No Movement during the financial year 2015-16			33,000	0.01
				31.03.2016	At the year end			33,000	0.01
2.	Mr. V. Madan Company Secretary	0	0.00	02.07.2015	Allotment	112	0.00	112	0.00
				31.03.2016	At the year end			112	0.00

No other Director and Key Managerial Personnel of the Company holds shares in the Company.

## 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
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	405.26	72.24	-	477.50
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4.30	0.03	-	4.33
<b>Total (i+ii+iii)</b>		<b>409.56</b>	<b>72.27</b>	-	<b>481.83</b>
<b>Change in Indebtedness during the financial year</b>					
•	Addition	-	750.00	-	750.00
•	Reduction	27.53	822.27	-	849.80
<b>Net Change</b>		<b>(27.53)</b>	<b>(72.27)</b>	-	<b>(99.80)</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	377.61	-	-	377.61
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4.42	-	-	4.42
<b>Total (i+ii+iii)</b>		<b>382.03</b>	-	-	<b>382.03</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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	188.36	169.10	357.46
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	66.52	60.25	126.77
	(c) Profits in lieu of Salary under Section 17(3) of the 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)	26.94	22.47	49.41
	<b>Total</b>	<b>281.82</b>	<b>251.82</b>	<b>533.64</b>
	Ceiling as per the Act	-	-	4,033.66
	Payment from overseas subsidiary	65.35	42.39	107.74

**B. Remuneration to other Directors:**

Rs. in Lakhs

Sl No.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. Cyrus P Mistry	Mrs. M Srinivasan	Mr. Analjit Singh	Mr. V. Leeladhar	Mrs. Ranjana Kumar	Mr. Darius Pandole	Mrs. Irene Vittal	Mr. S. Santhanakrishnan	Mr. Harish Bhat	
1	<b>Independent Directors</b>										
	Fee for attending board/ committee meetings	-	1.70	0.60	7.85	6.30	5.55	4.35	-	-	26.35
	Commission	-	11.00	4.00	59.00	45.00	39.00	28.00	-	-	186.00
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>12.70</b>	<b>4.60</b>	<b>66.85</b>	<b>51.30</b>	<b>44.55</b>	<b>32.35</b>	<b>-</b>	<b>-</b>	<b>212.35</b>
2	<b>Other Non-Executive Directors</b>										
	Fee for attending board/ committee meetings	2.20	-	-	-	-	-	-	3.85	3.65	9.70
	Commission	-	-	-	-	-	-	-	28.00	-	28.00
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>2.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.85</b>	<b>3.65</b>	<b>37.70</b>
	<b>Total (1+2)</b>	<b>2.20</b>	<b>12.70</b>	<b>4.60</b>	<b>66.85</b>	<b>51.30</b>	<b>44.55</b>	<b>32.35</b>	<b>31.85</b>	<b>3.65</b>	<b>250.05</b>
	Total Managerial Remuneration										250.05
	Overall Ceiling as per the Act										403.37

## 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	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	97.26	75.10	172.36
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	33.19	25.43	58.62
	(c) Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5	Others (contribution to PF, Gratuity and Superannuation)	13.31	10.44	23.75
	<b>Total</b>	<b>143.76</b>	<b>110.97</b>	<b>254.73</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
	Penalty				
	Punishment				
	Compounding				
<b>B. DIRECTORS</b>					
	Penalty				
	Punishment				
	Compounding				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty				
	Punishment				
	Compounding				

On behalf of the Board of Directors



Cyrus P Mistry

Chairman

Mumbai  
24<sup>th</sup> May 2016

# Annexure 6 to Directors' Report

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

### A. Conservation of Energy

#### Energy conservation measures taken during 2015-16

##### i. Steps taken or impact on conservation of energy:

###### **Pullivasal and Periakanal Estates**

- Installation of Tuflite sheets (translucent fiber-glass sheets) in labour line units and additional usage of CFL bulbs

###### **Tetley Cochin Division**

- Installation of low wattage LED light fixers in the plant
- Installation of turbine air ventilators

###### **Instant Tea Division, Munnar**

- Replacement of old metal halide & sodium vapour lamps with energy efficient LED electrical fittings
- Replacement of old Thermal Relays with electronic type relays for critical motors

###### **Packetting Centres**

- New blending line resulting in reduced usage of motor
- Installation of additional energy efficient LED lights
- Installation of Turbine ventilators with transparent FRP sheet for improved air change

##### ii. Steps taken by the Company for utilising alternate sources of energy:

The Company has resorted to usage of firewood, own generation and solar sources in addition to electricity purchase

##### iii. Capital investment on Energy Conservation Equipment:

The Instant Tea Division will be taking up the

following initiatives during the year 2016-17, at an approximate additional investment of around Rs. 118 Lakhs:

- Installation of Auto Start Delta convertor for some of the heavy duty motors to reduce power consumption
- Phase wise replacement of heavy duty motors with energy efficient ones
- Plant lightings up gradation using the latest LED lighting

Above investment is expected to generate an annual incremental savings of Rs. 5 Lakhs.

The following initiatives are proposed to be taken at the packeting centres during 2016-17:

- Installation of solar panel system and KVR capacitor to improve power factor
- Installation of LED lights
- Replacement of vacuum conveying system with electrically operated vacuum conveying system to reduce the load on compressors
- Installation of turbine ventilation system

### B. Technology Absorption

##### (i) Efforts made towards technology absorption:

The Company has been engaging with various companies and Research Institutes for technical collaborations for process improvement, product development, packaging development and analytical support. Technical discussions were held to identify the relevant technologies, solutions and development support. TGBL has entered into MOU with many external companies and Institutes under confidentiality agreements to work further on various collaborative projects and assignments. We are engaging with our regular vendors of rigid and flexible packaging for packaging improvement including re-engineering of packs.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year, the Company launched three products – Tata Tea Fusion (Black tea), Teteley Lemon flavoured Long Leaf Green Tea and Tata Coffee Grand (Instant Coffee). This has been achieved through the efforts taken on technology and product development and collaborations.

Other benefits included collaborations with various external partners to support the development work, significant of which are as under:

- Collaborated with Nichrome, Facile and Manjusree Plastics for development of packaging concepts and machinery for Tata Tea Fusion
- Collaborated with flavour houses of Givaudan and IFF for flavour development for Flavoured Green Tea and Tata Coffee Grand
- Projects taken up with Central Food Technological Research Institute (CFTRI) for shelf life studies
- Service agreements with Analytical labs – Eurofins, TUV India and MicroChem for analytical support
- Progressed collaboration efforts with Sami Labs and DuPont India Limited for joint exploration of functional ingredients for development of products in the area of Health & Wellness
- Engagement with Tata Chemicals for identifying suitable opportunities with various functional ingredients continues and progress made on some development concepts
- Technology platform exploration continues with Zeon Life sciences for developing technologies for various product formats.

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

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

**(iv) Expenditure incurred on Research & Development:**

	Rs. in Crores
Capital Expenditure	0.71
Revenue Expenditure	5.50
Total R&D expenditure as a % of Net sales	0.21%

**C. Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange Outgo during the year in terms of actual outflows:

	Rs. in Crores
1. Foreign Exchange Earned	314.84
2. Outgo of Foreign Exchange	97.64

On behalf of the Board of Directors



Mumbai  
24<sup>th</sup> May 2016

**Cyrus P Mistry**  
Chairman

# Management Discussion and Analysis- 2015-16

## Business Overview

Tata Global Beverages is a global natural beverage business with brand presence in over 40 countries. Your Company is the second largest player in branded tea in the world and has growing interests in coffee and water. Your Company focuses on creating 'magical beverage moments' for its consumers through its stable of innovative beverage brands, including Tata Tea, Tetley, Himalayan natural mineral water, Tata Gluco+, Tata Coffee Grand and Eight O'clock Coffee. Your Company follows an overall strategy that builds on its core strengths – understanding of consumer requirements, differentiated product offerings, brand management, distribution and international footprint. Whilst tea accounts for around 74% of our revenue, coffee accounts for 25% and water and other products contribute to the rest. Approximately 60% of the consolidated revenues come from markets outside India such as United Kingdom, United States of America, Canada, Russia, France, Australia and Europe.

## Industry Structure - Global Economic, Consumer and Competitor Trends

The global economic trends continue to be uncertain with slower growth in many markets. India and China appear to be the growth engines of the future along with the US where the outlook appears to be improving.

The macro-economic conditions are driving certain behavioral trends in consumers. Consumers, especially in the international markets, are continuing to seek better value thereby increasing competitive intensity. We have also seen new entrants in certain segments which has further increased the competitive intensity in those countries. Consumers are also looking for product choices that are increasingly shifting towards convenience, health and wellness and improving lifestyle. In keeping with the lifestyle theme, there is also a growing trend for more premiumised products in many markets. In addition, we have seen growth in new formats and new channels for sales. There is an emergence of specialty tea stores and café concepts coupled with growing e-commerce channels with an emphasis on personalisation and convenience. Changing consumer trends has led to a category decline in everyday black tea in certain developed markets. In addition, since consumers have become value conscious, there have been instances of private label and regional players gaining in market share. Your Company continues to constantly strive to meet these challenges by strengthening its brands, category expansion, innovation, investment in new ventures and cost rationalisation. Your Company closely tracks and gains insights into the changing consumer landscape and trends like change in lifestyle, premiumisation and the need for convenience. We do this by understanding the palate unique to each region and also

leveraging on the consumer preference for products related to health and wellness in order to offer a range of interesting and innovative products across the beverage portfolio.

TGB brands have successfully adapted to the digital medium to narrate brand stories. From Tetley being rated as one of the top social brands by The Grocer in the UK, to the innovative Tetley Transformation initiative in India, the 80 seconds of Mindfulness campaign by Tetley in Australia, and Tetley Farmer's First Hand – a unique property of TGB, our brands are leveraging the digital medium to touch consumers in meaningful ways.

## Industry Structure – Commodity Trends

### Tea

The 2015-16 season witnessed a crop decline across all major producing countries barring Bangladesh. In India, annual production declined 16.2 million kgs but most of this decline came from the South. Kenya which is the largest exporter of CTC teas also experienced a less favourable year and after two successive record crop years saw a drop of 45.9 million kgs or 10% from 2014. The top 10 producing and exporting countries outside of China collectively accounted for a decline of 105 million kgs in annual production.

However not all prices moved along expected lines and in tandem with a drop in supply. With the exception of Africa, led by Kenyan teas, most other producing countries witnessed a gradual easing in overall sales averages. Mombasa averages rose by \$ 0.71 or 35% over 2014 at an average of \$ 2.75 per kg. This is also \$ 0.22 above the 5 year average. In North India, whilst the annual CTC average was lower by Rs 3.29, orthodox teas were dearer by Rs 19.28. North India also saw a pricing premium for quality teas which will be an encouragement for the unorganised sector and small tea growers towards more sustainable field practices and quality control. In South India prices dropped Rs 3.07 per kg. All India averages fell by Rs 2.31 and the year closed at Rs 128.60 per kg. In Colombo prices fell sharply by SL Rs 59.24 despite a lower crop. Bangladesh on the other hand recorded a higher crop and also a higher price of Tk 17.47.

Markets in the first few months of the current year have reverted to a more traditional and expected pattern. A record first flush crop in North India has meant easier opening levels. This trend is forecast to continue for some time. In South India drier weather and lower production has moved prices upwards. We expect prices to remain at this level until the onset of the monsoons when higher spot availability should see prices move back. Kenya has had a record crop at the beginning of the year and prices have moved down reacting to this additional supply.

## Coffee

The supply and price of coffee are subject to significant volatility. Supply and price of all coffee grades are affected by multiple factors, such as weather, natural disasters, crop damage, farm inputs and cost of production, competitive pressures, domestic and international currency and economics in producing countries. Price is also impacted by trading activities in the coffee futures markets including hedge funds and commodity index funds. We continually analyse green coffee costs to review our costing structure. To help mitigate volatility and external trading factors, commodity price management strategies are implemented to protect forward pricing.

We purchase coffee from over 20 countries through a combination of outside trading companies and through other relationships to ensure supply of green coffee. We depend on these relationships with our supply partners to deliver on-time, specific taste profiles of our raw green coffee.

The global production of Coffee for the year 2015 is estimated at 144.7 million bags and consumption at 152.1 million bags as per International Coffee Organisation. Due to higher production of Robusta in Vietnam and weakening emerging market currencies, coffee prices trended downward in 2015-16. Coffee prices have traded in the price range of 1.1 cents/lbs to 1.5 cents/lbs for Arabica and 0.6 cents/lbs to 0.8 cents/lbs for Robusta. The outlook is for lower prices to continue in the initial months with some scope for hardening as the year progresses.

## Consolidated Financial and Operating Performance

The consolidated financial highlights for 2015-16 are as follows:

	Rs. in Crores		
	2015-16	2014-15	Variance
Operating Income	8,111	7,993	118
Operating Profit	532	642	(110)
Profit before exceptional items and taxes	534	630	(96)
Exceptional items (net)	11	(130)	141
Profit before tax	545	500	45
Profit after tax	335	284	51
Group Consolidated net profit	326	248	78

For the year ended 31<sup>st</sup> March 2016, Income from operations at Rs 8,111 Crores was 2% higher than the previous year. At prior year exchange rates, the improvement would have been 3%. The growth has been achieved despite high competitive intensity,

adverse macro-economic conditions in certain countries, slower growth or decline in everyday black tea categories in developed markets.

Operating profits at Rs 532 Crores is lower than the previous period mainly due to increased spends behind brands and new launches, higher spends on initiatives, absence of one time credits which was available in the previous year and higher commodity costs mainly in the international markets.

However Group net profit significantly improved over the prior year due to the impact of exceptional items. In the current year, the exceptional items had a favourable impact mainly due to profit on sale of non-core investments partially offset by impairments taken for certain intangible assets.

## Standalone Financial and Operating Performance

	2015-16	2014-15	Variane
Operating Income	3,084	2,885	199
Operating Profit	319	297	22
Profit before exceptional items and taxes	396	418	(22)
Exceptional items (net)	265	(69)	334
Profit before tax	661	349	312
Provision for tax	(97)	(60)	(37)
Profit after tax	564	289	275

Income from operations grew 7% over the prior year driven by improvement in branded business due to volume improvements and higher price realisations. Profit from operations improved over the prior year mainly due to higher sales and lower blend costs offsetting the impact of higher spends behind brands. Profit after tax was significantly higher than the prior year mainly due to the impact of exceptional items. Exceptional items were favorably impacted by profit on sale of non-core investments.

## Product / Brand Performance - Tea & Coffee

Despite the challenging environment prevailing in the international markets, the branded business did report growth led by improvements in operations in India, MAP, Teapigs, Tata Starbucks, NourishCo and Russia. In India, tea sales improved due to volume increases and higher realisations, Tata Starbucks' topline increase was attributable to better in-store performance and increase in the number of stores. Improvement in NourishCo's performance was attributable to strong growth in Tata Gluco Plus and to a lesser extent Himalayan. Our MAP brand in

Australia benefitted from the impact of full year of operations post acquisition and improvements through growth in grocery channel. In certain developed markets like UK, Canada and US, we grappled with the challenge to grow top line as there was significant competitive intensity and decline in black tea category. High commodity cost in the international markets had an impact on profit delivery. However, your Company has done well in the premium/specialty segments. To meet the increasing demand in the premium segment, we increased distribution of our super premium tea, Teapigs. Teapigs recorded good growth in UK, Canada, US and other international markets with increased distribution. Green tea performance also exceeded expectations. In UK, our green tea growth has been significant and ahead of category growth driven by the improved performance of Tetley Super Green tea. Green tea also recorded significant growth in India with advertisement support in the beginning of the year and online activation in the second half of the year. Our green tea portfolio has also done well in other countries such as Canada and France. In addition, we also launched fruit and herbals in UK and USA which received favourable response from consumers. In India, during the year, we launched Tata Coffee Grand, with a high impact launch which created desired buzz and visibility.

The global marketing function continues to focus on developing a strong global brand portfolio with an enhanced global innovation agenda. TGB will increase focus on its 4 power brands namely Tetley, Tata Tea, EOC and Himalayan. These power brands will be managed in a globally consistent manner including creating a global brand identity.

Sales from non branded business recorded improvements mainly due to improved performance in coffee / pepper plantations coupled with improvements in instant coffee sales driven by improved agglomerated coffee sales. However, profitability was flat mainly due to wage revision impacting the plantation business and soft tea commodity prices offsetting the favourable impact of higher coffee/pepper sales.

## Performance of Key Geographies/ Segments India

Your Company's operations in India reflect a topline improvement of 6% driven by growth across all major brands. The growth has been achieved mainly due to improved volumes and higher realisation. Operating profit improved attributed to improved sales and lower blend cost despite higher investments behind brands.

The Company's growth plans for the Indian business are driven by strategic innovation, category expansion and entering white

spaces in the market. In line with this, your Company launched two new products in the tea category during the year under review. Tata Tea Fusion is a good example of innovation that allows consumers the option of blending different types of teas to create a customised brew. With Tata Tea Gold Mixture, your Company entered white space geographies by launching the brand in Maharashtra, the second largest tea market in India which is dominated by local players. This tea blend was specially crafted to deliver the strength, thickness and aroma preferred by consumers in Maharashtra.

Additionally, your Company introduced an instant coffee product in India under the brand Tata Coffee Grand. This product was launched in a competitive environment and at a time when coffee consumption is seeing growth in non southern markets in India. Tata Coffee Grand is an innovative product and the launch is in line with our strategy of category expansion. The product was jointly developed by your Company and Tata Coffee Limited, which leverages our deep heritage in coffee from 'Source to Sip.' Sourced primarily from Tata Coffee's own plantations in South India, these coffees are roasted and processed to perfection, making the product an intensely rich, fresh and aromatic coffee. The product is an innovative blend of the finest coffee powder and decoction crystals which gives consumers a 'best in class' taste experience in the instant coffee category. The brand launch was supported by an impactful advertising campaign.

Tata Starbucks business continues to grow. The store count stands at 82 at the end of the financial year. The growth drivers mainly are improved in- store performance as well as increase in the number of stores.

Your Company continues to be the value and volume leaders in the overall tea category and is also a market leader in the green tea category. The branded tea segment recorded volume and value growth aided by improvements in Tata Tea Gold, Tata Tea Agni, Chakra Gold, Kanan Devan and Gemini. These brands have been supported through various advertisement campaigns and on-ground /online activations during the year. Double digit growth in Tetley brand was led by Green tea category. Within this category, online activation in the 2<sup>nd</sup> half of the year met with good consumer response

We are pleased to report that our brand campaign, 'Jaago Re', won the Gold in the 'Best On-going Campaign' category for the campaign titled 'From Packaged Good to Packaging Good', at the 15<sup>th</sup> edition of the Effies Awards organised by the Advertising Club of India. The award recognises advertising that has succeeded in building brands and increasing sales.

### United Kingdom

Black tea category continues to dominate the market with around 80% of volume and 60% value. While the everyday black tea category is in decline, there is good growth in specialty, green and fruit & herbal categories. The market environment is challenging with intense competition resulting in pressure on margins in major grocery accounts and frequent retailer strategy change and SKU reviews. This was further exacerbated with hardening of commodity costs which impacted operating profits. However, there were pockets of improvements in UK. The green tea, specialty teas and the super premium tea, Teapigs witnessed impressive growth. Early last year, Tetley launched four new Super Green Teas, the first fortified green teas in the UK with proven health benefits. The taste, combined with vitamins and minerals and the functional benefits has been drawing in consumers making Super Green award winning and the No. 1 NPD in the UK. The product earlier received the coveted gold stars in the 2015 Great Taste Awards and has now followed it up with the Product of the Year 2016 award. Backed by the success of Tetley super green teas in UK, a new range of super fruit products has been presented to key customers and listing has been secured with some major retailers.

Tetley in UK has been rated the No. 2 FMCG social brand of 2015 by The Grocer, jumping seven places from ninth position last year. The Grocer leads the market as the UK's only paid-for online service and weekly magazine with coverage of the whole FMCG sector.

### United States of America

In a challenging market, Eight O'Clock Coffee's 2015-16 reported net sales recorded marginal improvement over the prior year. The underlying performance was impacted mainly due to increase in competitor intensity through additional promotional events as well as deeper discounting. In addition, there were new entrants in the Pods category which further intensified the competitive landscape. The profitability of the business was impacted in the earlier part of the year due to higher commodity costs but improved in the second half of the year. The brand continues to do well and grow volumes in a competitive market. In the tea category, the green tea business is performing well and is gaining share. Good Earth Tea recorded stable sales and plans are being readied for scaling up this brand. Sales of Tetley however were lower against the prior year largely due to promotional underperformance in black tea. The Herbal tea which was launched has seen good consumer response.

### Canada

The business launched its premium line of specialty teas called Tetley Signature collection. The launch was supported by

advertising to reinforce Tetley's leadership position in the specialty tea segment. The tea also provides the customer with a string and tag/drawstring tea bag. The Company is pleased to announce that it maintains both volume and value market leadership in Canada. In addition Teapigs has gained distribution and market share in the premium segment.

Tetley in Canada has been voted the Most Trusted Brand of Tea by Canadians in 2016 now for two years in a row by the Reader's Digest in their annual Trusted Brand survey.

### Australia

The Australian business benefited from increase in MAP pods sales with tea volumes showing a decline due to decreased on-shelf display at key retail accounts. The business continues to engage with retailers to review product placement plans which will help improve volumes. The profitability of the tea business improved due to lower promotional costs and optimisation of overheads. However, the coffee business was impacted on account of higher spends behind brands. Tea business remained stable despite decline in mainstream black tea segment. Within the specialty range, new flavours were launched across steamed green and Fruit &Herbal range. A new product – Mr. Barista was launched in the coffee segment which had a positive customer response.

### Europe and Middle East

The TGB team in Western Europe achieved new placements for Tetley in the domestic tea fixtures in Spain, with 6 products launching in 100 El Corte Ingles stores, the biggest department store group in Europe. El Corte Ingles have also invited Tetley to showcase additional products at their upcoming trade fair. We have also successfully secured the listing of Tetley Decaf in 400 stores owned by Grupo DIA, one of the leading specialist discount groups in Europe. These listings will help in gaining momentum with Spanish consumers. The exposure to domestic consumers from this listing is expected to have a positive impact on the awareness of the Tetley brand and the possibility of introducing new products, at a later stage, custom made for the local palate. The business in France reported a robust growth, reflected in its MAT volume and value growth aided by green and earl grey segments post relaunch. The business also grew in Portugal mainly aided by specialty greens.

Russia business topline grew aided by price increases with consumers switching to lower cost brands due to prevailing economic conditions. However, the profitability was impacted due to macro-economic conditions which reflected in the exchange rates and interest rates. There was good execution of the launch plans for Tetley in the Middle East and we continue to consolidate our position in the region.

The TGB team in Poland extended the Vitax range, our specialty tea brand, with the introduction of standout flavours full of intriguing combinations which is expected to gain consumer traction and mitigate the historical underperformances. Very recently we completed a restructuring of the sales and distribution network in Poland which has improved the operational efficiencies and is expected to improve the business performance. In the Middle East, the execution of the launch continues supported by advertisement and in-store promotions. New launches under the Kanan Devan brand found favourable response from the hot tea shops.

### Water Vertical

Tata Gluco plus was the star performer in the water vertical. The brand has been performing extremely well and high double digit growth in volume and value terms were recorded during the year 2015-16. The new proposition of "Gas minus Energy Plus" and the visual changes on the packaging to communicate "Energy" for the brand were received very well by the consumers and have accelerated the brand's growth rate. The growth trajectory has been intact despite price increases taken for the brand. We have strengthened our distribution through the Pepsi network with presence in Maharashtra, Karnataka, Gujarat and Kerala. Himalayan sales reflected double digit growth with price increases and focus on channel mix. During the year, a television commercial was run with the objective of establishing Himalayan's "Source" and "Nature" credentials.

### Non Branded Business

Our Non Branded business consists of plantations and extraction verticals. In plantations, we primarily manufacture and sell tea, coffee and other plantation produce like pepper whilst the extraction business is split between instant tea and instant coffee. In the current year, improvements were recorded in the Coffee extraction business and in coffee/pepper plantation business. In the instant coffee business, there were improvements in exports sales to the African and Russian markets. On the plantation side of the business, while the sales volumes and pricing generally improved, profitability was impacted by soft tea prices, wage revisions in the plantations. The instant tea business benefitted from customer acquisitions, improved sales realisation and lower operating costs.

The instant coffee operation continues to focus on operational discipline, cost reduction and sustainability in operations. With a specific focus on cost reduction, various alternatives have been pursued to reduce the power and fuel costs in the instant coffee factories. The Theni Unit won the CII Sustainability award and Toopran unit, the National level Energy conservation award. We

are pleased to report that the Instant Tea unit in Munnar won the prestigious Kerala State Pollution Control Board Award for the second year.

### Outlook – Consumer, Commodity and Competition

As detailed earlier in the document, the market environment is different across geographies and operating challenges are likely to continue. While overall global demand for tea is growing, in some developed markets, we face the challenge of decline mainly in the black tea category reflecting a shift in consumer consumption patterns. However, there are positive emerging trends - (i) growth in health and wellness segment with increasing recognition of health benefits of tea vs carbonated beverages, (ii) consumption shift towards non-black (includes green, specialty and Fruit & Herbal), (iii) increasing preference for premium / novelty/ artisanal products and (iv) emergence of alternate channels like specialty tea stores/ cafes and e-commerce platform with emphasis on personalisation.

In developed markets, we expect the retail environment to remain competitive with increasing retailer consolidation and plan to continue with aggressive promotions strategy to sustain growth levels. We also expect the significance of modern trade to increase over traditional trade in these markets exacerbating the competitive environment. In addition to this, we also foresee private own-label brands and local brands continuing to be major competitors.

With our vision to become the most admired natural beverages company in the world, Tata Global Beverages has stepped up its innovation agenda to leverage the emerging growth trends in our markets. We continue to commit resources to bolster our R&D pipeline and launch new products with a focus on specific themes: health & wellness and convenience (new formats), premiumisation and expansion of non-black tea portfolio. For example, in the current year we launched Tetley Super Green in UK which provides functional benefits as part of our strategy to increase presence in Health & Wellness segment, launched Tata Tea Fusion in India and accelerated expansion of our super premium brand Teapigs as part of premiumisation strategy and customised product for entry in white space markets e.g. Tata Tea Gold Mixture for Maharashtra. We also continue to invest in growth for our JVs: Tata Starbucks and NourishCo (Water) and scale up businesses in Middle East, Australia (Coffee) and USA (Tea).

We also continuously review our cost structure and operating efficiencies in order to remain competitive and to leverage funds for growth.

### Outlook - Interest Rates and Exchange Rates

Given the global operations of our Company, both interest rates and exchange rates in various currencies / geographies are of significant importance to our business.

Most geographies that we operate in, witnessed a flat interest rate, mainly as inflation and inflationary expectation remained subdued. Interest rates eased in India driven by cut in policy rates by its central bank and are further expected to drift downwards marginally. Future impact of interest rates will depend on the outlook and action by the US Federal Reserve and also events like the impact of the UK referendum. The rupee saw an overall weakness given the probability of interest rates hike in the US and sudden sharp depreciation of its currency by China. The rupee however recovered some of its losses on account of its apex bank instilling confidence by curtailing the volatility and some optimism that the Fed would gradually hike interest rates in US. Also expectations of rate cuts by RBI post budget prompted exporters to convert their receipts and kept the Rupee on a soft note. The rupee is expected to trade with a weaker bias owing to fears of Yuan devaluation and rate hikes by Fed.

Sterling weakened against USD, starting from third quarter and is expected to weaken further given the uncertainty in outcome of the referendum on possible UK exit from the European Union coupled with dollar strengthening on the expectation of US rate hikes later in the year. The outcome of the referendum could impact currency and interest rates and potentially trade flows within the European Union. Russia macro- economic conditions remained uncertain given the high volatility in the oil prices. The market witnessed two-way movements in both interest rates and currency. The Company is governed by Board approved treasury policies with respect to hedges for its exposures arising out of interest rate risks and foreign exchange risks, and is reasonably covered in respect of its immediate trade flows.

### Opportunities

The focus on healthier lifestyles has created a very positive market for our product range. There is a big opportunity across geographies to 'extend our business footprint by entering the Fruit and Herbal segments with Tetley'. Continuing its drive into functional teas, Tetley in the UK is launching three new Tetley Super Green Teas extending the functional benefits of the range to feature European Food Standards Agency approved health claims relating to heart health, detox and beauty.

The momentum behind Super Green Tea enabled Tetley in the UK to grow retail value sales within the Green tea segment by 28% year on year. With the Boost and Immune variants doing

exceptionally well, it was important to extend the range to include other popular health benefits which are appealing to younger consumers who have been turning away from tea. The wide range of benefits offered in this range now gives consumers an added reason to drink green tea.

The coffee category in India is poised to grow in the coming years and Tata Global Beverages is well positioned to enter this category. Tata Coffee Grand gives consumers the convenience of instant coffee along with excellent taste and flavour.

### Threats, Risks and Concerns

There is a continuous decline in the everyday black tea category in some of the key markets where your Company has significant operations. The Company is driving innovation in tea and non-tea categories to adapt to the changing environment.

Intense competition in the market place with increased investment in promotions/ media impacts Company's performance in market. The Company reviews and monitors its pricing and promotion strategy very closely and benchmarks with the industry practices.

Significant increase in tea prices and inability to pass the increase to the consumer may impact earnings. Further, political, social and weather changes may impact availability as well. The Company focuses 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. Tea is a multi harvest agricultural commodity and is sold through public auction or by private treaty. 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 spreads its buying between public auction and private treaties.

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. TGB has a robust framework in place to protect its interests from risks arising out of market volatility. Based on market intelligence and continuous monitoring, the sales and procurement teams take appropriate strategy to deal with such market volatility.

Volatility in currency exchange movements like RUB, CAD, USD, GBP and AUD can pose challenges to the Company's operations through earnings dilution. The Company has established currency hedging policies and practices to manage these risks.

The upcoming referendum on Brexit can also pose some risks if the decision by the UK is to exit the EU. While the potential implications arising out of absence of free trade access in such a scenario is difficult to predict in the short to medium term, the currency is most likely to experience sharp depreciation which can have an inflationary impact on the business.

Changes in regulations relating to taxation, product and other areas if significant could impact performance.

### Risk Management

The Company has a system of documenting and reviewing key risks. Apart from management reviews, the risks are also periodically reviewed by the Board and its various sub committees including the Risk Management Committee.

### Human Resources and Industrial Relations

Your Company implemented several initiatives towards enhancing capabilities and to support our growth agenda. The key initiatives were:

- Re-energising the organisation: A group wide survey was conducted in association with Gallup wherein we identified 20 engagement driver questions which saw a very high level of participation and the results showed that 14 drivers have a significant positive change as per Gallup benchmarks.
- Brewing Brilliance: This is an online peer to peer recognition program wherein every employee can share and convey appreciation & recognition to other colleagues. This has been very successful.
- Perfect Cup: The Company introduced a Global Reward & Recognition programme celebrating a culture of success and recognition.
- High Performance and Reward: A Global Reward Strategy Benchmarking was undertaken and a key summary was shared with Senior Leadership for their inputs and feedback. A revised approach to the Annual Salary Review process aligned to the recommendation of the benchmarking report and best-in class practices is proposed to be implemented.

- Talent Management Framework - An Integrated approach to Talent Management focusing on Talent, Assessment, Aspiration, Development and Impact was introduced with focus on aligning the Key HR process with talent management process to create an effective framework for attracting and retaining High performing Talent.

The total number of employees on the rolls of Tata Global Beverages Limited as of 31<sup>st</sup> March 2016 was 2,552.

### Internal Controls and Governance

Your Company has adequate internal controls and robust systems in place. The Audit Committee of your Company review such controls periodically. The Internal audit function carries out a focused internal audit programme in consultation with the Audit Committee. The internal audit primarily focuses on the adequacy of appropriate systems and controls. The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by the Company. Your Company and its senior management have affirmed adherence to the Code.

### 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.

### Conclusion

Your Company's primary focus will be to grow volumes across markets. TGB will address each market depending on local conditions and consumer trends. While we recognise that the global environment is extremely challenging there are new opportunities emerging to meet consumer needs. Tata Global Beverages will focus on profitable growth through a mix of brand led growth, innovation, efficient cost management and successfully scaling up new businesses.

# Report on Corporate Governance

for the Financial Year 2015-16

## 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. These 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 compatible 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 neighbouring 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

### a. Composition & Category of Directors

The Company has an optimum combination of executive and non-executive directors including woman directors. As on 31<sup>st</sup> March, 2016, the Company had 11 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and 81.82% 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, at least 50% of the Board should comprise of non-executive independent directors with at least one woman director. The non-executive independent directors constituted 54.55% of the Board as at 31<sup>st</sup> March 2016. The Company has three women directors on the Board.

Category	Number of Directors	%
Non-Independent Directors	3	27.27
Managing & Executive Directors	2	18.18
Independent Directors	6	54.55
<b>Total</b>	<b>11</b>	<b>100.00</b>

**b. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (excluding Tata Global Beverages Limited) along with the number of shares and convertible instruments held by the Directors showing the position as at 31<sup>st</sup> March 2016 are given in the following table:**

Name of Director	Position	Attendance at			Directorships and Chairman/Membership of Board Committees in other Indian public companies			No. of equity shares Held
		Board Meetings		Last AGM	Director	Committee Member	Committee Chairman	
		Held	Attended					
Mr. Cyrus P Mistry	C, NED & NI	9	9	Yes	9	-	-	33,000
Mrs. M Srinivasan	NED & I	9	6	Yes	6	-	-	-
Mr. Analjit Singh	NED & I	9	2	No	5	-	-	-
Mr. V Leeladhar	NED & I	9	9	Yes	5	4	-	-
Mrs. Ranjana Kumar	NED & I	9	9	Yes	4	1	2	-
Mr. Darius Pandole	NED & I	9	9	Yes	2	2	-	-
Mr. S Santhanakrishnan	NED & NI	9	6	Yes	7	-	4	-
Mrs. Ireena Vittal	NED & I	9	7	Yes	6	5	-	-
Mr. Harish Bhat	NED & NI	9	9	Yes	5	3	1	-
Mr. Ajoy Misra	MD	9	9	Yes	2	-	-	-
Mr. L KrishnaKumar	ED	9	9	Yes	1	-	-	-

C: Chairman; NI: Non-Independent; NED: Non-Executive Director; I: Independent Director; MD: Managing Director; ED: Executive Director

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

The Company has not issued any convertible instruments.

Note: Other Directorships do not include Directorships of private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 and Alternate Directorships.

Particulars about Director retiring by rotation and eligible for re-appointment is given in the Annexure to the Notice.

The Company has received declarations on criteria of independence as prescribed in Section 149 of Companies Act 2013 and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Directors of the Company who have been classified as Independent Directors.

As will be noted from the table above, no director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director. Further no Independent Director serves as Independent Director in more than 7 listed companies.

Chairmanship/Membership of Board Committees includes membership of Audit and Stakeholder Relationship Committees of Indian public limited companies only.

**c. Number of board meetings and dates on which held**

During 2015-16, the Board met nine times on 30<sup>th</sup> April, 2015, 28<sup>th</sup> May, 2015, 6<sup>th</sup> August, 2015, 14<sup>th</sup> August, 2015, 29<sup>th</sup> October, 2015, 5<sup>th</sup> November, 2015, 14<sup>th</sup> January, 2016, 10<sup>th</sup> February, 2016 and 31<sup>st</sup> March, 2016.

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.

**d. No director of the Company is related to any other director of the Company.**

**e. 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. The details of familiarisation programmes imparted to the Independent Directors during 2015-16 are put up on the website of the Company and can be accessed at <http://www.tataglobalbeverages.com/company/leadership/board-of-directors>

**f. Code of conduct**

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A separate code of conduct applicable to the Non-Executive Directors was laid down by the Board. 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://www.tataglobalbeverages.com/company/leadership/board-of-directors>.

The Board of Directors in their meeting held on 14<sup>th</sup> August 2015 have adopted the revised / refreshed Tata Code of Conduct which came into effect from 7<sup>th</sup> August, 2015.

In respect of financial year 2015-16, 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 is published in this Annual Report.

**g. Formal letter of appointment to the independent directors**

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as directors of the Company. The terms and conditions of appointment of independent directors have been hosted on the website of the Company and can be accessed at <http://www.tataglobalbeverages.com/docs/default-source/board-of-directors/terms-and-conditions-of-appointment-of-independent-directors.pdf>

**h. Separate meeting of independent directors**

During the financial year 2015-16, the independent directors met separately without the presence of non-independent directors on 31<sup>st</sup> March, 2016 in compliance with Regulation 25 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The independent directors at their meeting inter-alia discussed 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.

**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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are inter-alia as under:

- i. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- ii. Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- iii. 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;
- iv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- v. Review of the financial reporting process and disclosure of financial information;
- vi. Review of the adequacy of the internal audit function;
- vii. 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;
- viii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- ix. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- x. Approval or any subsequent modification of transactions with related parties;
- xi. Scrutiny of inter-corporate loans and investments;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review the functioning of the whistle blower mechanism;
- xiv. Frame 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;
- xv. Reviewing the Company's financial and risk management policies;
- xvi. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**b. Composition, names of members and Chairman**

As on 31<sup>st</sup> March 2016, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 14<sup>th</sup> August 2015.

The composition of the Audit Committee as on 31<sup>st</sup> March, 2016 and particulars of attendance by the members at the meetings of the committee held in 2015-16 are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	7	7
Mrs. Ranjana Kumar	Independent, Non-Executive	7	6
Mr. Darius Pandole	Independent, Non-Executive	7	7
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	7	5
Mrs. Ireneeta Vittal	Independent, Non-Executive	7	6
Mr. Harish Bhat	Non-Independent, Non-Executive	7	4

### c. Meetings and attendance during the year

During 2015-16, seven Audit Committee meetings were held on 27<sup>th</sup> May 2015, 5<sup>th</sup> August 2015, 28<sup>th</sup> October 2015, 5<sup>th</sup> November 2015, 9<sup>th</sup> February 2016, 4<sup>th</sup> March, 2016 and 30<sup>th</sup> March 2016. 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 Board has set up a Nomination and Remuneration Committee. This Committee is inter-alia responsible for:

- i. Support the Board in matters related to set up and composition of the Board, its committees and the leadership team including formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees
- ii. Carry out evaluation of every director's performance and support the Board and independent directors, as may be required, in evaluation of the performance of the Board, its committees and individual directors

- iii. Support the Board in matters related to remuneration of directors, KMP, executive team and other employees
- iv. Extend oversight on the familiarisation programme of directors
- v. Extend oversight on the HR philosophy, HR and People Strategy and key HR practices
- vi. Recommending to the Board, the remuneration package of Managing and Executive Directors, including their annual increment and incentive remuneration after reviewing their performance
- vii. Devising a policy on diversity of board of directors
- viii. 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
- ix. Whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

### b. Composition, name of members and Chairperson

As on 31<sup>st</sup> March 2016, the Nomination and Remuneration Committee consisted of five directors, all of whom are non-executive directors. Mrs. Ranjana Kumar, Independent Director is the Chairperson of the Committee.

The composition of the committee as at 31<sup>st</sup> March, 2016 and particulars of attendance by the members at the meetings of the committee held in 2015-16 are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive	2	2
Mr. Cyrus P Mistry	Non-independent, Non-Executive	2	2
Mr. V Leeladhar	Independent, Non-Executive	2	2
Mr. Darius Pandole	Independent, Non-Executive	2	2
Mr. Harish Bhat	Non-independent, Non-Executive	2	2

**c. Meetings and attendance during the year**

The Nomination and Remuneration Committee met twice during 2015/16 on 26<sup>th</sup> May, 2015 and 31<sup>st</sup> March, 2016 and the particulars of attendance are mentioned in 4(b) above.

**d. Performance Evaluation**

Pursuant to the provisions of Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholder Relationship and CSR Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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 fulfilment 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.

**e. Remuneration policy**

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

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of 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.

**5. Remuneration of Directors**

a) During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-executive Directors apart from sitting fees and commission.

**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. With effect from 28<sup>th</sup> May, 2015, the Company pays a 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. Cyrus Mistry, Chairman and Mr. Harish Bhat, Director). For meetings of all other Committees of the Board, a sitting fee of Rs. 20,000 per meeting per director is paid (Rs. 15,000 in case of Mr. Cyrus Mistry, Chairman and Mr. Harish Bhat, Director).

Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 2013, the 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 had approved payment of commission to the non-executive directors at the Annual General Meeting held on 26<sup>th</sup> August, 2014, which is valid up to the financial year ended 31<sup>st</sup> March 2019. No Stock option has been granted to the Non-Executive Directors.

**Non-Executive Directors' Remuneration paid in 2015-16 and payable for 2015-16**

Rs. in Lakhs

	Commission* (Relating to 2014-15)	Commission# (Relating to 2015-16)	Sitting Fees
Mr. Cyrus P Mistry	-	-	2.20
Mrs. Mallika Srinivasan	12.00	11.00	1.70
Mr. Analjit Singh	8.00	4.00	0.60
Mr. V. Leeladhar	60.00	59.00	7.85
Mrs. Ranjana Kumar	42.00	45.00	6.30
Mr. Darius Pandole	35.00	39.00	5.55
Mr. S. Santhanakrishnan	30.00	28.00	4.35
Mrs. Ireena Vittal	25.00	28.00	3.85
Mr. Harish Bhat	-	-	3.65

\*Paid in 2015-16

# Payable in 2016-17

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

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

Rs. in Lakhs

	Mr. Ajoy Misra Managing Director	Mr. L KrishnaKumar Executive Director
Salary	114.39	95.35
Allowances and perquisites	66.52	60.25
Contribution to Retiral Funds	26.94	22.47
Incentive (relating to 2015-16)	73.97	73.75
Stock option	-	-
No. of Shares held	-	-
Service Contract	5 years from 1 <sup>st</sup> April 2014	5 years from 1 <sup>st</sup> April 2013
Notice period	6 Months	6 Months

In addition, both Mr. Ajoy Misra and Mr. L. KrishnaKumar drew the following remuneration during 2015-16 from an overseas subsidiary of the Company:

Rs. in Lakhs

	Mr. Ajoy Misra Managing Director	Mr. L KrishnaKumar Executive Director
Salary and Benefits	65.35	42.39

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

**(iii)** The terms of appointment of the Managing and Executive Directors 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. Stakeholder Relationship Committee

### a. Name of the Non-Executive Director heading the Committee

As on 31<sup>st</sup> March, 2016, the Stakeholder 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 four meetings during 2015-16 on 8<sup>th</sup> June, 2015, 7<sup>th</sup> August, 2015, 9<sup>th</sup> February, 2016 and 30<sup>th</sup> March, 2016. The representatives of the Registrars are sometimes present at these meetings. The Committee's terms of reference, inter-alia includes consideration and resolving the grievances of shareholders. 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 2015-16 are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	4	4
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	4	2
Mr. L. KrishnaKumar	Non-Independent, Executive	4	4

### b. Name and designation of Compliance Officer

Mr. V Madan, Vice-President & Company Secretary is the Compliance Officer for complying with requirements of Securities laws and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### c. Number of shareholders' complaints received, number not 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 2015-16 in respect of equity shares:

	Equity Shares
For non-receipt of dividend, shares lodged for transfer, repayment cheques	1,978
Other letters received from shareholders	1,333
Queries/complaints redressed	3,281
Pending queries/complaints as on 31/03/2016*	30

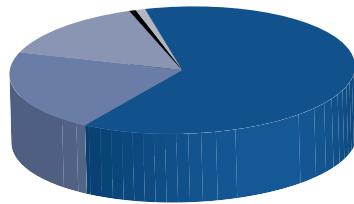
\*Replied in April 2016

Every letter received from the investors is replied and the response time for shareholders' correspondences during 2015-16 is shown in the following table:

	Number	%
Total number of correspondences received during 2015-16	3,311	100.00
Replied within 1 to 4 days of receipt	2,084	62.94
Replied within 5 to 7 days of receipt	696	21.02
Replied within 8 to 15 days of receipt	481	14.53
Replied after 15 days of receipt*	20	0.60
Received in last week of March 2016 and replied in April 2016	30	0.91

\* 15 queries pertained to issue of duplicate dividend warrants which were awaiting completion of reconciliation by bankers. Remaining 5 correspondences pertained to SEBI Complaints and involved retrieving of old records and hence took longer time to deal with.

Promptness in attending to correspondences of shareholders is shown in the following chart:



Replied within 1 to 4 days of receipt	2,084
Replied within 5 to 7 days of receipt	696
Replied within 8 to 15 days of receipt	481
Replied after 15 days of receipt	20
Received in last week of March 2016 and replied in April 2016	30

The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfers during 2015/16 is given below:

	Transfers No. of requests	Transfers No. of Shares	Demats No. of requests	Demats No. of Shares
Lodged	494	6,11,977	1,255	12,59,580
Processed	216	3,77,946	674	7,64,286
Objections	274	2,27,081	567	4,68,164
Pending as on 31/03/2016	4	6,950	14	27,130

Note: 97.56% of the issued share capital of the Company is held in dematerialised form as on 31.03.2016.

## 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. Three meetings of the said committee were held during 2015-16 on 7<sup>th</sup> August, 2015, 9<sup>th</sup> February, 2016 and 30<sup>th</sup> March, 2016. The composition of the Committee and details of attendance by its members at the meetings are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	3	3
Mrs. Ranjana Kumar	Independent, Non-Executive	3	3
Mr. Ajoy Misra	Non-Independent, Executive	3	3

**b) Corporate Social Responsibility Committee:**

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

- Matters specified in Section 135 of the Companies Act 2013 which inter-alia includes:
  - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
  - (c) monitor the Corporate Social Responsibility Policy of the Company from time to time.
- 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.
- Provide guidance on welfare activities in and around Munnar.

Two meetings of the CSR Committee were held during 2015-16 on 28<sup>th</sup> October, 2015 and 30<sup>th</sup> March, 2016. The composition of the Committee and details of attendance by its members at the meetings are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive	2	2
Mr. V Leeladhar	Independent, Non-Executive	2	2
Mr. S Santhanakrishnan	Non-Independent, Non- Executive	2	1
Mr. Ajoy Misra	Non-Independent, Executive	2	2
Dr. S Parasuraman	Expert member (Not a Board member)	2	0

**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 2015-16. However the matters mentioned above were reviewed by the Board from time to time. The composition of the Committee is given below:

Name	Category
Mr. Cyrus P Mistry, Chairman	Non -Independent, Non-Executive
Mrs. Ireneeta Vittal	Independent, Non-Executive
Mr. Harish Bhat	Non-Independent Non- Executive
Mr. Ajoy Misra	Non-Independent, Executive
Mr. L KrishnaKumar	Non-Independent, Executive

**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 Risk Management Committee reviews the key risks and the risk register and the mitigation measures periodically.

Three meetings of the Risk Management Committee were held during 2015-16 on 5<sup>th</sup> August, 2015, 28<sup>th</sup> October, 2015 and 30<sup>th</sup> March, 2016. The composition of the Risk Management Committee as on 31<sup>st</sup> March, 2016 and particulars of attendance by the members at the meetings are given below:

Name	Category	No. of meetings during 2015-16	
		Held	Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	3	3
Mrs. Ranjana Kumar	Independent, Non-Executive	3	3
Mr. Darius Pandole	Independent, Non-Executive	3	3
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	3	2
Mrs. Ireena Vittal	Independent, Non-Executive	3	3
Mr. Harish Bhat	Non-Independent, Non-Executive	3	3

**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	No. of Special Resolutions approved at the AGM
2012- 2013	The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata-700 013	15 <sup>th</sup> July, 2013	10.30 a.m.	Nil
2013-2014	Same as above	26 <sup>th</sup> August, 2014	10.30 a.m.	2
2014-2015	Same as above	14 <sup>th</sup> August, 2015	10.30 a.m.	Nil

<b>b</b>	Whether any special resolution passed last year through postal ballot – details of voting pattern	No special resolutions were passed during 2015-16 through postal ballot.
<b>c</b>	Person who conducted the postal ballot exercise	N.A.
<b>d</b>	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.
<b>e</b>	Procedure for postal ballot	Does not arise

## 9. Means of Communication

<b>a</b> Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website
<b>b</b> Newspapers wherein results normally published	The quarterly results are generally published in Business Standard and Pratidin (Bengali).
<b>c</b> 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 <a href="http://www.tataglobalbeverages.com">www.tataglobalbeverages.com</a>
<b>d</b> Whether it also displays official news releases	Yes
<b>e</b> The presentations made to institutional investors or to analysts	The Company made a presentation to financial analysts on 28 <sup>th</sup> May, 2015 after the results for the financial year 2014-15 were approved by the Board. A similar presentation was also made on 6 <sup>th</sup> November 2015 after the results for the six months ended 30 <sup>th</sup> September 2015 were approved by the Board. For the quarters ended 30 <sup>th</sup> June 2015 and 31 <sup>st</sup> December 2015, there were conference calls with the financial analysts on 6 <sup>th</sup> August 2015 and 11 <sup>th</sup> February 2016 respectively, post the financials for the respective quarters were approved by the board. Copies of the presentations and audio transcripts of the conference calls have been put up on the Company's website.

## 10. General Shareholder information

### a. Annual General Meeting:

Day	Date	Time	Venue	Book Closure Period	Dividend payment date
Wednesday	24 <sup>th</sup> August, 2016	10.30 a.m.	The Oberoi Grand 15 Jawaharlal Nehru Road Kolkata – 700 013	10 <sup>th</sup> August, 2016 to 24 <sup>th</sup> August, 2016 (both days inclusive)	On or after 26 <sup>th</sup> August, 2016

### b. Financial Year : April 1 to March 31

### c. Financial calendar

Board Meetings for approval of	Tentative dates
Annual Accounts 2015-16	24 <sup>th</sup> May, 2016
Financial results for 1 <sup>st</sup> Quarter 2016-17	Second week of August, 2016
Financial results for 2 <sup>nd</sup> Quarter 2016-17	Last week of October, 2016
Financial results for 3 <sup>rd</sup> Quarter 2016-17	Last week of January, 2017 / First week of February, 2017
Annual Accounts 2016-17	Last week of May, 2017

**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	The Calcutta Stock Exchange Association Limited	7, Lyons Range, Kolkata – 700 001	27 (For Physical); 10000027 (For Demat)
	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'
Global Depository Shares	Luxembourg Stock Exchange		
	London Stock Exchange		

**Dematerialisation**

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

**Listing Fees**

Annual listing fees for 2016-17 has been paid to all the Stock Exchanges where the securities of the Company are listed.

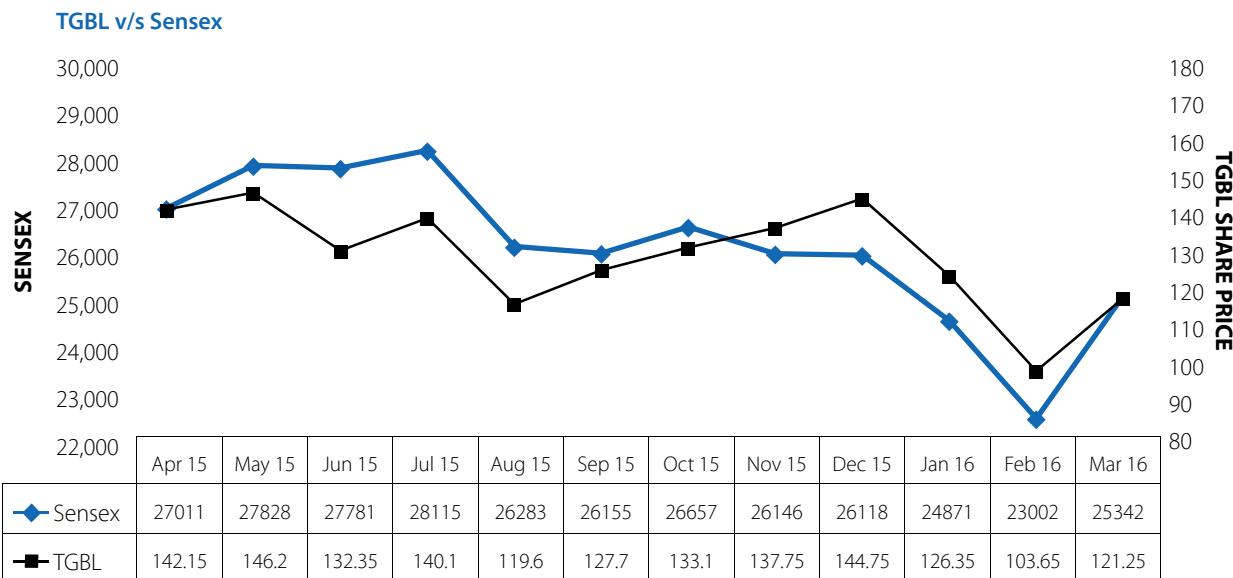
**e. Market price data – high, low during each month in the last financial year (in Rs)**

Month	NSE		BSE	
	High	Low	High	Low
April 2015	143.15	140.40	163.40	140.50
May 2015	146.65	143.05	150.40	136.75
June 2015	132.75	129.15	146.25	126.05
July 2015	142.80	135.35	143.00	131.45
August 2015	120.15	116.85	147.05	108.85
September 2015	129.40	126.65	129.35	114.25
October 2015	137.25	131.00	141.50	127.40
November 2015	138.10	135.90	138.30	123.15
December 2015	148.00	144.20	146.55	130.00
January 2016	127.45	123.35	149.80	119.65
February 2016	107.10	101.60	128.35	100.10
March 2016	122.30	120.30	123.90	104.50

NSE: National Stock Exchange of India Limited; BSE: BSE Limited.

There was no trading of the Company's shares on the Calcutta Stock Exchange during the year 2015/16.

The market share price data is graphically represented below:



**f. Performance in comparison to broad-based indices**

<b>One year performance</b>			<b>NSE</b>	<b>BSE</b>
Company's share price				
- As at 1 <sup>st</sup> April, 2015			148.80	149.50
- As at 31 <sup>st</sup> March, 2016			121.25	121.00
- Change			-18.52%	-19.06%
			<b>S &amp; P CNX NIFTY</b>	<b>Sensex</b>
Indices				
- As at 1 <sup>st</sup> April, 2015			8483.70	27954.86
- As at 31 <sup>st</sup> March, 2016			7738.40	25341.86
- Change			-8.79%	-9.35%
<b>Five year performance</b>			<b>NSE</b>	<b>BSE</b>
Company's share price				
- As at 1 <sup>st</sup> April, 2011			97.75	98.00
- As at 31 <sup>st</sup> March, 2016			121.25	121.00
- Change			24.04%	23.47%
			<b>S &amp; P CNX NIFTY</b>	<b>Sensex</b>
Indices				
- As at 1 <sup>st</sup> April, 2011			5835.00	19463.11
- As at 31 <sup>st</sup> March, 2016			7738.40	25341.86
- Change			32.62%	30.20%

**g. Registrar & Transfer Agents:**

		<b>Address</b>	<b>Contact details</b>
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: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a> E-mail : <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>
Branch Offices at :		TSR Darashaw Limited. 503, Barton Centre, 5 <sup>th</sup> Floor 84, Mahatma Gandhi Road, Bangalore – 560 001	Tel: 080-25320321 Fax: 080-25580019 E-mail: <a href="mailto:tsrdlbang@tsrdarashaw.com">tsrdlbang@tsrdarashaw.com</a>
	South	TSR Darashaw Limited. Tata Center, 43, J L Nehru Road, Kolkata – 700 071	Tel: 033-22883087 Fax: 033-22883062 E-mail: <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a>
	East	TSR Darashaw Limited. Bungalow No. 1 'E' Road, Northern Town, Bistupur Jamshedpur – 831 001	Tel: 0657-2426616 Fax: 0657-2426937 E-mail: <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a>
	North	TSR Darashaw Limited. 2/42 Sant Vihar, Ansari Road, Daryaganj New Delhi – 110 002	Tel: 011-23271805 Fax: 011-23271802 E-mail: <a href="mailto:tsrdlde@tsrdarashaw.com">tsrdlde@tsrdarashaw.com</a>
Agent of the Registrar:	Shah Consultancy Services Limited	3, Sumathinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad – 380 006	Telefax : 079-26576038 E-mail: <a href="mailto:shahconsultancy8154@gmail.com">shahconsultancy8154@gmail.com</a>

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank holidays)

**Shareholders' Relation Cell:**

<b>Contact Person</b>	<b>Address</b>	<b>Contact details</b>
Mr. V Madan, Vice-President & Company Secretary	Tata Global Beverages Limited "Kirloskar Business Park" 4 <sup>th</sup> Floor, Block "C", New Air Port Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: <a href="http://www.tataglobalbeverages.com">www.tataglobalbeverages.com</a> E-mail: <a href="mailto:investor.relations@tgb.com">investor.relations@tgb.com</a>
Ms. Deepika Srivastava Manger-Legal and Secretarial	Tata Global Beverages Limited "Kirloskar Business Park" 4 <sup>th</sup> Floor, Block "C", New Air Port Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: <a href="http://www.tataglobalbeverages.com">www.tataglobalbeverages.com</a> E-mail: <a href="mailto:investor.relations@tgb.com">investor.relations@tgb.com</a>
Mr. Gautam Mukherjee	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 technically 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.

### i. Distribution of Shareholding

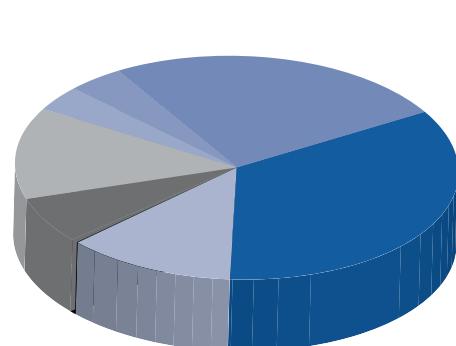
#### Distribution of Shareholding as at 31<sup>st</sup> March 2016:

No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	2,06,97,095	2,06,97,095	3.28	1,42,383	77.25
501 to 1000	1,33,07,848	1,33,07,848	2.11	16,251	8.82
1001 to 2000	1,58,61,782	1,58,61,782	2.51	10,365	5.62
2001 to 3000	1,18,99,948	1,18,99,948	1.89	4,694	2.55
3001 to 4000	88,96,334	88,96,334	1.41	2,509	1.36
4001 to 5000	88,22,688	88,22,688	1.40	1,893	1.03
5001 to 10000	2,42,60,834	2,42,60,834	3.84	3,395	1.84
Greater than 10000	52,73,83,200	52,73,83,200	83.56	2,824	1.53
<b>Total</b>	<b>63,11,29,729</b>	<b>63,11,29,729</b>	<b>100.00</b>	<b>1,84,314</b>	<b>100.00</b>

#### Categories of Shareholders as at 31<sup>st</sup> March 2016

Sl. No.	Particulars	No. of Accounts	Holdings/Shares held	% to Capital
1	Tata Group Companies	10	21,71,28,190	34.40
2	Indian Financial Institutions	26	7,71,74,450	12.23
3	State Government	1	5,850	0.00
4	Central Government	2	3,53,281	0.06
5	Nationalised Banks	24	30,32,024	0.48
6	Mutual Funds	94	4,15,14,686	6.58
7	Foreign Institutional Investors / Foreign Companies	153	8,36,08,772	13.25
8	GDS Depositories	1	2,34,19,020	3.71
9	Other Companies	2,391	2,63,66,504	4.18
10	Individuals & Others	1,81,612	15,85,26,952	25.11
	<b>Total</b>	<b>1,84,314</b>	<b>63,11,29,729</b>	<b>100.00</b>

The category-wise shareholding is also shown in the chart below:



Tata Group Companies	21,71,28,190
Indian Financial Institutions	7,71,74,450
State Government	5,850
Central Government	3,53,281
Nationalised Banks	30,32,024
Mutual Funds	4,15,14,686
Foreign Institutional Investors / Foreign Companies	8,36,08,772
GDS Depositories	2,34,19,020
Other Companies	2,63,66,504
Individuals & Others	15,85,26,952

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

As on 31<sup>st</sup> March, 2016, the outstanding Global Depository Shares were 2,34,19,020. 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 31<sup>st</sup> March, 2016.

**l. Commodity price risk or foreign exchange risk and hedging activities**

Tea is a multi harvest agricultural commodity and is sold through public auction or by private treaty. 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 spreads its buying between public auction and private treaties.

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. Your Group has a robust framework in place to protect its interests from risks arising out of market volatility. Based on market intelligence and continuous monitoring, the sales and procurement teams take appropriate strategy to deal with such market volatility.

Volatility in currency exchange movements like RUB, CAD, USD, GBP and AUD can pose challenges to the Company's operations through earnings dilution. The Company has established currency hedging policies and practices to manage these risks.

**m. 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 Daula 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.

**n. Address for correspondence**

Given against 10(g) above

**11. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF)**

Pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of 7 years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to 31<sup>st</sup> March, 2016, nor shall any payment be made in respect of such claims. Shareholders who have not yet encashed their dividend warrants pertaining to the dividend declared in the financial year 2008-09 and/or any subsequent years are requested to make their claims without any delay to the Registrars.

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	Unpaid dividend to be claimed by	Transfer to IEP Fund in
31 <sup>st</sup> March 2009	04.09.2009	September 2016	October 2016
31 <sup>st</sup> March 2010	27.08.2010	August 2017	September 2017
31 <sup>st</sup> March 2011	02.09.2011	September 2018	October 2018
31 <sup>st</sup> March 2012	03.09.2012	September 2019	October 2019
31 <sup>st</sup> March 2013	18.07.2013	July 2020	August 2020
31 <sup>st</sup> March 2014	28.08.2014	August 2021	September 2021
31 <sup>st</sup> March 2015	19.08.2015	August 2022	September 2022

Following are the details of unpaid dividend which will be due for transfer to IEPF upto 31<sup>st</sup> March 2017:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	04.09.2009	September 2016	October 2016

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.

### Top Ten Shareholders

**As at 31<sup>st</sup> March 2016, the top ten shareholders of the Company were as follows:-**

Sl. No	Name of the Shareholder	No. of shares	%
1	Tata Sons Limited	14,28,54,570	22.63
2	Life Insurance Corporation of India	5,44,16,998	8.62
3	Tata Chemicals Limited	4,31,75,140	6.84
4	Tata Investment Corporation Limited	2,69,45,000	4.27
5	ICICI Prudential Mutual Fund	2,24,01,478	3.55
6	Deutsche Bank Trust Company Americas	2,34,19,020	3.71
7	Government Pension Fund Global	86,82,045	1.38
8	National Westminster Bank PLC as Depository of First State Asia Pacific Fund a sub fund of First State Investments ICVC	79,52,367	1.26
9	National Insurance Company Limited	72,64,780	1.15
10	Dimensional Emerging Markets Value Fund	66,32,236	1.05

## 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 Accounting Standard 18 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. The policy provides a mechanism for employees 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.

The policy permits reporting any concern relating to financial/accounting matters and employees at the levels of Vice-Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit Committee.

For all other matters the concern can be reported to the Ethics counsellor of the Company. 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://www.tataglobalbeverages.com/docs/default-source/Investor-Governance-Policy-/whistle-blower-policy-and-vigil-mechanism-.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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement for 2015-16.

The following non-mandatory requirements under Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent they have been adopted are mentioned below:

- The Statutory financial statements of the Company are unqualified.
- The Company has separate posts of Chairman and CEO.
- The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- e Web link where policy for determining 'material' subsidiaries is disclosed:  
<http://www.tataglobalbeverages.com/docs/default-source/Investor-Governance-Policy-/policy-on-subsidiary.pdf?sfvrsn=0>
- f Web link where policy on dealing with related party transactions is disclosed:  
<http://www.tataglobalbeverages.com/docs/default-source/default-document-library/policy-on-related-party8b14b6881a2368caa65dff02001c5be1.pdf?sfvrsn=0>
- g Disclosure of commodity price risks and commodity hedging activities: Given in 10 (I)
- h Compliance with Accounting Standard:  
In the preparation of the financial statements, the Company has followed the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30 on Financial Instrument to the extent it does not contradict with any other Accounting Standard. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

- i Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: NIL.
- j Extent to which the discretionary requirements specified in Part E of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted: Covered in 12 (d).
- k Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable.
- l Name of the Debenture Trustees (in respect of 3,250 Secured Redeemable Non-Convertible Debentures of Rs. 10,000 each) with their contact details: (Pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)
 

SBICAP Trustee Company Limited  
Apeejay House, 6<sup>th</sup> Floor  
3, Dinshaw Wachha Road  
Churchgate, Mumbai 400 020  
Tel: 022 4302 5555; Fax: 022- 2204 0465.
- m The Company has duly complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 13) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement during the financial year 2015-16 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosures as required by Accounting standard (AS 18) 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-party8b14b6881a2368caa65dff02001c5be1.pdf?sfvrsn=0>

### 14) Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company in the immediately preceding accounting year. However, in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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://www.tataglobalbeverages.com/docs/default-source/Investor-Governance-Policy-/policy-on-subsidiary.pdf?sfvrsn=0>. The minutes of the Board meetings of unlisted subsidiary companies are placed in the Board meetings of the Company.

### 15) Insider Trading Regulations

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in January 2015, which came into effect from 14<sup>th</sup> May, 2015, the Company has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. This code of conduct is applicable to all Directors, such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company and other connected persons. Mr. John Jacob, Chief Financial Officer of the Company, is the compliance officer for the purpose of these regulations.

### 16) Certificate on Corporate Governance

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance of conditions of corporate governance is attached.

On behalf of the Board of Directors



Cyrus P. Mistry  
Chairman

Mumbai  
24<sup>th</sup> May 2016

**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, Chief Executive Officer and Managing Director 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 2015-16.

For **Tata Global Beverages Limited**



**(Ajoy Misra)**

Chief Executive Officer and Managing Director

Mumbai

24<sup>th</sup> May 2016

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE UNDER SCHEDULE V(E) OF REGULATION 34(3) AND 53(f) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****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 31<sup>st</sup> March 2016, as stipulated in Schedule V(E) of Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the above mentioned Listing Agreement.

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

**Dr. Asim Kumar Chattopadhyay**

Practising Company Secretary

FCS No. 2303

CP No. 880

24<sup>th</sup> May 2016

# Independent Auditors' Report

## TO THE MEMBERS OF TATA GLOBAL BEVERAGES LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Tata Global Beverages Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note [31];
  - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 during the year ended March 31, 2016.

For **Lovelock & Lewes**  
 Firm Registration Number: 301056E  
 Chartered Accountants

**Dibyendu Majumder**

Place: Mumbai  
 Date : May 24, 2016

Partner

Membership Number: 057687

# Annexure A to Independent Auditors' Report

Referred to in paragraph [10 (f)] of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the standalone financial statements for the year ended March 31, 2016

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Global Beverages Limited ("the Company") as of March 31, 2016 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

2. 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 (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 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 Act.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.
5. 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

6. 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

7. 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

8. In our opinion, 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, 2016, 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.

For **Lovelock & Lewes**

Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date : May 24, 2016

# Annexure B to Independent Auditors' Report

Referred to in paragraph [9] of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and service tax and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, value added tax and cess as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.18	2004-05, 2007 - 08 and 2008-09	Commissioner of Income Tax (Appeals), Kochi
Income Tax Act, 1961	Income Tax	0.01	2009-10	Income Tax Appellate Tribunal, New Delhi
Kerala General Sales Tax Act, 1963	Sales Tax	0.12	1998-99	Sales Tax Appellate Tribunal, Ernakulam
Kerala General Sales Tax Act, 1963	Sales Tax	0.44 (*)	1996-97 to 2000-01, 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
Kerala Value Added Tax, 2003	Value Added Tax	0.31 (*)	2010-11	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
West Bengal Sales Tax Act, 1994	Sales Tax	0.02	1998-99 & 2000-01	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Sales Tax	0.12	1998-99	Sales Tax Appellate Tribunal, Ernakulam
Central Sales Tax Act, 1956	Sales Tax	0.50 (*)	1999-00, 2000-01, 2002-03, 2006-07 and 2011-12	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
Central Sales Tax Act, 1956	Sales Tax	0.01	2010-11	Joint Commissioner of Sales Tax, Maharashtra
Karnataka Sales Tax Act, 1957	Sales Tax	1.28	1997-98	The Supreme Court of India
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.57 (*)	1998-99 to 2006-07	The High Court of Madras
Central Sales Tax Act, 1956	Sales Tax	2.08 (*)	2010-11 to 2013-14	Deputy Commissioner Indore, Madhya Pradesh
Central Sales Tax Act, 1956	Sales Tax	0.94	2012-13	Assistant Commissioner, Andhra Pradesh
Central Sales Tax Act, 1956	Sales Tax	1.69 (*)	2012-13	Senior Joint Commissioner of Commercial tax, Kolkata, West Bengal
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.36	2007-08 & 2008-09	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.02	2008-09	Joint Commissioner of Sales Tax, Maharashtra
Karnataka Value Added Tax Act, 2003	Value Added Tax	0.06 (*)	2006-07, 2009-10 and 2012-13	The Joint Commissioner (Appeals), Commercial Taxes, Karnataka
Goa Value Added Tax Act, 2005	Value Added Tax	0.01	2006-07	Commissioner of commercial taxes, Goa.
Central Sales Tax Act, 1956	Sales Tax	0.05 (*)	2012-13	Deputy Commissioner Appeals, Coimbatore
Tamil Nadu Value Added Tax Act 2006	Value Added Tax	- (*)	2014-15	Additional Commissioner, Coimbatore
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	- (*)	2005-06	Sales Tax Appellate Tribunal, Hyderabad
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	2.06	2010-11	The High Court of Madhya Pradesh
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	0.82 (*)	2003-04, 2005- 06 to 2011-12	The Supreme Court of India

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Panchayat Act,1994	Cess on Land Revenue	0.05	2000-2001 to 2002-2003	The High Court of Madras
Finance Act, 1994	Service Tax	1.46 (*)	2005-06	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax	0.19 (*)	2013-14 and 2014-15	Commissioner Appeals, Bangalore
Finance Act, 1994	Service Tax	0.01	2008-09 and 2009-10	Commissioner Appeals, Kolkata
Finance Act, 1994	Service Tax	- (*)	April 2015 to June 2015	Assistant Commissioner- Central Excise and Customs- Kochi

(\*) Net of amounts paid of Rs. 8.23 Crores.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

Place: Mumbai  
Date : May 24, 2016

**Dibyendu Majumder**  
Partner  
Membership Number: 057687

# Balance Sheet

As at March 31, 2016

	Note	2016	2015	Rs. in Crores
<b>Equity and Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	3	63.11	61.84	
Reserves and Surplus	4	2832.79	2895.90	2438.54
				<b>2500.38</b>
<b>Share Suspense Account</b>			-	<b>1.27</b>
<b>Non-Current Liabilities</b>				
Long-Term Borrowings	5	-	325.00	
Other Long-Term Liabilities	6	-	72.54	
Long-Term Provisions	7	177.87	177.87	114.02
				<b>511.56</b>
<b>Current Liabilities</b>				
Short-Term Borrowings	8	52.61	152.50	
Trade Payables (includes dues of Micro and Small enterprises	9	198.38	143.88	
<b>Rs. 3.99 Crores (Rs. 1.42 Crores))</b>				
Other Current Liabilities	10	544.95	153.48	
Short-Term Provisions	11	195.21	991.15	192.61
				<b>642.47</b>
<b>Total</b>			<b>4064.92</b>	<b>3655.68</b>
<b>Assets</b>				
<b>Non-Current Assets</b>				
Fixed Assets	12			
Tangible Assets		183.21	168.91	
Intangible Assets		16.05	24.43	
Capital work-in-progress		10.10	11.09	
Intangible Assets under development		-	0.18	
		209.36	204.61	
Non-Current Investments	13	2264.34	2231.86	
Deferred Tax Assets (net)	14	39.48	45.75	
Long-Term Loans and Advances	15	120.50	71.79	
Other Non-Current Assets	16	70.50	2704.18	70.50
				<b>2624.51</b>
<b>Current Assets</b>				
Inventories	17	889.71	819.27	
Trade Receivables	18	124.09	93.62	
Cash and Bank Balances	19	239.20	21.01	
Short-Term Loans and Advances	20	104.47	93.36	
Other Current Assets	21	3.27	1360.74	3.91
				<b>1031.17</b>
<b>Total</b>			<b>4064.92</b>	<b>3655.68</b>
<b>Summary of Significant Accounting Policies</b>	2	-		

The Notes are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of the Board

For **Lovelock & Lewes**

**Cyrus P Mistry**

**Ajoy Misra**

Firm Registration No. 301056E

Chairman

Managing Director

Chartered Accountants

**L Krishnakumar**

**Harish Bhat**

**Dibyendu Majumder**

Executive Director

**Darius Pandole**

Partner

Director

Director

Membership No. 057687

**V Leeladhar**

Director

Mumbai

**John Jacob**

Director

May 24, 2016

Chief Financial Officer

Company Secretary

# Statement of Profit and Loss

For the year ended March 31, 2016

Rs. in Crores

	Note	2016	2015
<b>Income</b>			
Revenue from Operations (Gross)	22	3090.74	2884.76
Less: Excise duty		(6.82)	(0.24)
Revenue from Operations (Net)		3083.92	2884.52
Other Income	23	106.57	155.16
<b>Total Revenue</b>		<b>3190.49</b>	<b>3039.68</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	1888.96	1872.87
Purchases of Stock in Trade		11.93	1.53
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	25	(3.95)	(27.99)
Employee Benefits Expense	26	186.88	161.92
Finance Costs	27	29.61	34.19
Depreciation and Amortization Expense		22.79	19.94
Other Expenses	28	657.87	559.25
<b>Total Expenses</b>		<b>2794.09</b>	<b>2621.71</b>
<b>Profit before Exceptional Items and Taxes</b>		<b>396.40</b>	<b>417.97</b>
<b>Exceptional Items (Net)</b>	29	<b>264.57</b>	<b>(68.92)</b>
<b>Profit before Tax</b>		<b>660.97</b>	<b>349.05</b>
<b>Tax Expenses</b>			
Current Tax (Refer Note 37)		130.03	55.91
Less: MAT Credit Entitlement		(39.00)	-
Net Current Tax		91.03	55.91
Deferred Tax		6.27	4.14
		<b>97.30</b>	<b>60.05</b>
<b>Profit for the year</b>		<b>563.67</b>	<b>289.00</b>
Earning per Equity Share (Nominal Value per share Re. 1 each)			
Basic and Diluted (Refer Note 39)		<b>8.93</b>	<b>4.58</b>
The Notes are an integral part of the Financial Statements.			

This is the Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of the Board

For **Lovelock & Lewes**

**Cyrus P Mistry**

**Ajoy Misra**

Firm Registration No. 301056E

Chairman

Managing Director

Chartered Accountants

**L Krishnakumar**

**Harish Bhat**

Executive Director

Director

**V Leeladhar**

**Darius Pandole**

Director

Director

**John Jacob**

**V Madan**

Chief Financial Officer

Company Secretary

**Dibyendu Majumder**

Partner

Membership No. 057687

Mumbai

May 24, 2016

# Cash Flow Statement

For the year ended March 31, 2016

	Rs. in Crores	
	2016	2015
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	660.97	349.05
Adjusted for :		
Depreciation and Amortisation	22.79	19.94
Dividend Income	(97.98)	(137.07)
Unrealised Exchange Loss / (Gain)	(0.23)	0.48
Finance Cost	29.61	34.19
Interest Income	(7.14)	(17.50)
Profit on sale of Current Investments (net)	(0.14)	(0.11)
Liabilities no longer required written back	(18.09)	(24.74)
Provision for Doubtful Debts/Advances	1.78	-
(Profit)/Loss on sale / discard of Fixed Assets (net)	(0.94)	0.14
Exceptional item	10.97	6.99
Provision on Investment	-	38.24
Provision for obligations relating to a Overseas Subsidiary Company	52.25	23.69
Profit on Sale of Long-Term Trade Investments	(327.79)	-
	(334.91)	(55.75)
Operating Profit before working capital changes	326.06	293.30
Adjustments for :		
Trade Receivables	(32.12)	24.33
Other Receivables	(27.14)	(0.11)
Inventories	(70.44)	(181.58)
Trade Payables	76.64	21.03
	(53.06)	(136.33)
Cash generated from Operations	273.00	156.97
Direct Taxes paid (net)	(141.52)	(106.75)
	(141.52)	(106.75)
<b>Net Cash from / (used in) Operating Activities</b>	<b>131.48</b>	<b>50.22</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(37.07)	(47.23)
Sale of Fixed Assets	3.47	0.83
Purchase of Long-Term Investments	(0.31)	(2.09)
Sale/Redemption of Long-Term Investments	336.64	-
Investment in Joint Ventures	(41.00)	(75.00)
Placement / Redemption of Current Investments (net)	0.14	0.11
Dividend Income	97.98	137.07
Interest Income received	7.63	20.97
Inter Corporate Deposits & Loans Redeemed	12.75	91.50
<b>Net Cash from / (used in) Investing Activities</b>	<b>380.23</b>	<b>126.16</b>

Rs. in Crores

	2016	2015
<b>C. Cash Flow from Financing Activities</b>		
Working Capital Facilities (net)	(99.89)	20.98
Dividend paid	(142.00)	(139.14)
Dividend Tax paid	(22.36)	(13.70)
Finance Cost	(29.52)	(34.22)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(293.77)</b>	<b>(166.08)</b>
Net increase / (decrease) in Cash and Cash Equivalents	<b>217.94</b>	<b>10.30</b>
<b>D. Cash and Cash Equivalents</b>		
Opening Balance	<b>14.96</b>	<b>2.29</b>
Cash & Bank balance acquired on amalgamation	-	<b>2.37</b>
<b>Balances at the end of the year</b>	<b>232.90</b>	<b>14.96</b>
<b>Cash and Cash Equivalent comprises of:</b>		
Cash and Cheques in hand	<b>0.02</b>	<b>0.02</b>
Balances in Current Account and Mutual Funds	<b>232.88</b>	<b>14.94</b>
<b>Balances at the end of the year</b>	<b>232.90</b>	<b>14.96</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the ' Indirect Method' as set out in the Accounting Standard on ' Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been rearranged/regrouped wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of the Board

**For Lovelock & Lewes**Firm Registration No. 301056E  
Chartered Accountants**Cyrus P Mistry****Ajoy Misra**

Chairman

Managing Director

**Harish Bhat****L Krishnakumar**

Director

**Executive Director****Darius Pandole****V Leeladhar**

Director

Director

**V Madan****John Jacob**

Company Secretary

Chief Financial Officer

**Dibyendu Majumder**Partner  
Membership No. 057687

Mumbai

May 24, 2016

# Notes forming part of the Financial Statements

## 1. General Information:

Tata Global Beverages Limited ("the holding company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company 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/Sri Lanka and extraction business mainly in India, US and China.

## 2. Significant Accounting Policies:

### (a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention on an accrual basis and comply with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30 on Financial Instrument to the extent it does not contradict with any other Accounting Standard.

These Financial Statements have been prepared as required under relevant provision of the Companies Act, 2013 and the presentation is based on the Schedule III of the Companies Act, 2013. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/ settlement within twelve months period from the balance sheet date.

### (b) Fixed Assets and Depreciation

#### i) Tangible:

Tangible Assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost.

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Depreciation is provided on tangible asset including asset created on lands under lease on a monthly straight line basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013.

Renewal of land leases is assumed, consistent with past practice.

Management's estimates of the useful lives of certain assets are as follows:

Computers, Printers and Other Office Equipments	4 years
Air Conditioners	10 years
Plant and Machinery	20 - 25 years
Leasehold improvements	Over the life of lease

For the above class of assets, based on internal assessment and independent technical evaluation, management believes that the useful lives as given above best represents the period over which the asset would be used.

#### ii) Intangible:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Expenditure on software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortised on a monthly basis over a period of five years.

Non-compete fees paid on acquisition of business is being amortised on monthly basis over a period of ten years.

# Notes forming part of the Financial Statements

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised on a monthly basis over a period of ten years.

## (c) Impairment

At each balance sheet date, the management assess whether there is any indication that the assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Cash flows used to determine value in use are derived from the annual budgets and strategic plans of the cash generating units. For certain cash generating units, variable growth may be considered even beyond the period of five years, having regard to factors like maturity of the business and scope for geographical expansion.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

## (d) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially assumed all risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease period at lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease rental under operating leases are

recognised in the statement of profit and loss on a straight-line basis over the period of lease.

## (e) Borrowing Costs

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised. The other costs are charged to the statement of profit and loss. Discount on Commercial Paper is amortised on straight line basis over its tenure.

## (f) Investments

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost or fair value.

## (g) Inventories

Inventories are stated at lower of cost or net realisable value. Cost is determined on weighted average method for all categories of inventories other than for auction/privately bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, appropriate overheads based on normal level of activity. Provision is made for obsolescence and other anticipated losses wherever considered necessary.

## (h) Foreign Currency Transactions

Transactions in foreign currencies are recorded at average fortnightly spot rates. The exchange difference resulting from settled transactions is recognised in the statement of profit and loss. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss.

# Notes forming part of the Financial Statements

Premium or discount on forward contracts where there are underlying assets /liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognised as gain/loss in the statement of profit and loss.

## (i) Revenue Recognition

- (i) Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per terms of the contract .
- (ii) Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.
- (iii) Export incentives are accounted on accrual basis.

## (j) Other Income

Interest income and income from investments are accounted on accrual basis.

Dividend income is recognised when the right to receive dividend is established.

## (k) Replanting/Rejuvenation

Cost of replanting/rejuvenating tea bushes/fuel trees is charged to revenue. Related Tea Board subsidies are accrued as Other Income on obtaining approval from Tea Board.

## (l) Compensation of Land

Compensation, if any, in respect of land surrendered or incidental rights thereto/vested in Governments under various State Land Legislations is accounted for as and when received.

## (m) Employee Benefits

### i) Post retirement employee benefits:

Post retirement benefits like Provident Fund which are in the nature of defined benefit plans and also Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company and for certain categories contributions are made to State

Plans. In respect of PF contribution made to a Self Administered Trust, the Company is liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return, such contribution and shortfall, if any is recognized as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives / wholetime directors as provided by the Company are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.

The Company recognizes in the statement of profit and loss, gains or losses on settlement of a defined benefit plan as and when the 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. Short term Employee Benefits are recognised on an undiscounted basis whereas Long Term Employee Benefits are recognised on a discounted basis.

### iii) Other 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.

## (n) Research and Development

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is included under fixed assets.

# Notes forming part of the Financial Statements

## (o) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## (p) Financial Instruments

The Company uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss.

Fair value hedges are marked to market on balance sheet date and gain or loss recognised in the statement of profit and loss.

## (q) Cash and Cash Equivalent

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments/bank deposits with an original maturity of three months or less.

## (r) Provisions

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are not discounted to its present value. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## (s) Contingent Liabilities

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.

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>3. Share Capital</b>		
<b>AUTHORISED</b>		
110,00,00,000 (75,00,00,000) Equity Shares of Re. 1 each*	<b>110.00</b>	<b>75.00</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
63,11,29,729 (61,83,98,570) Equity Shares of Re. 1 each, fully paid-up*	<b>63.11</b>	<b>61.84</b>
	<b>63.11</b>	<b>61.84</b>

a) The details of Shareholders holding more than 5% shares as at March 31, 2016 is set out below :

Name of Shareholder	2016	2015
No. of shares	No. of shares	
% of holding	% of holding	
Tata Sons Limited	<b>142854570</b>	<b>142854570</b>
	<b>22.63%</b>	<b>23.10%</b>
Life Insurance Corporation of India	<b>54416998</b>	<b>31213954</b>
	<b>8.62%</b>	<b>5.05%</b>
Tata Chemicals Limited	<b>43175140</b>	<b>43175140</b>
	<b>6.84%</b>	<b>6.98%</b>

b) The reconciliation of the number of shares as at March 31, 2016 is set out below:

Particulars	2016	2015
Number of shares as at the beginning of the year	<b>618398570</b>	<b>618398570</b>
Add: Shares issued during the year consequent to amalgamation	<b>12731159</b>	-
Number of shares as at the end of the year	<b>631129729</b>	<b>618398570</b>

### c) 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.

\*Consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Company, the Authorised Share Capital of the Company stands increased to Rs. 110 Crores made up of 110,00,00,000 Equity Shares of Re. 1/- each with effect from May 18, 2015 (effective date of Merger). Pursuant to this amalgamation, the Company during the year has issued 12731159 equity shares which was accounted under Shares Suspense Account in the previous year (Refer Note 34a).

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>4. Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	15.79	0.09
Add: Addition on Amalgamation (Refer Note 34a)	-	15.70
<b>Closing Balance</b>	<b>15.79</b>	<b>15.79</b>
<b>Securities Premium Account</b>		
Opening Balance	333.79	552.93
Add: Addition on Amalgamation (Refer Note 34a)	-	86.89
Less: Deduction on Amalgamation (Refer Note 34a)	-	(306.03)
<b>Closing Balance</b>	<b>333.79</b>	<b>333.79</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	81.25	81.25
<b>Closing Balance</b>	<b>81.25</b>	<b>81.25</b>
<b>Revaluation Reserve</b>		
Opening Balance	21.86	21.86
<b>Closing Balance</b>	<b>21.86</b>	<b>21.86</b>
<b>Contingency Reserve</b>		
Opening Balance	1.00	1.00
<b>Closing Balance</b>	<b>1.00</b>	<b>1.00</b>
<b>Hedging Reserve</b>		
Opening Balance	5.16	3.50
Add: Movement during the year (net)	(5.06)	1.66
<b>Closing Balance</b>	<b>0.10</b>	<b>5.16</b>
<b>General Reserve</b>		
Opening Balance	1059.34	1030.44
Add: Transferred from surplus in statement of profit and loss	56.37	28.90
<b>Closing Balance</b>	<b>1115.71</b>	<b>1059.34</b>
<b>Surplus in the statement of profit and loss</b>		
Opening Balance	920.35	820.35
Add: Profit for the year	563.67	289.00
Add: Profit of Amalgamating Company (Refer Note 34a)	-	2.39
<b>Amount available for appropriation</b>	<b>1484.02</b>	<b>1111.74</b>
<b>Appropriations</b>		
Adjustments on evaluation of useful life of Fixed Assets	-	0.72
Proposed Dividend	142.00	142.00
Provision for Dividend Distribution Tax *	22.36	19.77
Transferred to General Reserve	56.37	28.90
<b>Net Surplus in the statement of profit and loss</b>	<b>1263.29</b>	<b>920.35</b>
<b>Total Reserves and Surplus</b>	<b>2832.79</b>	<b>2438.54</b>

\*For the purpose of computation of Dividend Distribution Tax (DDT) on the proposed dividend, the Company has reduced DDT on the dividend received from its Indian subsidiaries and foreign subsidiaries on which tax has been paid under section 115-O and section 115-BBD of the Income tax act,1961. Accordingly, provision for dividend distribution tax (DDT) for the current year is net of DDT credit/writeback of **Rs. 7.35 Crores** (Rs. 9.94 Crores) relating to current/earlier years.

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>5. Long-Term Borrowings</b>		
<b>Secured Loans</b>		
3250 (3250), 3 % Non-Convertible, privately placed, Debentures	325.00	325.00
of Rs. 10 Lakhs each.		
Less: Maturing in next 12 months	(325.00)	-
Redeemable at premium of Rs. 223205 per debenture on 22.10.2016, at the end of 3 years from the date of allotment 22.10.2013.		
Secured by way of a first mortgage on certain immovable assets of the company and partly by pledge of shares of certain companies held as investments.		
	-	325.00

Rs. in Crores

	2016	2015
<b>6. Other Long-Term Liabilities</b>		
Premium Payable on Redemption of Debentures	72.54	72.54
Less: Payable in next 12 months	(72.54)	-
	-	72.54

Rs. in Crores

	2016	2015
<b>7. Long-Term Provisions</b>		
Employee Benefits	101.93	90.33
Other Provisions (Refer Note 35)	75.94	23.69
	177.87	114.02

Rs. in Crores

	2016	2015
<b>8. Short-Term Borrowings</b>		
<b>Secured Loans</b>		
<b>From Banks</b>		
<b>Working Capital Facilities</b>	52.61	80.26
Secured by way of hypothecation of raw materials, finished products, stores and spares and book debts on pari passu basis		
<b>Unsecured Loans</b>		
<b>From Banks</b>	-	72.24
	52.61	152.50

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>9. Trade Payables</b>		
Trade Payables*	194.39	142.46
Due to Micro and Small Enterprises	3.99	1.42
	<b>198.38</b>	<b>143.88</b>

\* Includes due to Related Parties - **Rs. 16.85 Crores** (Rs. 11.79 Crores)

Rs. in Crores

	2016	2015
<b>10. Other Current Liabilities</b>		
Unpaid Dividends*	6.30	6.05
Interest Accrued but not due on borrowings	4.42	4.33
Statutory Liabilities	13.60	11.25
Security Deposits from Customers	34.98	33.01
Current Maturities of Long-Term Debentures (Refer Note 5)	325.00	-
Premium Payable on Redemption of Debentures (Refer Note 6)	72.54	-
Others	88.11	98.84
	<b>544.95</b>	<b>153.48</b>

\*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Rs. in Crores

	2016	2015
<b>11. Short-Term Provision</b>		
Employee Benefits	15.74	15.35
Wealth Tax less advance payment <b>Rs. 3.81 Crores</b> (Rs. 3.67 Crores)	0.29	0.42
Proposed Dividend	142.00	142.00
Tax on Dividend (Net of <b>Rs. 13.42 Crores</b> (Rs. 13.42 Crores))	16.29	16.30
Other Provisions (Refer Note 35)	20.89	18.54
	<b>195.21</b>	<b>192.61</b>

# Notes forming part of the

## Financial Statements

### 12. Fixed Assets

											Rs. in Crores	
				Cost				Depreciation			Net Book Value	
	As at March 31, 2015	On Amalgamation (Note 34a)	Additions/ Adjustment	Deductions/ Adjustment	As at March 31, 2016	As at March 31, 2015	On Amalgamation (Note 34a)	For the Year	Deductions/ (Impairment)	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>TANGIBLE</b>												
<b>Owned :</b>												
Land	1.82	-	-	-	1.82	@	-	-	-	-	1.82	1.82
	(1.42)	(0.40)	-	-	(1.82)	@	-	-	-	-	(1.82)	
Tea Estate Land/Fuel Area (Including Development)	5.55	-	-	-	5.55	-	-	-	-	-	5.55	5.55
	(5.55)	-	-	-	(5.55)	-	-	-	-	-	(5.55)	
Buildings	48.86	-	4.38	1.40	51.84	@	14.10	-	1.04	0.53	14.61	37.23
	(41.52)	(4.52)	(2.81)	-	(48.85)	@	(11.55)	(1.58)	(0.97)	-	(14.10)	(34.75)
Bridges	0.00	-	-	-	0.00	*	0.00	-	-	0.00	*	0.00*
	(0.00)	-	-	-	(0.00)	*	(0.00)	-	-	(0.00)	*	(0.00)*
Plant & Equipment	215.44	-	26.48	15.23	226.69	@	113.94	-	12.50	13.59	112.85	113.84
	(165.87)	(28.05)	(22.89)	(1.38)	(215.43)	@	(87.71)	(15.00)	(11.73)	(0.50)	(113.94)	(101.49)
Furniture, Fixtures & Office Equipment	40.28	-	2.73	0.27	42.74	-	17.06	-	3.39	0.26	20.19	22.55
	(27.68)	(0.81)	(11.95)	(0.16)	(40.28)	-	(13.30)	(0.29)	(3.56)	(0.10)	(17.05)	(23.23)
Motor Vehicles	4.43	-	0.40	0.08	4.75	-	2.36	-	0.24	0.07	2.53	2.22
	(3.48)	(0.48)	(0.89)	(0.41)	(4.44)	-	(2.07)	(0.25)	(0.44)	(0.39)	(2.37)	(2.07)
<b>Total</b>	<b>316.38</b>	-	<b>33.99</b>	<b>16.98</b>	<b>333.39</b>		<b>147.46</b>	-	<b>17.17</b>	<b>14.45</b>	<b>150.18</b>	<b>183.21</b>
Previous year	245.53	34.26	38.54	1.95	316.38	-	114.63	17.12	16.70	0.99	147.46	168.91
<b>INTANGIBLE</b>												
Capitalised Software	24.60	-	4.25	-	28.85	-	13.04	-	3.56	-	16.60	12.25
	(17.64)	(0.23)	(6.73)	-	(24.60)	-	(10.56)	(0.23)	(2.25)	-	(13.04)	(11.56)
Patent/Knowhow (Refer Note 36 b)	17.63	-	-	-	17.63	-	5.42	-	1.76	(7.00)	14.18	+
	(17.63)	-	-	-	(17.63)	-	(3.65)	-	(1.76)	-	(5.41)	(12.22)
Non Compete Fee	3.00	-	-	-	3.00	-	2.35	-	0.30	-	2.65	+
	(3.00)	-	-	-	(3.00)	-	(2.05)	-	(0.30)	-	(2.35)	(0.65)
<b>Total</b>	<b>45.23</b>	-	<b>4.25</b>	-	<b>49.48</b>		<b>20.81</b>	-	<b>5.62</b>	<b>(7.00)</b>	<b>33.43</b>	<b>16.05</b>
Previous Year	38.27	0.23	6.73	-	45.23	-	16.27	0.23	4.31	-	20.81	24.43

- 1) Cost of Land Includes a portion leased to an Associate.
- 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 amount of **Rs. 1.26 Crores** (Rs. 1.26 Crores), **Rs. 0.62 Crores** (Rs. 0.62 Crores), **Rs. 0.08** Crores (Rs. 0.08 Crores),respectively, jointly owned /held with a subsidiary company.
- 4) (+) Unexpired period of amortisation for Patent/Knowhow is 71 months and Non Compete fees is 14 months.
- 5) \* Amount is below the rounding off norm adopted by the Company.

# Notes forming part of the

## Financial Statements

Rs. in Crores

	Class	Nos.	Face Value of each	2016	2015
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### 13. Non-Current Investments

#### Long-Term

##### Trade Investments (Fully paid up and valued at cost)

###### (a) Quoted Equity Investments

###### Investment in Subsidiaries :

Tata Coffee Ltd. (Refer Foot Note 1) #	Equity Shares	107359820	Rs. 1	161.51	161.51
				161.51	161.51

#Inclusive of **Rs. 21.86 Crores** (Rs. 21.86 Crores) kept in Revaluation Reserve

###### Others:

Tata Chemicals Ltd. (Refer Foot Note 1)	Equity Shares	11185522	Rs. 10	50.33	50.33
The Indian Hotels Co Ltd. (Refer Foot Note 4)	Equity Shares	-		-	2.72
		(1687742)	Re. (1)		
Tata Motors Ltd. (Refer Foot Note 4)	Equity Shares	-		-	0.47
		(116665)	Rs. (2)		
Tata Motors Ltd. (Refer Foot Note 4)	"A" Ordinary Shares	-		-	0.10
		(16665)	Rs. (2)		
Tata Investment Corporation Ltd. (Refer Foot Note 4)	Equity Shares	158469	Rs. 10	2.34	2.36
		(160000)			
Tata Steel Ltd. (Refer Foot Note 4)	Equity Shares	-		-	0.17
		(12021)	Rs. (10)		
Titan Company Ltd. (Refer Foot Note 4)	Equity Shares	-		-	2.95
		(9248060)	Rs. (1)		
				52.67	59.10

###### (b) Unquoted Equity Investments

###### Investment in Subsidiaries :

Tata Tea Extractions Inc.	Common Stock	14000000	US\$ 1	59.80	59.80
Tata Global Beverages Group Ltd.	Ordinary Shares	70666290	GBP 1	500.71	500.71
Tata Global Beverages Capital Ltd.	Ordinary Shares	89606732	GBP 1	763.89	763.89
Consolidated Coffee Inc.	Common Stock	199	US\$ 0.01	92.49	92.49
Zhejiang Tata Tea Extraction Company Ltd. @ (Refer Foot Note 3)				58.24	24.70
Tata Tea Holdings Private Limited	Equity Shares	50000	Rs. 10	0.05	0.05
Less: Provision for diminution in the value of investment (Refer Foot Note 3)				(58.24)	(24.70)
				1416.94	1416.94

@ Amount of Investments is **RMB 7.25 Crores** (RMB 3.85 Crores) in the share capital of the company.

# Notes forming part of the

## Financial Statements

	Class	Nos.	Face Value of each	2016	2015	Rs. in Crores
<b>Investment in Associates :</b>						
Estate Management Services (Pvt.) Ltd.	Ordinary Shares *	12078406	LKR	10	14.57	14.57
Amalgamated Plantations Pvt. Ltd.	Equity Shares	61024400	Rs.	10	61.02	61.02
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Equity Shares	3976563	Rs.	10	12.33	12.33
TRIL Constructions Limited	Equity Shares	11748148	Rs.	10	11.75	11.75
					99.67	99.67
* Sale of these investments requires first offer of sale to the venture partners.						
<b>Investment in Joint Ventures :</b>						
NourishCo Beverages Limited (Refer Foot Note 2)	Equity Shares	90500000 (77500000)	Rs.	10	90.50	77.50
Tata Starbucks Private Limited (Refer Foot Note 2)	Equity Shares	178000000 (150000000)	Rs.	10	178.00	150.00
					268.50	227.50
<b>Others:</b>						
Tata Sons Ltd.	Equity Shares	1755	Rs.	1000	9.75	9.75
Tata Services Ltd.	Ordinary Shares	475	Rs.	1000	0.05	0.05
Tata Capital Ltd.	Equity Shares	613598	Rs.	10	0.95	0.95
Tata Industries Ltd.	Equity Shares	6519441	Rs.	100	115.82	115.82
Taj Air Ltd.	Equity Shares	4200000	Rs.	10	4.20	4.20
					130.77	130.77
<b>(c) Unquoted Preference Shares</b>						
<b>Investment in Associates :</b>						
Amalgamated Plantations Pvt. Ltd.	0.01% Non Cum. Redeemable Preference Shares @	67000000	Rs.	10	67.00	67.00
TRIL Construction Limited	0.001% Non Cumulative, Non-redeemable and mandatorily fully convertible Preference Shares @@	66751852	Rs.	10	66.75	66.75
					133.75	133.75

@ Redeemable with Special redemption premium within 7-9 years from the issue date and extension is being considered in line with the agreements.

@@ Redeemable within six years from the issue date.

# Notes forming part of the

## Financial Statements

Rs. in Crores

	Class	Nos.	Face Value of each	2016	2015
<b>(d) Quoted Debentures</b>					
The Indian Hotels Co. Ltd. (Refer Foot Note 4)	Compulsory Convertible Debenture	-	-	-	2.09
		(379741)	Rs. (55)		
<b>Other than Trade (Fully paid up and valued at cost)</b>					
<b>(a) Quoted Equity Investments</b>					
SBI Home Finance Ltd.	Equity Shares	100000	Rs. 10	0.10	0.10
Less: Provision for diminution in the value of investment				(0.10)	(0.10)
				-	-
<b>(b) Unquoted Equity Investments</b>					
The Annamallais Ropeways Co. Ltd.	Ordinary Shares	2092	Rs. 100	0.02	0.02
ABC Tea Workers Welfare Services	Ordinary Shares	20000	Rs. 10	0.02	0.02
Assam Hospitals Ltd.	Equity Shares	200000	Rs. 10	0.20	0.20
The Valparai Co-operative Wholesale Stores Ltd.	Ordinary Shares	350	Rs. 10	0.00*	0.00
Suryakiran Apartment Services Private Ltd	Equity Shares	2146	Rs. 10	0.00*	0.00
Jalpaiguri Club Ltd. (Cost Re. 1)	Ordinary Shares	60	Rs. 10	0.00*	0.00
GNRC Ltd.	Equity Shares	50000	Rs. 10	0.05	0.05
IFCI Venture Capital Funds Ltd.	Equity Shares	250000	Rs. 10	0.25	0.25
Ritspin Synthetics Ltd.	Equity Shares	100000	Rs. 10	0.10	0.10
TEASERVE (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)	Equity Shares	1	Rs. 5000	0.00*	0.00
Woodlands Hospital & Medical Res. Centre Ltd.	Equity Shares	12280	Rs. 10	0.00*	0.00
Less: Provision for diminution in the value of investment				(0.11)	(0.11)
				0.53	0.53
<b>(c) Unquoted Debentures</b>					
The Bengal Chamber of Commerce & Industry	6 1/2% Debentures	7	Rs. 1000	0.00*	0.00
Shillong Club Ltd. (Cost Rs. 2)	5% Debentures	31	Rs. 100	0.00*	0.00
				0.00*	0.00
<b>(d) Unquoted Preference Shares</b>					
Thakurbari Club Ltd. (Cost Re. 1)	Preference Shares	26	Rs. 100	0.00*	0.00
				-	-
<b>(e) Unquoted Government Securities</b>					

# Notes forming part of the

## Financial Statements

	Class	Nos.	Face Value of each	2016	2015	Rs. in Crores
W. B. Estates Acquisition Compensation Bond				0.00*	0.00	
				0.00*	0.00	
<b>Total</b>				<b>2264.34</b>	<b>2231.86</b>	
Aggregate Amount of Quoted investments				<b>214.18</b>	222.70	
Market Value of Quoted Investments				<b>1389.03</b>	1875.27	
Aggregate Amount of Unquoted investments				<b>2050.16</b>	2009.16	
Aggregate provision for diminution in value of investments				<b>58.45</b>	24.91	

1. 3723648 shares of Tata Chemicals Ltd. and 31000400 shares of Tata Coffee Ltd. are pledged against outstanding 3% Non Convertible privately placed Debentures.
2. During the year, the Company has invested an amount of Rs. 13 Crores towards issue of equity shares by NourishCo Beverages Limited and Rs. 28 Crores towards issue of equity shares by Tata Starbucks Private Limited. Both these Companies are 50:50 Joint ventures.
3. During the year, the Company has converted the Shareholder loan to Zhejiang Tata Tea Extractions Company Limited (ZTTECL), with effect from 25th March 2016, to equivalent equity in that Company. The revised shareholding of the Company post this conversion in ZTTECL stands at 81.46%. Subsequent to year end, fresh equity infusion was made in ZTTECL amounting to Rs. 74.41 Crores.
4. During the year, the Company has sold some of its investments and the resultant profit has been accounted under exceptional item (Refer Note 29).

\*Investment costs are below Rs. 0.01 Crores.

		2016	2015	Rs. in Crores
<b>14. Deferred Tax Assets (net)</b>				
<b>Deferred Tax Liability</b>				
Depreciation		<b>15.90</b>	17.39	
		<b>15.90</b>	17.39	
<b>Deferred Tax Asset</b>				
Provision for doubtful debts/advances		<b>3.12</b>	2.51	
Employee Benefits		<b>35.45</b>	31.17	
Employee Separation Schemes		<b>3.75</b>	4.11	
Premium on Redemption of Debentures		<b>4.44</b>	12.81	
Other Assets		<b>8.62</b>	12.54	
		<b>55.38</b>	<b>63.14</b>	
		<b>39.48</b>	<b>45.75</b>	

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>15. Long-Term Loans and Advances</b>		
<b>Unsecured and Considered Good unless other wise stated</b>		
Capital Advances	1.15	1.83
Security Deposit	24.38	25.39
Advance Tax (net of provisions of <b>Rs. 1406.99 Crores</b> (Rs. 1315.96 Crores))	31.22	19.86
MAT Credit entitlement	39.00	-
<b>Other Advances</b>		
Inter Corporate Loans (Secured)	24.00	24.00
Employee Loans and Advances	0.75	0.71
Loan to Subsidiary (Refer note 13, foot note 3)	-	33.54
Less: Provision for Impairment	-	33.54
<b>Considered Doubtful</b>		
Security Deposit	0.29	0.29
Less: Provision for Doubtful Deposits	0.29	-
	<b>120.50</b>	<b>71.79</b>

Rs. in Crores

	2016	2015
<b>16. Other Non-Current Assets</b>		
Property Rights Pending Development (Refer Note 34b)		
	<b>70.50</b>	70.50
	<b>70.50</b>	<b>70.50</b>

Rs. in Crores

	2016	2015
<b>17. Inventories</b>		
(At lower of cost or net realisable value)		
<b>Raw Material</b>		
Tea (Includes in transit <b>Rs. 2.32 Crores</b> (Rs. 3.10 Crores))	634.23	565.00
Packing Materials	34.92	34.94
	<b>669.15</b>	<b>599.94</b>
<b>Finished Goods</b>		
Tea	209.49	209.50
Others	3.24	0.55
	<b>212.73</b>	<b>210.05</b>
<b>Traded Goods</b>		
Formulations and Others	2.14	0.87
Stores and Spare Parts	5.69	8.41
	<b>889.71</b>	<b>819.27</b>

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>18. Trade Receivables</b>		
(Unsecured)		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Considered Good	1.57	0.82
Considered Doubtful	6.98	5.20
<b>Others</b>		
Considered Good	122.52	92.80
	<b>131.07</b>	<b>98.82</b>
Less : Provision for Doubtful Debts	6.98	5.20
	<b>124.09</b>	<b>93.62</b>

Rs. in Crores

	2016	2015
<b>19. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash and Cheques in hand	0.02	0.02
Fixed Deposit with Banks	50.00	-
In Mutual Funds	173.33	10.83
Bank Balances in Current Account	9.55	232.90
	<b>9.55</b>	4.11
	<b>239.20</b>	14.96
<b>Other Bank Balances</b>		
Unclaimed Dividend Accounts	6.30	6.05
	<b>239.20</b>	<b>21.01</b>

Rs. in Crores

	2016	2015
<b>20. Short-Term Loans and Advances</b>		
<b>Unsecured and Considered Good unless otherwise stated</b>		
Due from Related Parties	32.43	18.16
Insurance Claims Receivable	4.29	5.57
Other Trade Advances	18.42	18.72
Taxes Receivable	16.55	9.33
Inter Corporate Deposits (Includes secured deposit of	13.75	26.50
<b>Rs. 4.75 Crores</b> (Rs. 5.00 Crores)		
Employee Loans and Advances	0.33	0.52
Prepaid Expenses	18.70	14.56
<b>Considered Doubtful</b>		
Other Advances for Supply of Goods and Services	1.75	1.75
Less: Provision for Advances	1.75	-
	<b>104.47</b>	<b>93.36</b>

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>21. Other Current Assets</b>		
Interest Accrued	1.52	2.01
Export Incentive Receivable	1.75	1.90
	<b>3.27</b>	<b>3.91</b>

Rs. in Crores

	2016	2015
<b>22. Revenue from Operations</b>		
Sales of Tea	2953.43	2774.29
Others	25.94	19.03
Sales of Traded Goods	10.50	3.27
Service Income	1.44	1.36
Less: Excise duty	6.82	0.24
	<b>2984.49</b>	<b>2797.71</b>
<b>Other Operating Revenues</b>		
Export Incentive	7.59	7.52
Liabilities no longer required written back	18.09	24.74
Management Service Fees	47.07	41.84
Miscellaneous Receipts	26.68	12.71
	<b>99.43</b>	<b>86.81</b>
	<b>3083.92</b>	<b>2884.52</b>

Rs. in Crores

	2016	2015
<b>23. Other Income</b>		
Dividend Income from Non Current Trade Investments	29.30	23.35
Dividend from Mutual Funds	1.30	0.62
Dividend from Investment in Subsidiaries	67.38	113.10
	<b>97.98</b>	<b>137.07</b>
Profit on Sale of Current Investments	0.14	0.11
Rent Income	0.37	0.48
Profit on sale/discard of Fixed Assets (net)	0.94	-
Interest Income on Advances/Deposits etc.	7.14	17.50
	<b>106.57</b>	<b>155.16</b>

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>24. Cost of Materials Consumed</b>		
<b>Tea</b>		
Opening Stock	565.00	420.62
Add: Purchases	1759.99	1827.94
Less: Closing Stock	634.23	565.00
	<b>1690.76</b>	<b>1683.56</b>
Green Leaf	18.45	16.25
<b>Packing Material</b>		
Opening Stock	34.95	25.90
Add: Purchases	170.70	171.37
Less: Closing Stock	34.92	34.95
	<b>170.73</b>	<b>162.32</b>
<b>Others</b>	<b>9.02</b>	<b>10.74</b>
	<b>1888.96</b>	<b>1872.87</b>

Rs. in Crores

	2016	2015
<b>25. Change in Inventories of Finished Goods/Stock-in-trade/ Work-in-progress</b>		
Stock as at March 31, 2015		
Tea	209.50	179.93
Others	1.42	2.61
	<b>210.92</b>	<b>182.54</b>
On Amalgamation	-	0.39
Stock as at March 31, 2016		
Tea	209.49	209.50
Others	5.38	1.42
	<b>214.87</b>	<b>210.92</b>
	<b>(3.95)</b>	<b>(27.99)</b>

Rs. in Crores

	2016	2015
<b>26. Employee Benefits Expense</b>		
Salaries, Wages and Bonus* (Refer Note 38)	132.78	119.62
Contribution to Provident Fund and other Funds	18.89	17.92
Workmen and Staff Welfare Expenses	28.56	17.70
Others	6.65	6.68
	<b>186.88</b>	<b>161.92</b>

\* Includes net credit of earlier years **Rs. 2.56 Crores** (Rs. 1.70 Crores) and expense on Corporate Social Responsibility **Rs. 1.51 Crores** (Rs. 0.95 Crores).

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>27. Finance Costs</b>		
Interest		
On Fixed Loans	<b>10.33</b>	17.88
On Debentures	<b>9.75</b>	9.75
On Other Loans	<b>9.32</b>	6.38
	<b>29.40</b>	<b>34.01</b>
Bank Charges	<b>0.21</b>	0.18
	<b>29.61</b>	<b>34.19</b>

Rs. in Crores

	2016	2015
<b>28. Other Expenses</b>		
Manufacturing and Contract Packing Expenses *	<b>62.85</b>	55.38
Consumption of Stores and Spare Parts	<b>9.95</b>	8.42
Power and Fuel (net of recovery)	<b>26.76</b>	27.84
Repairs to Plant and Machinery	<b>4.27</b>	3.56
Repairs to Buildings	<b>5.48</b>	4.66
Rent	<b>45.64</b>	38.77
Rates and Taxes (net)	<b>8.23</b>	6.75
Advertisement and Sale Charges	<b>279.64</b>	207.65
Freight	<b>45.79</b>	55.49
Insurance	<b>6.54</b>	3.43
Management Service Fees	<b>21.81</b>	18.89
Loss on sale/discard of Fixed Assets (net)	<b>-</b>	0.14
Provision for Doubtful debts/advances	<b>1.78</b>	-
Miscellaneous Expenses ** ( Refer Note 38)	<b>139.13</b>	128.27
	<b>657.87</b>	<b>559.25</b>

\* Includes Contract Packing Expenses **Rs. 38.15 Crores** (Rs. 33.55 Crores).

\*\* Includes exchange gain **Rs. 7.00 Crores** (Rs. 7.80 Crores) and expense on Corporate Social Responsibility

**Rs. 4.02 Crores** (Rs. 2.96 Crores).

# Notes forming part of the

## Financial Statements

	Rs. in Crores	
	2016	2015
<b>29. Exceptional Items (Net)</b>		
<b>Income</b>		
Profit on sale of Non-Core Investment	327.79	-
<b>(Expenditure)</b>		
Levy relating to past demerged business	(3.00)	-
Provision for retrospective amendment of legislation relating to employee benefit	(0.97)	-
Cost of new Initiatives and restructuring activities	-	(6.99)
Provision for Impairment/obligations relating to a Subsidiary (Refer Note 36a)	(52.25)	(61.93)
Provision for impairment of Intangibles (Refer note 36b)	(7.00)	-
	<b>264.57</b>	<b>(68.92)</b>

**30.** Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2016 aggregated **Rs. 2.29 Crores** (Rs. 7.70 Crores) (Capital Advances **Rs. 1.15 Crores** (Rs. 1.83 Crores)).

**31. Contingent Liabilities not provided for in respect of:**

(a) Claims under adjudication not acknowledged as debts:

	Gross Rs. in Crores	Net of Estimated Tax Rs. in Crores
(i) Taxes, Statutory Duties/ Levies etc.	25.18	19.39
	(11.64)	(7.23)
(ii) Commercial and other Claims	2.33	1.42
	(4.72)	(2.99)

(b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

(c) Guarantees given to the lenders of subsidiary **Rs. 75.94 Crores** (Rs. 72.53 Crores). These corporate guarantees were issued against loans drawn by a Subsidiary Company from banks as working capital loans and term debts. Subsequent to year end, loans to the extent of **Rs. 71.88 Crores** have been repaid.

**32.** 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, 2016.

**33.** The company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL) under which IFC could exercise a put option by 29th April 2016, with an obligation on the Company to purchase a maximum of 300 Lakhs shares. This option was not exercised by IFC.

# Notes forming part of the Financial Statements

**34.** (a) During the previous year, pursuant to a Scheme of Amalgamation of Mount Everest Mineral Water Limited (Subsidiary of the Company) with the Company as sanctioned by the Honorable High Courts of Himachal Pradesh and Calcutta, all assets and liabilities of the subsidiary had been transferred to and vested with the Company retrospectively with effect from 1st April 2013. The amalgamation has been accounted for in the books of account of the Company according to the "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All assets and liabilities, reserves have been recorded in the books of account of the Company at their existing carrying amounts and in the same form. Further, in accordance with the Scheme, the difference between carrying value of investments in the Amalgamating Company as reflected in the books of the Company and the corresponding paid up capital of the amalgamating Company along with the debit balance in the Statement of Profit and Loss as of April 1, 2013 of the Amalgamating Company had been adjusted against the securities premium account of the Company. The application and reduction of the securities premium account was effected as an integral part of the sanctioned Scheme under reference to section 391 and section 394 of the Companies Act, 1956 read with section 78 and section 100 of the Companies Act, 1956.

(b) The company during 2013-14 had entered into a development agreement with Tata Reality and Infrastructure Limited for development of commercial /residential property through a special purpose vehicle TRIL Constructions Limited (TCL). The consideration for the transfer of land with buildings/structures in Yehswantpur, Bangalore was Rs. 195 Crores. The said consideration was discharged by combination of cash, investment in TCL through equity and compulsorily convertible preference shares (Refer Note 13 - Non-Current Investments) and constructed office space in the property to be developed.

## 35. Other Provisions

Description	Opening Balance	Provision during the year	Amount paid/ Adjusted during the year	Closing balance	Classification
Trade Obligations	13.09	6.04	-	<b>19.13</b>	Short-Term
Restructuring Costs	5.46	-	3.70	<b>1.76</b>	Short-Term
Obligations relating to a Overseas Subsidiary Company	23.69	52.25	-	<b>75.94</b>	Long-Term

**36.** (a) During the year the Company has evaluated its exposure in its Chinese Subsidiary Company which is under Joint Venture Control. In view of delays in startup and stabilisation of technology for an enhanced product range and on considerations of accounting prudence the Company has recognised a provision of **Rs. 52.25 Crores** (Rs. 23.69 Crores) on account of obligations arising from bank loans availed by the Subsidiary. In previous year the Company had recognised a diminution, other than temporary, in its investment and convertible loans cumulating to Rs. 38.24 Crores.

(b) The Company has recognised an impairment loss in the carrying value of its Patent/Knowhow. The impairment arose on account of revision in the business plans with lower than expected economic benefits over its estimated useful life. A pre tax discounting rate of 22.3 % has been used for value in use evaluation (Refer Note 48).

**37.** The current tax charge is net of credit on account of writebacks pertaining to earlier years of **Rs. 18.10 Crores** (Rs. 51.40 Crores). Prior year included one-time credit arising on amalgamation of Mount Everest Mineral Water Limited with the Company and credit relating to debenture redemption premium charged to Securities Premium account in an earlier year.

# Notes forming part of the

## Financial Statements

### 38. 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. 4.50 Crores**
- (b) Amount spent during the year on:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	5.43	0.10	5.53

2016 2015

### 39. Earnings Per Share

Particulars	2016	2015
Profit after taxation (Rs. in Crores)	563.67	289.00
Numbers of Equity Shares Outstanding	<b>631129729</b>	<b>618398570</b>
Add: Equity shares to be issued consequent to Amalgamation lying in Share Suspense Account	-	12731159
Total Number of Shares	<b>631129729</b>	<b>631129729</b>
Earnings Per Share (Rs.)		
Basic	8.93	4.58
Diluted	8.93	4.58

Rs. in Crores

2016 2015

### 40. Expenditure incurred in respect of the Company's Research and Development

Particulars	2016	2015
Capital Expenditure	0.71	0.34
Revenue Expenditure	5.50	4.99
	<b>6.21</b>	<b>5.33</b>

### 41. The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown etc.) and motor cars.

These operating leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of motor cars amounting to **Rs. 4.59 Crores** (Rs. 4.34 Crores) are charged under Miscellaneous expense under Note 29 of the Statement of Profit and Loss.

# Notes forming part of the

## Financial Statements

### 42. Value of Raw Materials and Stores and Spare Parts consumed - Gross

	Raw Materials		Stores and Spares	
	Value Rs. in Crores	% of total consumption	Value Rs. in Crores	% of total consumption
Imported	54.18 (54.48)	2.87 (2.91)	0.75 (0.80)	5.00 (5.54)
Indigenous	1834.78 (1818.39)	97.13 (97.09)	14.24 (13.65)	95.00 (94.46)
	<b>1888.96</b> <b>(1872.87)</b>	<b>100.00</b> <b>(100.00)</b>	<b>14.99</b> <b>(14.45)</b>	<b>100.00</b> <b>(100.00)</b>

### 43. Earnings in Foreign Exchange

	Rs. in Crores	
	2016	2015
Value of Exports at F.O.B.	190.82	166.13
Technical Service Fees - Gross	1.32	1.24
Dividends - Gross	57.76	103.60
Management Service Fees	47.07	41.84
Interest	-	1.41
Others (Freight, Insurance etc.)	17.87	8.96

### 44. Expenditure in Foreign Currency

	Rs. in Crores	
	2016	2015
Foreign Travel	2.93	2.91
Professional Fees	9.93	3.79
Management Service Fees	19.03	16.81
Other Expenses	1.45	3.51

### 45. Value of Imports on C.I.F. basis

	Rs. in Crores	
	2016	2015
Raw Materials	55.85	55.46
Finished Goods	1.97	1.32
Stores & Spare Parts	0.72	0.56
Capital Goods	5.76	1.69

### 46. Dividend remitted in foreign currency

	2016		2015	
	No. of shareholders	1	No. of shares held in Crores	1.04
Dividend remitted (Rs. Crores)		5.33		2.34
Year			2014-15	2013-14

# Notes forming part of the

## Financial Statements

### 47. A) Related Party Disclosure

#### Related Parties

##### Promoter

Tata Sons 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.

Tetley USA Inc.

Tata Global Beverages Canada Inc.

Tata Global Beverages Australia Pty Limited

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

#### Subsidiaries (contd..)

OOO Tea Trade LLC

OOO Sunty LLC

Tata Coffee Limited

Consolidated Coffee Inc.

Eight 'O Clock Coffee Company

Eight 'O Clock Holdings Inc.

Tata Tea Extractions Inc.

Tata Global Beverages Capital Limited

Zhejiang Tata Tea Extraction Company Limited

Tata Tea Holdings Private Limited

Earth Rules Pty. Ltd.

#### Associates

Estate Management Services Pvt. Limited, Sri Lanka

Amalgamated Plantations Pvt. Limited

Kanan Devan Hills Plantation Company Private Limited

TRIL Constructions Limited

#### Joint Ventures

NourishCo Beverages Limited

Tata Starbucks Private Limited

#### Associates of Subsidiaries

Bjets Pte. Ltd.

#### Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited

Southern Tea LLC

Empirical Group LLC

Tetley Clover (Private) Limited

#### Key Management Personnel

Mr. Ajoy Misra - CEO & Managing Director

Mr. L KrishnaKumar - Executive Director & Group CFO

# Notes forming part of the

## Financial Statements

### Particulars of transactions during the year ended March 31, 2016

Rs. in Crores

Nature of Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Key Management Personnel	Total
Sale of Goods & Services	193.70	0.60	20.35	-	-	214.65
	(170.77)	(0.04)	(19.62)	-	-	(190.43)
Other Operating Income #	51.84	-	0.30	-	-	52.14
	(41.84)	(1.09)	(0.31)	-	-	(43.24)
Rent Paid	-	1.84	-	-	-	1.84
	-	(1.34)	-	(0.32)	-	(1.66)
Purchase of Goods & Services	56.30	289.53	-	-	-	345.83
	(37.27)	(266.50)	-	-	-	(303.77)
Fees for Marketing Support	-	-	7.57	-	-	7.57
	-	-	(13.82)	-	-	(13.82)
Other Expenses (Net)	-	3.25	-	9.20	-	12.45
	-	(2.83)	-	(8.47)	-	(11.30)
Reimbursement of Expenditure/(Income)	2.66	3.92	(1.51)	0.41	-	5.48
	((0.93))	(1.16)	((1.23))	((0.01))	-	((1.01))
Dividend/Interest received	67.38	10.44	-	4.21	-	82.03
	(114.50)	(12.02)	-	(1.40)	-	(127.92)
Dividend Paid	-	-	-	32.14	-	32.14
	-	-	-	(32.14)	-	(32.14)
Sale of Investments	-	-	-	312.31	-	312.31
	-	-	-	-	-	-
Deposits Redemmed	-	-	-	-	-	-
	-	-	-	(1.00)	-	(1.00)
Investments Made	33.54	-	41.00	-	-	74.54
	-	-	(75.00)	-	-	(75.00)
Guarantee Given	3.41	-	-	-	-	3.41
	(72.53)	-	-	-	-	(72.53)
Directors Remuneration *	-	-	-	-	6.18	6.18
	-	-	-	-	(5.14)	(5.14)
Outstanding at the year end :						
Debit	83.35	25.18	5.11	-	-	-
	(43.71)	(24.09)	(2.32)	-	-	-
Credit	1.36	6.75	0.36	8.38	-	-
	(1.96)	(2.14)	-	(7.69)	-	-

\* Provision for employee benefits, which are based on actuarial valuation done on an overall Company basis, is excluded.

# Includes amount recovered for expenditure incurred on Tata Coffee Grand which is an Instant Coffee product, jointly developed by the Company with its Subsidiary under a provisional agreement. The Company is in the process of finalising the definitive agreements pertaining to "Tata Coffee Grand".

The above does not include share of recurring benefits payable to former Managing Directors.

In respect of Royalty agreements, moratorium period are prescribed and such transactions are not disclosed above to the extent there are no outflows/inflows.

# Notes forming part of the

## Financial Statements

### 47. B) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type:

			Rs. in Crores	
			2016	2015
1	Sale of Goods and Services	Tata Global Beverages Group Limited	106.58	94.80
		Tata Global Beverages Polska Sp.z.o.o	-	16.39
		Tata Tea Extractions US Inc.	58.70	45.65
		NourishCo Beverages Limited	-	19.62
2	Other Operating Income	Tata Global Beverages Services Ltd.	47.07	41.84
		Kanan Devan Hills Plantation Company Private Limited	-	1.09
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	206.89	180.29
		Kanan Devan Hills Plantation Company Private Limited	82.64	86.21
		Tata Global Beverages Services Ltd.	-	18.06
4	Rent Paid	Tata Sons Ltd.	-	0.32
		Amalgamated Plantations Pvt. Ltd.	1.35	0.85
		Kanan Devan Hills Plantation Company Private Limited	0.49	0.49
5	Fees for Marketing Support	NourishCo Beverages Limited	7.57	13.82
6	Other Expenses (Net)	Tata Sons Ltd.	9.20	8.47
		Amalgamated Plantations Pvt. Ltd.	3.25	2.83
7	Reimbursement of Expenditure (Net)	Consolidated Coffee Inc.	1.51	0.51
		Tata Global Beverages Services Ltd.	0.33	(1.50)
		Amalgamated Plantations Pvt. Ltd.	3.95	1.14
		Kanan Devan Hills Plantation Company Private Limited	(0.04)	0.03
		NourishCo Beverages Limited	(1.44)	(1.21)
		Tata Starbucks Private Limited	(0.07)	(0.03)
		Tata Sons Ltd.	0.41	(0.01)
		Tata Coffee Ltd.	0.80	-
		Tetley USA Inc.	0.07	-
		Tata Tea Extractions US Inc.	(0.03)	-
8	Dividend and Interest Received	Tata Global Beverages Group Limited	18.44	34.04
		Tata Global Beverages Capital Limited	12.27	32.94
		Tata Coffee Ltd.	13.96	13.96
		Consolidated Coffee Inc.	16.79	20.54
		Tata Tea Extractions US Inc.	-	11.62
9	Dividend Paid	Tata Sons Ltd.	32.14	32.14
10	Sale of Investments	Tata Sons Ltd.	312.31	-
11	Deposits Redeemed	Tata Sons Ltd.	-	1.00
12	Investments Made	NourishCo Beverages Limited	13.00	15.00
		Tata Starbucks Private Limited	28.00	60.00
		Zhejiang Tata Tea Extraction Company Limited*	33.54	-
13	Guarantee Given	Zhejiang Tata Tea Extraction Company Limited	3.41	43.59

\*Converted into Equity during the year

# Notes forming part of the

## Financial Statements

### 47. C 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, 2016:**

	Rs. in Crores	
	Outstanding March 31, 2016	Maximum during the year
Subsidiary Company		
Zhejiang Tata Tea Extraction Company Limited*	- (33.54)	33.54 (37.33)
Associate Company		
Kanan Devan Hills Plantation Company Private Limited	24.00 (24.00)	24.00 (24.00)

\*Converted into Equity during the year

**48.** The Company is primarily engaged in tea with some presence in coffee and water. As per the threshold limits prescribed under Accounting Standard (AS-17) on "Segment Reporting" specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company's reportable activity falls within a single business segment, viz "Buying / Blending and Sale of tea in bulk and value added form" and hence the disclosure requirements are not applicable. It has identified Geographical segment as the secondary segment. During the year and previous year, the value of export sales made by the Company did not exceed the quantitative threshold provided for the relevant Accounting Standards. Accordingly no disclosures in the secondary format of geographical segment is required.

### 49. Interest in Joint Venture

i) The Company's interest, as a venturer, in jointly controlled entities (incorporated Joint Venture) is :

Name	Country of Incorporation	% Ownership interests as at March 31, 2016	% Ownership interests as at March 31, 2015
NourishCo Beverages limited	India	50%	50%
Tata Starbucks Private Limited	India	50%	50%

# Notes forming part of the

## Financial Statements

ii) The Company's interest in these Joint Ventures is reported as Non-Current Trade Investments (Note - 13) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) relating to its interests in these Joint Ventures are :

	Rs. in Crores	
	2016	2015
<b>Balance Sheet</b>		
<b>SOURCES OF FUNDS</b>		
(a) Share Capital	268.50	227.50
(b) Reserves and Surplus	(161.69)	(125.61)
<b>Shareholder's Funds</b>	<b>106.81</b>	<b>101.89</b>
<b>Non-current liabilities</b>		
(a) Other long-term liabilities	-	0.04
(b) Long-term provisions	1.18	1.03
<b>Sub-total - Non-current liabilities</b>	<b>1.18</b>	<b>1.07</b>
<b>Current Liabilities</b>		
(a) Trade Payables	22.22	17.88
(b) Other current liabilities	9.94	11.33
(c) Short-term provisions	0.27	0.28
<b>Sub-total - Current liabilities</b>	<b>32.43</b>	<b>29.49</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>140.42</b>	<b>132.45</b>
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Fixed Assets	79.44	81.00
(b) Long-term loans and advances	14.65	12.92
<b>Sub-total - Non-current assets</b>	<b>94.09</b>	<b>93.92</b>
<b>Current assets</b>		
(a) Current investments	8.59	3.37
(b) Inventories	17.09	15.30
(c) Trade Receivables	4.03	1.29
(d) Cash & Bank balance	4.54	11.92
(e) Short-term loans and advances	12.01	6.58
(f) Other current assets	0.07	0.07
<b>Sub-total - Current assets</b>	<b>46.33</b>	<b>38.53</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>140.42</b>	<b>132.45</b>

# Notes forming part of the

## Financial Statements

Rs. in Crores

	2016	2015
<b>Statement of Profit and Loss</b>		
<b>Income</b>		
Revenue from Operations	184.56	137.63
Other Income	2.01	1.49
<b>Total Revenue</b>	<b>186.57</b>	<b>139.12</b>
<b>Expenses</b>		
Material Cost	96.56	72.51
Employee Benefits Expense	26.93	22.97
Finance Costs	0.04	0.18
Depreciation and Amortization expense	13.63	9.17
Other Expenses	85.49	75.94
<b>Total Expenses</b>	<b>222.65</b>	<b>180.77</b>
<b>Profit before exceptional items</b>	<b>(36.08)</b>	<b>(41.65)</b>
<b>Exceptional items (net)</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>(36.08)</b>	<b>(41.65)</b>
<b>Provision for tax</b>	<b>-</b>	<b>0.00*</b>
<b>Profit after tax</b>	<b>(36.08)</b>	<b>(41.65)</b>

\* Amount is below the rounding off norm adopted by the Company.

### 50. Post Retirement Employee Benefits:

The Company operates defined benefit schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain categories contributions are made to State Plans. In case of provident fund schemes, contributions are also made by the employees. An amount of **Rs. 10.03 Crores** (Rs. 9.35 Crores) has been charged to the statement of profit & loss on account of defined contribution schemes.

The Company also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees and qualifying employee/directors in the form of pension, medical and other benefits in terms of a specific policy related to the same (others). The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognized funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

# Notes forming part of the

## Financial Statements

Amounts recognized in the statement of profit and loss and charged to Contribution to Provident Fund and other Funds, Workmen and Staff:

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2016	2015	2016	2015	2016	2015	2016	2015
Current Service Cost	-	-	2.58	1.65	1.97	1.31	1.50	1.16
Interest on obligation	0.77	1.10	2.95	2.85	2.44	2.82	3.51	3.43
Expected Return on plan assets	(0.57)	(0.86)	(2.17)	(2.06)	-	-	-	-
Net actuarial loss/(gain) recognized during the year	(0.25)	0.16	4.31	5.22	0.62	(4.44)	6.65	3.15
Losses/(Gains) on Acquisition/Divestiture	-	-	-	(0.01)	-	-	-	-
Effects of the limit in Para 59(b)	(0.27)	(0.09)	-	-	-	-	-	-
<b>Total recognized in statement of profit and loss</b>	<b>(0.32)</b>	<b>0.31</b>	<b>7.67</b>	<b>7.65</b>	<b>5.03</b>	<b>(0.31)</b>	<b>11.66</b>	<b>7.74</b>

Reconciliation of opening and closing balances of the present value of the obligations:

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2016	2015	2016	2015	2016	2015	2016	2015
Opening defined benefit obligation	10.61	10.53	38.69	30.84	29.88	31.11	43.83	39.08
On amalgamation (Refer Note 34a)	-	-	-	0.63	-	-	-	-
Current Service Cost	-	-	2.58	1.65	1.97	1.31	1.50	1.16
Interest Cost	0.77	1.10	2.95	2.85	2.44	2.82	3.51	3.43
Actuarial loss/ (gain)	(0.48)	(0.01)	4.82	5.16	0.62	(4.44)	6.65	3.15
Liabilities assumed on Acquisition / (settled on Divestiture) etc.	-	-	-	(0.70)	-	-	-	-
Benefit Paid	(1.26)	(1.01)	(3.40)	(1.74)	(0.64)	(0.92)	(3.27)	(2.99)
<b>Closing Defined Benefit Obligation</b>	<b>9.64</b>	<b>10.61</b>	<b>45.64</b>	<b>38.69</b>	<b>34.27</b>	<b>29.88</b>	<b>52.22</b>	<b>43.83</b>

Reconciliation of opening and closing balances of the fair value of plan assets:

	Rs. in Crores			
	Pension		Gratuity	
	2016	2015	2016	2015
Opening fair value of plan assets	8.50	8.39	31.51	26.50
On amalgamation (Refer Note 34a )	-	-	-	0.81
Expected Return on plan assets	0.57	0.86	2.17	2.06
Actuarial gain/ (loss)	(0.22)	(0.16)	0.51	(0.06)
Contribution/ (Withdrawal) by employer	(1.00)	0.00	7.18	4.64
Assets acquired on Acquisition / (settled on Divestiture)	-	-	-	(0.70)
Benefits Paid	(0.87)	(0.59)	(3.40)	(1.74)
<b>Closing Fair value of Plan Assets</b>	<b>6.98</b>	<b>8.50</b>	<b>37.97</b>	<b>31.51</b>
Actual Return on Plan Assets	0.35	0.70	2.68	2.00

# Notes forming part of the

## Financial Statements

### Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2016	2015
Govt of India Securities	3.6%	5.0%
PSU bonds	2.6%	3.3%
Insurance managed Funds	93.5%	91.5%
Others	0.4%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Effect of increase / decrease of one percentage point in the assumed medical inflation rates:

	Rs. in Crores			
	Increase		Decrease	
	2016	2015	2016	2015
Effect on aggregate of interest cost and current service cost	0.68	0.53	(0.54)	(0.56)
Effect on defined benefit obligation	5.85	4.47	(4.67)	(4.01)

### Principal Actuarial assumptions used:

	2016	2015
Discount rates	7.80%	8.00%
Expected rate of return on plan assets	7.50%	7.50%
Medical inflation rate	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

### Amounts recognized in the Balance Sheet are as follows:

	Rs. in Crores									
	Pension					Gratuity				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	
Present value of funded obligation	5.75	6.47	6.11	6.42	8.41	45.64	38.69	30.84	26.36	21.09
Fair Value of Plan Assets	6.98	8.50	8.39	8.37	10.01	37.97	31.51	26.50	21.20	20.52
	(1.23)	(2.03)	(2.28)	(1.95)	(1.60)	7.67	7.18	4.34	5.16	0.57
Present Value of Unfunded Obligation	3.89	4.14	4.42	4.63	4.83	-	-	-	-	-
Amount not recognized as an asset (limit in Para 59 (b) of AS -15)	0.42	0.69	0.77	0.66	0.71	0.00*	-	-	-	-
Contribution adjustment	(0.99)	-	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>2.09</b>	<b>2.80</b>	<b>2.91</b>	<b>3.34</b>	<b>3.94</b>	<b>7.67</b>	<b>7.18</b>	<b>4.34</b>	<b>5.16</b>	<b>0.57</b>

\* Amount is below the rounding off norm adopted by the Company

# Notes forming part of the

## Financial Statements

	Rs. in Crores								
	Medical					Others			
	2016	2015	2014	2013	2012	2016	2015	2014	2013
Present value of funded obligation	-	-	-	-	-	-	-	-	-
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-
Present Value of Unfunded Obligation	34.27	29.88	31.11	32.79	27.95	52.22	43.83	39.08	26.56
Amount not recognized as an asset (limit in Para 59 (b) of AS -15)	-	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>34.27</b>	<b>29.88</b>	<b>31.11</b>	<b>32.79</b>	<b>27.95</b>	<b>52.22</b>	<b>43.83</b>	<b>39.08</b>	<b>26.56</b>

	Rs. in Crores				
	2016	2015	2014	2013	2012
Experience adjustment on Plan Liability	10.09	(4.59)	7.51	(0.06)	3.14
Experience adjustment on Plan Assets	0.76	0.42	0.03	1.03	0.13

The contribution expected to be made by the Company for the year ending March 31, 2017 is not readily ascertainable.

The Guidance on Implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011.

The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at March 31, 2016.

Particulars	Provident Fund	
	2016	2015
Plan Assets as at period end	98.42	95.00
Present Value of Funded Obligations at period end	98.42	95.00
Amount Recognised in the Balance Sheet	-	-

**Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:**

Particulars	Provident Fund	
	2016	2015
Guaranteed Rate of Return	8.75%	8.75%
Discount Rate for remaining term to Maturity of Investment	7.77%	7.95%
Expected Rate of Return on Investment	8.97%	8.94%

# Notes forming part of the Financial Statements

## 51. Disclosure requirement for Derivatives Instruments

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company does not use derivative contracts for trading or for speculative purposes.

a) The outstanding forward exchange contracts for sale of foreign currency as at March 31, 2016 are:

Type of Contract	2016			2015		
	No. of Contract	Foreign Currency in Crores	INR in Crores	No. of Contract	Foreign Currency in Crores	INR in Crores
<b>Forward Contract</b>						
USD	41	0.59	41.04	73	1.01	66.30
AUD	35	0.61	31.00	62	0.92	49.41

b) The foreign currency exposures of monetary items that have not been hedged are:

	2016		2015	
	Foreign Currency in Crores	INR in Crores	Foreign Currency in Crores	INR in Crores
<b>Amounts receivable in foreign currency</b>				
AUD	0.41	20.67	0.23	10.92
EUR	0.04	3.19	0.01	0.70
SGD	0.00*	0.04	-	-
USD	0.50	33.35	0.43	27.35
<b>Amounts payable in foreign currency</b>				
USD	0.06	4.13	0.04	2.44
GBP	0.01	1.02	0.02	1.85

\* Amount is below the rounding off norm adopted by the Company.

# Notes forming part of the

## Financial Statements

	Rs. in Crores	
	2016	2015
<b>52. a) Auditors Remuneration and expenses</b>		
Statutory Audit	0.60	0.53
Tax Audit	0.13	0.11
Arrears for Previous year	0.14	-
Other Services	0.69	0.48
Reimbursement of Expenses (including Service tax)	0.27	0.21

**53.** Unless otherwise stated, figures in brackets relate to previous year and have been rearranged / regrouped wherever necessary.

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai  
May 24, 2016

**Cyrus P Mistry**

Chairman  
**L Krishnakumar**  
Executive Director  
**V Leeladhar**  
Director  
**John Jacob**  
Chief Financial Officer

**Ajoy Misra**

Managing Director  
**Harish Bhat**  
Director  
**Darius Pandole**  
Director  
**V Madan**  
Company Secretary

# Independent Auditors' Report

## TO THE MEMBERS OF TATA GLOBAL BEVERAGES LIMITED Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Tata Global Beverages Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and associate companies; (refer Note 2 (b)(i) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to

provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, read with the proviso and the effect of the matter referred in the paragraph 8, below the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

8. As mentioned in Note 48 (c) to the consolidated financial statements, the overseas subsidiaries of the group have defined benefit schemes relating to which the actuarial losses or gains are allowed to be recognized in the Reserves as per the local generally accepted accounting practices followed in those respective jurisdictions. For the purpose of consolidated financial statements the holding company has adopted the accounting policy in respect of actuarial gains or losses for its overseas defined benefit schemes to reflect the applicable accounting framework of the respective jurisdictions and consequently accounted it in the Reserves instead of in the Statement of Profit and Loss. Had the Company followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss as per Accounting Standard (AS 15) on Employee Benefits, the charge to employee benefits expense would have been higher by Rs. 53.15 Crores, the deferred tax charge would have been lower by Rs. 10.54 Crores, the consolidated profit before taxes and minority interest would have been lower by Rs. 53.15 Crores and the consolidated profit after taxes and minority interest would have been lower by Rs. 37.77 Crores.

### Other Matter

9. We did not audit the financial statements/financial information of 39 subsidiaries, and 6 jointly controlled entities whose financial statements/ financial information reflect total assets of Rs. 7,397.35 Crores and net assets of Rs. 5,469.71 Crores as at March 31, 2016, total revenue of Rs. 5,319.66 Crores, net loss of Rs. 160.22 Crores and net decrease in cash flows amounting to Rs. 242.28

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. 1.41 Crores for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of 4 associate companies whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements 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

10. As required by Section 143(3) of the Act, 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 maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account

maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associates and jointly controlled entities—Refer Note 34 and 35 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year ended March 31, 2016.

For **Lovelock & Lewes**

Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date : May 24, 2016

# Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the consolidated financial statements for the year ended March 31, 2016

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Tata Global Beverages Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (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 Act.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

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.

4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, 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, 2016, 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.

## Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, 3 associate companies and 2 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Lovelock & Lewes**

Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date : May 24, 2016

# Consolidated Balance Sheet

As At March 31, 2016

	Note	2016	2015	Rs in Crores
<b>Equity and Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	4	<b>63.11</b>	61.84	
Reserves and Surplus	5	<b>5655.81</b>	<b>5718.92</b>	5429.68
Share Suspense Account			-	<b>1.27</b>
Minority Interest			<b>880.69</b>	<b>876.21</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	6	<b>505.53</b>	883.94	
Deferred Tax Liabilities (Net)	7	<b>179.81</b>	156.42	
Other Long Term Liabilities	8	<b>6.09</b>	79.58	
Long Term Provisions	9	<b>260.28</b>	<b>951.71</b>	224.99
				<b>1344.93</b>
<b>Current Liabilities</b>				
Short Term Borrowings	10	<b>293.07</b>	382.03	
Trade Payables		<b>758.22</b>	759.37	
Other Current Liabilities	11	<b>741.27</b>	387.32	
Short Term Provisions	12	<b>273.86</b>	<b>2066.42</b>	269.18
				<b>1797.90</b>
<b>Total</b>			<b>9617.74</b>	<b>9511.83</b>
<b>Assets</b>				
<b>Non-Current Assets</b>				
Fixed Assets	13			
Tangible Assets		<b>854.79</b>	779.81	
Intangible Assets		<b>202.50</b>	249.76	
Goodwill on Consolidation		<b>3791.79</b>	3892.12	
Capital Work in Progress		<b>43.89</b>	46.98	
Intangible Assets under Development		-	0.19	
		<b>4892.97</b>	4968.86	
Non-current Investments	14	<b>600.57</b>	617.76	
Deferred Tax Assets (Net)	15	<b>42.28</b>	54.25	
Long Term Loans and Advances	16	<b>240.40</b>	189.32	
Other non-current Assets	17	<b>70.50</b>	<b>5846.72</b>	70.50
				<b>5900.69</b>
<b>Current Assets</b>				
Current Investments	18	<b>8.59</b>	4.26	
Inventories	19	<b>1728.11</b>	1625.30	
Trade Receivables	20	<b>632.08</b>	616.09	
Cash and Bank Balances	21	<b>538.93</b>	544.24	
Short Term Loans and Advances	22	<b>819.17</b>	791.59	
Other Current Assets	23	<b>44.14</b>	<b>3771.02</b>	29.66
				<b>3611.14</b>
<b>Total</b>			<b>9617.74</b>	<b>9511.83</b>
<b>Summary of Significant Accounting Policies</b>				
The Notes are an integral part of the Consolidated Financial Statements	3			

This is the Consolidated Balance Sheet referred to in our Report of even date.

For and on behalf of the Board

For **Lovelock & Lewes**

**Cyrus P Mistry**

**Ajoy Misra**

Firm Registration No. 301056E

Chairman

Managing Director

Chartered Accountants

**L KrishnaKumar**

**Harish Bhat**

**Dibyendu Majumder**

Executive Director

Director

Partner

**V Leeladhar**

Director

Membership No. 057687

Director

**V Madan**

Mumbai

Chief Financial Officer

Company Secretary

24<sup>th</sup> May, 2016

# Consolidated Statement of Profit and Loss

For The Year Ended March 31, 2016

	Note	2016	2015	Rs in Crores
<b>Income</b>				
Revenue from Operations-Net	24	8110.51	7993.39	
Other Income	25	70.60	69.98	
<b>Total Revenue</b>		<b>8181.11</b>	<b>8063.37</b>	
<b>Expenses</b>				
Cost of Materials Consumed	26	3605.00	3625.12	
Purchase of Stock in Trade	27	330.54	263.47	
Change in Inventories of Finished Goods/Work-in-progress/	28	(10.13)	(51.25)	
Stock in Trade				
Employee Benefits Expense	29	902.01	857.67	
Finance Costs	30	68.77	81.86	
Depreciation and Amortisation Expense		142.93	135.77	
Less : Amount drawn from Revaluation Reserve		-	(2.67)	
Other Expenses	31	2608.43	2523.53	
<b>Total Expenses</b>		<b>7647.55</b>	<b>7433.50</b>	
<b>Profit before Exceptional Items and Taxes</b>		<b>533.56</b>	<b>629.87</b>	
<b>Exceptional Items</b>	32	<b>11.88</b>	<b>(129.99)</b>	
<b>Profit before Tax</b>		<b>545.44</b>	<b>499.88</b>	
<b>Tax expenses</b>				
Current tax (Refer Note 38)		219.86	168.36	
Less : MAT Credit Entitlement		39.00	-	
Net Current tax		180.86	168.36	
Deferred tax		29.54	210.40	47.16
<b>Profit after Taxation before Share of results of Associates and Minority Interest</b>		<b>335.04</b>	<b>284.36</b>	
Share of net profit/(loss) in Associates		(1.41)	(10.88)	
Minority Interest		(7.72)	(25.66)	
<b>Profit for the year</b>		<b>325.91</b>	<b>247.82</b>	
<b>Earnings Per Share</b>	42			
Equity share of nominal value of Re. 1 each				
Basic and Diluted (Rs.)		<b>5.16</b>	<b>3.93</b>	
The Notes are an integral part of the Consolidated Financial Statements				

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date. For and on behalf of the Board

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai

24<sup>th</sup> May, 2016

**Cyrus P Mistry**

Chairman

**L KrishnaKumar**

Executive Director

**V Leeladhar**

Director

**John Jacob**

Chief Financial Officer

**Ajoy Misra**

Managing Director

**Harish Bhat**

Director

**Darius Pandole**

Director

**V Madan**

Company Secretary

# Consolidated Cash Flow Statement

For The Year Ended March 31, 2016

	Rs in Crores			
	2016	2015		
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before Tax	<b>545.44</b>	<b>499.88</b>		
Adjusted for :				
Depreciation and Amortisation				
(net of withdrawals from Revaluation Reserve)	142.93	133.11		
Dividend Income	(22.43)	(15.70)		
Profit on Sale of Long Term Trade Investments	(327.79)	-		
Profit on sale of current investments (net)	(1.32)	(0.75)		
Unrealised foreign exchange (gain) / loss	1.05	0.48		
Finance Cost	68.77	81.86		
Interest Income	(43.52)	(52.02)		
Provision for doubtful debts and advances	2.39	0.34		
Liabilities no longer required written back	(20.69)	(50.43)		
Debts and advances written off	5.59	0.42		
Provision for doubtful debts and advances no longer required written back	(0.07)	(0.04)		
(Profit) / loss on sale / discard of fixed assets (net)	(2.18)	1.02		
Other Exceptional Expense / (Income) (net)	315.91	<b>118.64</b>	120.33	<b>218.62</b>
Operating Profit before working capital changes	<b>664.08</b>	<b>718.50</b>		
Adjustments for:				
Trade and other receivables	(71.76)	(19.28)		
Inventories	(102.54)	(135.88)		
Trade payables	(103.27)	<b>(277.57)</b>	23.12	<b>(132.04)</b>
Cash generated from operations before Exceptionals	<b>386.51</b>	<b>586.46</b>		
Outflow on account of Exceptional Items	(28.05)	-		
Direct taxes paid	(246.94)	(168.65)		
<b>Net Cash from Operating Activities</b>	<b>111.52</b>	<b>417.81</b>		
<b>B. Cash Flow from Investing Activities</b>				
Purchase of fixed assets	(166.24)	(179.23)		
Sale of fixed assets	9.66	0.37		
Purchase of Long Term Investments	(0.31)	(72.55)		
Sale of Long Term Investments	336.64	-		
Additional Investments in Subsidiaries	-	(93.19)		
(Purchase) / Sale of Current Investments (net)	(3.37)	(2.63)		
Dividend Income (including dividend from associates)	30.82	24.17		
Interest received	17.76	36.97		
Redemption of Bank Deposits (net)	(0.25)	-		
Inter Corporate Loans and Deposits (net)	68.44	111.24		
<b>Net cash from / (used in) Investing Activities</b>	<b>293.15</b>	<b>(174.85)</b>		

Rs in Crores

	2016	2015
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term borrowings	(80.38)	(180.86)
Working capital facilities (net)	(95.89)	49.78
Dividend paid	(159.09)	(161.46)
Dividend tax paid	(28.04)	(17.83)
Interest paid	(65.62)	(82.01)
<b>Net Cash used in Financing Activities</b>	<b>(429.02)</b>	<b>(392.38)</b>
Net increase / (decrease) in Cash and Cash Equivalents	(24.35)	(149.42)
<b>D. Cash and Cash Equivalents</b>		
Balances at the beginning of the year	536.53	718.15
Exchange Gain/ (Loss) on translation of foreign currency cash/ cash equivalents	18.59	(32.20)
<b>Balances at the end of the year</b>	<b>530.77</b>	<b>536.53</b>
<b>Cash and Cash Equivalents comprises of:</b>		
Cash, Bank Balances in Current Account and Mutual Funds	255.19	85.12
Short-Term Bank Deposits	275.58	451.41
<b>Balances at the end of the year</b>	<b>530.77</b>	<b>536.53</b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the ' Indirect Method' as set out in the Accounting Standard on Cash Flow Statements (AS-3) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
- 2 Previous year's figures have been rearranged/regrouped wherever necessary. This is the Cash Flow statement referred to in our Report of even date.

This is the Cash Flow statement referred to in our Report of even date.

For and on behalf of the Board

For **Lovelock & Lewes**  
 Firm Registration No. 301056E  
 Chartered Accountants

<b>Cyrus P Mistry</b>	<b>Ajoy Misra</b>
Chairman	Managing Director
<b>L KrishnaKumar</b>	<b>Harish Bhat</b>
Executive Director	Director
<b>V Leeladhar</b>	<b>Darius Pandole</b>
Director	Director
<b>John Jacob</b>	<b>V Madan</b>
Chief Financial Officer	Company Secretary

**Dibyendu Majumder**  
 Partner  
 Membership No. 057687

Mumbai  
 24<sup>th</sup> May, 2016

# Notes to Consolidated

## Financial Statements

### 1. General Information

Tata Global Beverages Limited ("the Holding Company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company 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 /Sri Lanka and extraction business mainly in India, US and China.

### 2. (a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of the Group. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" as required under Companies Act, 2013.

The consolidated financial statements are prepared on the following basis:

#### (i) Investment in Subsidiaries

- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses thereon have been fully eliminated.

- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The value of the consideration given over / below the net value of the identifiable assets acquired in the subsidiary companies are recognised as goodwill / capital reserve. Goodwill on consolidation disclosed under fixed assets is not amortised but is, however, tested for impairment.

#### (ii) Investment in Associates

Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. On acquisition of an associate, the goodwill/capital reserve from such acquisition is included in the carrying value of the investment and also disclosed separately.

#### (iii) Investment in Joint Ventures

Joint Venture of Holding Company as well as subsidiaries has been accounted in the consolidated financial statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

# Notes to Consolidated

## Financial Statements

b) i) The subsidiaries, joint ventures and associates considered in the consolidated financial statements are:

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company	2016	2015
		(%)	(%)	(%)	(%)		
<b>A) SUBSIDIARIES</b>							
<b>Tata Global Beverages Group Ltd.</b> [58.59% through subsidiaries]	U K	<b>88.65</b>	<b>88.65</b>	88.65	88.65		
<b>Subsidiaries of Tata Global Beverages Group Ltd.</b>							
Tata Global Beverages Holdings Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Services Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages GB Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Overseas Holdings Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Overseas Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Lyons Tetley Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Drassington Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Teapigs Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Teapigs US LLC	USA	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Stansand Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Stansand (Brokers) Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Stansand (Africa) Ltd.	Kenya	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Stansand (Central Africa) Ltd.	Malawi	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Joekels Tea Packers (Proprietary) Ltd.	South Africa	<b>51.00</b>	<b>45.21</b>	51.00	45.21		
Tata Global Beverages Polska sp.zo.o	Poland	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Czech Republic a.s.	Czech Republic	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages US Holdings Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tetley USA Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Good Earth Corporation.	USA	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Good Earth Teas Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Canada Inc.	Canada	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Australia Pty Ltd.	Australia	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Earth Rules Pty Ltd.	Australia	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Tata Global Beverages Investments Ltd.	U K	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Campestres Holdings Ltd.	Cyprus	<b>100.00</b>	<b>88.65</b>	100.00	88.65		
Kahutara Holdings Ltd.	Cyprus	<b>65.00</b>	<b>57.62</b>	65.00	57.62		
Suntyco Holding Ltd.	Cyprus	<b>100.00</b>	<b>57.62</b>	100.00	57.62		
Onomento Co Ltd.	Cyprus	<b>100.00</b>	<b>57.62</b>	100.00	57.62		

# Notes to Consolidated

## Financial Statements

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company
		(%)	(%)	(%)	(%)
2016					
OOO Tea Trade LLC	Russia	100.00	57.62	100.00	57.62
OOO Sunty LLC	Russia	100.00	57.62	100.00	57.62
<b>Joint ventures of Tata Global Beverages Group Ltd.</b>					
Empirical Group LLC	USA	56.00	49.64	56.00	49.64
Southern Tea LLC	USA	50.00	44.33	50.00	44.33
Tetley ACI (Bangladesh) Ltd.	Bangladesh	50.00	44.33	50.00	44.33
Tetley Clover (Pvt.) Ltd.	Pakistan	50.00	44.33	50.00	44.33
<b>Associates of Tata Global Beverages Group Ltd.</b>					
RBC HoldCo. LLC	USA	-	-	32.80	29.08
(Refer Note (ii) below)					
<b>Tata Global Beverages Capital Ltd.</b>	UK	100.00	100.00	100.00	100.00
<b>Tata Coffee Ltd.</b>	India	57.48	57.48	57.48	57.48
<b>Subsidiaries of Tata Coffee Ltd.</b>					
Consolidated Coffee Inc.	USA	100.00	78.70	100.00	78.70
<b>Subsidiary of Consolidated Coffee Inc.</b>					
Eight O'Clock Holdings Inc.	USA	100.00	78.70	100.00	78.70
Eight O'Clock Coffee Inc.	USA	100.00	78.70	100.00	78.70
<b>Associates of Consolidated Coffee Inc.</b>					
RBC HoldCo LLC	USA	-	-	27.09	21.32
(Refer Note (ii) below)					
<b>Tata Tea Extractions Inc.</b>	USA	100.00	100.00	100.00	100.00
<b>Zhejiang Tata Tea Extraction Company Ltd.</b>	China	81.46	81.46	70.00	70.00
(Refer Note (iii) below)					
<b>Tata Tea Holdings Pvt. Ltd.</b>	India	100.00	100.00	100.00	100.00
<b>B) ASSOCIATES</b>					
Amalgamated Plantations Pvt. Ltd.	India	41.03	41.03	41.03	41.03
Estate Management Services Pvt. Ltd.	Sri Lanka	31.85	31.85	31.85	31.85
Kanan Devan Hills Plantations Co. Pvt. Ltd.	India	28.52	28.52	28.52	28.52
TRIL Constructions Ltd.	India	32.50	32.50	32.50	32.50
<b>C) JOINT VENTURES</b>					
NourishCo Beverages Ltd.	India	50.00	50.00	50.00	50.00
Tata Starbucks Pvt. Ltd.	India	50.00	50.00	50.00	50.00

# Notes to Consolidated

## Financial Statements

- ii) The entity formed post sale of the entire stake in a US based functional beverage company has been dissolved during the year, the same has not been consolidated for part of the year as the control was intended to be temporary.
- iii) With effect from March 25, 2016 the Holding Company converted the shareholder loan into equity in Zhejiang Tata Tea Extraction Company Ltd.
- iv) The Holding Company during previous year amalgamated, pursuant to a Scheme of Amalgamation, Mount Everest Mineral Water Limited (subsidiary of the Holding Company) with the Holding Company as sanctioned by Honorable High Courts of Himachal Pradesh and Calcutta, retrospectively with effect from April 1, 2013.
- v) European Bank of Reconstruction and Development (EBRD) has entered into a put option agreement with Campestres Holdings Ltd. (CHL) and Tata Global Beverages Investments Ltd. (TGBIL), overseas subsidiaries of the holding company, in relation to their investment in Kahutara Holdings Ltd. In terms of the said agreement, EBRD has the right to exercise a put option whereby CHL and TGBIL are obliged to purchase the shares held by EBRD at fair market value after 6 years from the subscription date. Conversely, CHL has the right to exercise a call option on all the shares held by EBRD at the end of the stipulated 8 years at fair market value. The stipulated time period of 8 years may be bought forward if certain events as per the agreement are triggered.
- vi) The Holding Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL) under which IFC could exercise a put option, by April 28, 2016, with an obligation on the Holding Company to purchase a maximum of 300 Lakh shares in APPL. This option was not exercised by IFC.

### 3. Significant Accounting Policies

#### a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention on an accrual basis and comply with the applicable

Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard – 30 on Financial Instruments to the extent it does not contradict any other Accounting Standard.

These Financial Statements have been prepared as required under relevant provision of the Companies Act, 2013 and the presentation is based on the Schedule III of the Companies Act, 2013. All assets and liabilities are classified into current and noncurrent generally based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### b. Fixed Assets and Depreciation

##### i) Tangible

Tangible Assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting of cultivable land including cost of development is capitalised. Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost. Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Depreciation is provided on assets, including assets created on land under lease, on a straight-line basis over the estimated useful life of fixed assets as stipulated by Schedule II of Companies Act, 2013 or as appropriate based on technical evaluation of the asset. Renewal of land leases is assumed, consistent with past practice. Estimated useful lives of assets are as follows:

Leasehold buildings	- Over the life of lease
Leasehold Improvements	- Over the life of lease
Buildings	- 30 to 60 years
Plant and Machinery	- 3 to 25 years
Furniture and Fixtures	- 7 to 16 years
Office Equipments	- 2 to 16 years
Motor Vehicles	- 4 to 10 years

# Notes to Consolidated

## Financial Statements

### ii) Intangible

Intangibles assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any. Expenditure on software and related implementation cost, product development cost on new products, non-compete fee and other intangibles items, qualifying for recognition as intangibles assets and which provide enduring benefits are recognized as such.

Intangible assets are amortised over their estimated useful life on a straight line basis. Estimated useful lives are as follows:

Patent /Knowhow	- 10 years
Trademark	- 25 years
Computer Software	- 5 to 10 years
Non-Compete Fees	- 10 years

### c) Impairment

At each balance sheet date, the management assesses whether there are any indications that the assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected from the continuing use of the asset and from its disposal at the end of its useful life. For certain cash generating units, variable growth is considered even beyond five years, given the potential of the business. Reversal of impairment loss is recognised as income in the statement of profit and loss.

### d) Leases

Lease of assets where the Group, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental is allocated between the liability and the

interest cost so as to achieve a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rental under operating leases are recognised in the statement of profit and loss on a straight line basis over the period of lease.

### e) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. Borrowing costs include amortisation of issue / ancillary costs relating to the borrowings which are appropriately amortised over the expected term of the borrowing.

### f) Investments

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost or fair value.

### g) Inventories

Inventories, other than stores and spares are stated at cost or net realisable value whichever is lower. 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/FIFO method for all categories of inventories other than for auction / privately bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, includes, appropriate overheads based on the normal level of activity.

### h) Foreign Currency Transactions / Translation

#### i) Foreign Currency Transactions

Transactions in foreign currency are recorded at a rate that approximates the prevalent exchange rate on the transaction date. Exchange differences resulting from settled transactions are adjusted in the statement of

# Notes to Consolidated

## Financial Statements

profit and loss. Year-end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss.

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange differences between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognised as gain/loss in the statement of profit and loss.

**ii) Foreign Currency Translation**  
In relation to non-integral overseas subsidiaries/joint ventures all assets and liabilities are translated at the yearend exchange rates, where as income and expenditure are translated at an exchange rate that approximates the prevalent exchange rate on the transaction date. All resulting exchange differences are cumulated in Foreign Currency Translation Reserve until the disposal of net investment. On disposal of the net investment, the amount accumulated in Foreign Currency Translation Reserve is recognized in the statement of profit and loss.

In respect of integral foreign operations, the financial statements are translated as if the transactions of the foreign operations are those of the Holding Company.

**i) Revenue Recognition**  
Sales are recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. Provisions for sales returns and other off invoice allowances relating to that year's sale are offset from sales. Income and fees from services are accounted as per terms of relevant agreements /arrangements. Export incentives are accounted on an accrual basis.

**j) Other Income**  
Interest income and income from investments are accounted on an accrual basis.

Dividend income are recognised when the right to receive dividend is established

**k) Replanting/Rejuvenation**  
Cost of replanting / rejuvenating tea / coffee bushes / fuel trees is charged to revenue.

Related Tea / Coffee Board subsidies are accrued as other income on obtaining approval from Tea / Coffee Board.

**l) Compensation for Land**  
Compensation, if any, in respect of land surrendered or incidental rights thereon vested in Governments under various State Land Legislations in India is accounted for as and when received.

**m) Employee Benefits**  
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 Group. With regard to PF contribution made by the holding company to a Self Administered Trust, holding company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/wholotime 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. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment

# Notes to Consolidated

## Financial Statements

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. Short Term Employee Benefits are recognised on an undiscounted basis whereas Long Term Employee Benefits are recognised on a discounted basis.
- 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.
- iv) With regard to overseas subsidiaries and associates, liabilities for retirement benefits are determined as per the regulations and principles followed in the respective countries. Defined benefit obligation of overseas subsidiaries accounted for in the reserves in its financial statements, in compliance with the local generally accepted accounting principles, are recognised in Group's Reserve and Surplus (Refer Note 48(c)).

**n) Research and Development**  
Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

**o) Taxes on Income**  
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.

Deferred tax is recognized on all timing differences to the extent that it is probable that a liability or asset will crystallize in accordance with local practices of various jurisdictions where the Group operates. As at the balance sheet date, unless there is evidence to the contrary, based on

management's expectation of future profits for set off with reasonable or virtual certainty, as applicable, deferred tax assets pertaining to business loss are recognised. Deferred tax assets and liabilities are offset when legal right exist. The resultant net balances are reported, as appropriate.

**p) Financial Instruments**

Foreign currency forward contracts, interest rate swaps and options relating to commodities and foreign currencies are used to hedge associated risk relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instrument in respect of effective portion of the cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss. Fair value hedges are marked to market on the balance sheet date and gain or loss recognised in the statement of profit and loss.

**q) Cash and Cash Equivalent**

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

**r) Provision**

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are not discounted to its present value. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

# Notes to Consolidated

## Financial Statements

### s) Contingent Liabilities

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.

	Rs in Crores	
	2016	2015
<b>4. Share Capital</b>		
<b>AUTHORISED</b>		
1100000000 (750000000) Equity Shares of Re.1 each*	110.00	75.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
631129729 (618398570) Equity Shares of Re.1 each, fully paid-up	63.11	61.84
	63.11	61.84

### a) Details of Shareholders holding more than 5% shares as at March 31, 2016 is set out as below :

Particulars	2016		2015	
	No of shares	% of holding	No of shares	% of holding
Tata Sons Limited	142854570	22.63%	142854570	23.10%
Life Insurance Corporation of India	54416998	8.62%	31213954	5.05%
Tata Chemicals Limited	43175140	6.84%	43175140	6.98%

### b) Reconciliation of the number of shares as at March 31, 2016 is set out below :

Particulars	2016	2015
Number of shares as at the beginning of the year	618398570	618398570
Add: Shares issued during the year *	12731159	-
Number of shares as at the end of the year	631129729	618398570

### c) 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.

\*Consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Holding Company, the Authorised Share Capital of the Holding Company stand increased to Rs 110 Crores made up of 1100000000 Equity Shares of Re. 1/- each with effect from May 18, 2015 (effective date of amalgamation).

Pursuant to this amalgamation, the Holding Company during the year has issued 12731159 equity shares which was accounted under Shares Suspense Account in the previous year (Refer Note 2b(iv).

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>5. Reserves and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	15.79	0.09
Add: Addition on amalgamation (Refer Note 2b(iv))	-	15.70
<b>Closing Balance</b>	<b>15.79</b>	<b>15.79</b>
<b>Capital Redemption Reserve</b>	<b>0.10</b>	<b>0.10</b>
<b>Securities Premium Account</b>		
Opening Balance	333.79	552.93
Less: Deduction on amalgamation (Refer Note 2b(iv))	-	(219.14)
<b>Closing Balance</b>	<b>333.79</b>	<b>333.79</b>
<b>Debenture Redemption Reserve</b>	<b>81.25</b>	<b>81.25</b>
<b>Revaluation Reserve</b>		
Opening Balance	41.23	42.07
Add: Other Adjustments	-	1.83
Less: Amount transferred to Statement of Profit and Loss	-	(2.67)
<b>Closing Balance</b>	<b>41.23</b>	<b>41.23</b>
<b>Contingency Reserve</b>	<b>1.00</b>	<b>1.00</b>
<b>Amalgamation Reserves</b>	<b>8.33</b>	<b>8.33</b>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	678.88	926.35
Add: Movements during the year (net)	129.17	(236.63)
Less: Amount transferred to Statement of Profit and Loss *	-	(10.84)
<b>Closing Balance</b>	<b>808.05</b>	<b>678.88</b>
<b>Hedging Reserve</b>		
Opening Balance	22.89	(9.79)
Add/(Less): Movement during the year (net)	(26.35)	32.68
<b>Closing Balance</b>	<b>(3.46)</b>	<b>22.89</b>
<b>Actuarial Gain/(Loss) Reserve</b>		
Opening Balance	(135.19)	(92.54)
Add/(Less): Movement during the year (net)	(37.77)	(42.65)
<b>Closing Balance</b>	<b>(172.96)</b>	<b>(135.19)</b>
<b>General Reserves</b>		
Opening Balance	1051.06	1001.57
Add: Transferred from Surplus	67.35	49.49
<b>Closing Balance</b>	<b>1118.41</b>	<b>1051.06</b>

\* Represents reversal on disposal of an overseas associate

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	3330.55	3275.64
Add: Profit for the year	325.91	247.82
Add: Adjustment on Amalgamation (Refer Note 2b(iv))	-	20.64
<b>Amount available for appropriation</b>	<b>3656.46</b>	<b>3544.10</b>
<b>Less : Appropriation</b>		
Proposed Dividend	(142.00)	(142.00)
Provision for Dividend Distribution Tax	(22.83)	(21.24)
Transfer to General Reserve	(67.35)	(49.49)
Adjustment on evaluation of useful life of Fixed Assets	-	(0.82)
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>3424.28</b>	<b>3330.55</b>
<b>Total Reserve and Surplus</b>	<b>5655.81</b>	<b>5429.68</b>

	Rs in Crores	
	2016	2015
<b>6. Long Term Borrowings</b>		
<b>Secured (unless otherwise stated)</b>		
<b>Debentures</b>		
3250, 3% Non-convertible, privately placed, Debentures of Rs10 Lakhs each. (Refer Note a)	325.00	325.00
Less : Maturing within the next 12 months	(325.00)	-
	-	<b>325.00</b>
<b>Loan From Banks</b>		
Term Loan (Refer Note b)	19.78	34.66
Less : Maturing within the next 12 months	(9.01)	(11.18)
	<b>10.77</b>	<b>23.48</b>
External Commercial Borrowing (Refer Note c)	20.71	35.16
Less : Maturing within the next 12 months	(16.57)	(15.63)
	<b>4.14</b>	<b>19.53</b>
Senior Debt (Refer Note d)	523.74	547.18
Less : Maturing within the next 12 months	(33.12)	(31.25)
	<b>490.62</b>	<b>515.93</b>
<b>Total Long Term Borrowings</b>	<b>505.53</b>	<b>883.94</b>
Total Long Term Borrowings (Gross)	889.23	942.00
Less: Total Maturing within the next 12 months	(383.70)	(58.06)
	<b>505.53</b>	<b>883.94</b>

# Notes to Consolidated

## Financial Statements

- a. Redeemable at premium of Rs.223205 per debenture on October 22, 2016, at the end of 3 years from the date of allotment October 22, 2013. Secured by way of a first mortgage on certain immovable assets and partly by pledge of shares of certain companies held as investments by the Holding Company.
- b. Debt amounting to **Rs 3.62 Crores** (Rs 10.68 Crores) is repayable in quarterly installments, last installment due in September 2016, secured by way of mortgage of certain immovable and movable properties of an overseas subsidiary and guarantee given by the Holding Company. Debts amounting to **Rs 16.16 Crores** (Rs 23.98 Crores) is repayable in equal installments and is secured by way of mortgage on certain immovable property of an overseas subsidiary.
- c. Repayable in sixteen equal quarterly installments commencing from September 3, 2013. The borrowing is secured by deposit of title deeds of a immovable property and a charge over the machinery of an expansion project of an Indian subsidiary.
- d. Debt is repayable within March 28, 2018 and is secured over assets of certain overseas subsidiaries.

	Rs in Crores	
	2016	2015
<b>7. Deferred Tax Liabilities (net)</b>		
<b>Deferred Tax Liability</b>		
Depreciation	195.68	178.22
Others	2.66	1.29
	<b>198.34</b>	<b>179.51</b>
<b>Deferred Tax Asset</b>		
Provision for Doubtful Debts/Advances	0.25	1.22
Employee Benefits	4.66	4.73
Others	13.62	17.14
	<b>18.53</b>	<b>23.09</b>
<b>Net Deferred Tax Liabilities</b>	<b>179.81</b>	<b>156.42</b>

	Rs in Crores	
	2016	2015
<b>8. Other Long Term Liabilities</b>		
Premium payable on Redemption of Debentures		
Premium payable on Redemption of Debentures	-	72.54
Deposits	2.89	3.02
Others	3.20	4.02
	<b>6.09</b>	<b>79.58</b>

	Rs in Crores	
	2016	2015
<b>9. Long Term Provisions</b>		
Employee Benefits		
Employee Benefits	260.28	224.99
	<b>260.28</b>	<b>224.99</b>

# Notes to Consolidated

## Financial Statements

Rs in Crores

	2016	2015
<b>10. Short Term Borrowings</b>		
<b>From Banks</b>		
<b>Secured</b>		
Working Capital Facilities (Refer below)	248.07	289.79
<b>Unsecured</b>		
Working Capital Facilities	45.00	92.24
	<b>293.07</b>	<b>382.03</b>

Secured by way of hypothecation of inventories, book debts of the holding company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the working capital facilities is also secured by deposit of title deeds of a coffee estate. For overseas subsidiaries working capital facilities are secured by specific security over certain assets and in an instance by a guarantee given by the Holding Company.

Rs in Crores

	2016	2015
<b>11. Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note 6)	383.70	58.05
Security Deposits from Customers	38.03	35.74
Unpaid Dividends*	8.16	7.71
Interest Accrued but not due	5.02	5.53
Premium payable on Redemption of Debentures	72.54	-
Other Payables	233.82	280.29
	<b>741.27</b>	<b>387.32</b>

\* There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

Rs in Crores

	2016	2015
<b>12. Short Term Provisions</b>		
Employee Benefits	53.35	52.18
Taxation less advance payment	15.17	19.97
Proposed Dividend	142.00	142.00
Tax on Dividend [Net of Rs 13.42 Crores (Rs 13.42 Crores)]	21.24	21.24
Other Provisions (Refer Note 37)	42.10	33.79
	<b>273.86</b>	<b>269.18</b>

# Notes to Consolidated

## Financial Statements

### 13. Fixed Assets

Rs in Crores

	Cost				Depreciation/Amortisation				Net Book Value		
	As at March 31 2015	Additions	Deductions/ Adjustment	Translation Exchange difference	As at March 31 2016	As at March 31 2015	Depreciation/ Amortisation for the year	Deductions/ Adjustment/ Impairment	Translation Exchange difference	As at March 31 2016	
<b>TANGIBLE</b>											
Land (including Development)	60.09	0.15	(0.52)	0.30	60.02*	0.97	0.13	-	0.02	1.12	58.90
Previous Year	60.11	0.03	-	(0.05)	60.09	0.81	0.13	-	0.03	0.97	59.12
Tea / Coffee Estate Land / Fuel Area (including Development)	7.56	-	-	-	7.56	-	-	-	-	-	7.56
Previous Year	7.56				7.56						7.56
<b>Buildings</b>	<b>251.16</b>	<b>13.81</b>	<b>(2.19)</b>	<b>5.41</b>	<b>268.19</b>	<b>92.82</b>	<b>9.69</b>	<b>(8.74)</b>	<b>2.14</b>	<b>95.91</b>	<b>172.28</b>
Previous Year	237.81	16.42	(0.10)	(2.97)	251.16	81.03	9.66	3.34	(1.21)	92.82	158.34
<b>Bridges</b>	<b>0.16</b>	-	-	-	<b>0.16</b>	<b>0.02</b>	-	-	-	<b>0.02</b>	<b>0.14</b>
Previous Year	0.16	-	-	-	0.16	0.02	-	-	-	0.02	0.14
<b>Plant and Machinery</b>	<b>1365.91</b>	<b>123.54</b>	<b>(48.93)</b>	<b>27.65</b>	<b>1468.17</b>	<b>938.89</b>	<b>69.29</b>	<b>(55.47)</b>	<b>23.80</b>	<b>976.51</b>	<b>491.66</b>
Previous Year	1313.43	121.11	(16.14)	(52.49)	1365.91	896.15	62.99	24.01	(44.26)	938.89	427.02
<b>Furniture and Fixtures</b>	<b>283.29</b>	<b>25.41</b>	<b>(16.48)</b>	<b>6.32</b>	<b>298.54</b>	<b>170.36</b>	<b>28.24</b>	<b>(13.84)</b>	<b>4.63</b>	<b>189.39</b>	<b>109.15</b>
Previous Year	254.63	46.77	(3.54)	(14.57)	283.29	152.65	27.38	1.01	(10.68)	170.36	112.93
<b>Office Equipment</b>	<b>9.12</b>	<b>0.55</b>	<b>(1.17)</b>	<b>0.24</b>	<b>8.74</b>	<b>6.26</b>	<b>0.53</b>	<b>(0.48)</b>	<b>0.17</b>	<b>6.48</b>	<b>2.26</b>
Previous Year	7.12	2.06	(0.13)	0.07	9.12	4.65	0.80	0.75	0.06	6.26	2.86
<b>Motor Vehicles</b>	<b>27.05</b>	<b>2.49</b>	<b>(5.97)</b>	<b>0.17</b>	<b>23.74</b>	<b>15.21</b>	<b>2.16</b>	<b>(6.62)</b>	<b>0.15</b>	<b>10.90</b>	<b>12.84</b>
Previous Year	26.21	5.98	(3.61)	(1.53)	27.05	14.75	2.96	(1.50)	(1.00)	15.21	11.84
<b>Total Tangibles</b>	<b>2004.34</b>	<b>165.95</b>	<b>(75.26)</b>	<b>40.09</b>	<b>2135.12</b>	<b>1224.53</b>	<b>110.04</b>	<b>(85.15)</b>	<b>30.91</b>	<b>1280.33</b>	<b>854.79</b>
Previous Year	1907.03	192.37	(23.52)	(71.54)	2004.34	1150.06	103.92	27.61	(57.06)	1224.53	779.81
<b>INTANGIBLE</b>											
Intangibles ^	312.14	-	-	19.07	331.21	102.23	13.56	43.53 &	5.92	165.24 @	165.97
Previous Year	305.24	-	-	6.90	312.14	87.08	12.89	-	2.26	102.23	209.91
<b>Capitalised Software</b>	<b>70.91</b>	<b>6.36</b>	-	<b>1.90</b>	<b>79.17</b>	<b>31.71</b>	<b>11.05</b>	-	<b>0.23</b>	<b>42.99</b>	<b>36.18</b>
Previous Year	39.96	29.80	(0.01)	1.16	70.91	23.27	11.12	-	(2.68)	31.71	39.20
<b>Non Compete Fee</b>	<b>3.00</b>	-	-	-	<b>3.00</b>	<b>2.35</b>	<b>0.30</b>	-	-	<b>2.65</b>	<b>0.35</b>
Previous Year	3.00	-	-	-	3.00	2.05	0.30	-	-	2.35	0.65
<b>Total Intangibles</b>	<b>386.05</b>	<b>6.36</b>	-	<b>20.97</b>	<b>413.38</b>	<b>136.29</b>	<b>24.91</b>	<b>43.53</b>	<b>6.15</b>	<b>210.88</b>	<b>202.50</b>
Previous Year	348.20	29.80	(0.01)	8.06	386.05	112.40	24.31	-	(0.42)	136.29	249.76
<b>Goodwill on Consolidation</b>	<b>4026.97</b>	-	-	<b>140.02</b>	<b>4166.99</b>	<b>134.85</b>	<b>7.98 \$</b>	<b>226.63 &amp;</b>	<b>5.74</b>	<b>375.20</b>	<b>3791.79</b>
Previous Year	4243.07	77.38	(203.51)	(89.97)	4026.97	54.82	7.54	70.54	1.95	134.85	3892.12
<b>Total</b>	<b>6417.36</b>	<b>172.31</b>	<b>(75.26)</b>	<b>201.08</b>	<b>6715.49</b>	<b>1495.67</b>	<b>142.93</b>	<b>185.01</b>	<b>42.80</b>	<b>1866.41</b>	<b>4849.08</b>
Previous Year	6498.30	299.55	(227.04)	(153.45)	6417.36	1317.28	135.77	98.15	(55.53)	1495.67	4921.69

#### Notes:

- (\*) Includes leasehold land of **Rs. 2.02 Crores** (Rs. 2.02 Crores) belonging to two Indian subsidiaries and also includes a portion of land leased to an Associate.
- Cost of Buildings include **Rs. 5.90 Crores** (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company.
- (S) Represents amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- (@) Unexpired period of amortisation for certain intangibles 184 months and 71 months.
- (^) Includes Trademark, Brands and Patents/Knowhow.
- (&) Adjustment in Goodwill and Intangibles includes impairment charge of **Rs 226.64 Crores** and **Rs 43.53 Crores** respectively (Refer Note 40).
- During the year, an Indian subsidiary of the Holding Company has revised its policy of providing depreciation on fixed assets with effect from April 1, 2015. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for certain assets and straight line basis for others. As prescribed by Para 21 of Accounting Standard 6 - 'Depreciation Accounting', depreciation has been recomputed from the date the asset came into use. The adoption of new policy resulted in depreciation for the year 2015-16 being lower by **Rs 2.61 Crores** and the write back of depreciation amounting to **Rs. 16.97 Crores** relating to earlier years. In the previous year, the gross block and accumulated depreciation of assets under written down value method amounted to **Rs 143.20 Crores** and **Rs 53.63 Crores** respectively.

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Rs in Crores

		Face Value of each	Nos	2016	2015
<b>14. Non - Current Investments</b>					
TRADE INVESTMENT (fully paid and valued at cost)					
<b>(a) Quoted Equity Investments</b>					
Tata Chemicals Ltd. (Refer Note (a))	Rs.	10	11345522	<b>54.57</b>	54.57
The Indian Hotels Co Ltd. (Refer Note (e))	Re.	1	-	-	2.72
			(1687742)		
Tata Motors Ltd. (Refer Note (e))	Rs.	2	-	-	0.47
			(116665)		
Tata Motors Ltd. - 'A' Ordinary Shares (Refer Note (e))	Rs.	2	-	-	0.10
			(16665)		
Tata Investment Corporation Ltd. (Refer Note (e))	Rs.	10	158469	<b>2.34</b>	2.36
			(160000)		
Tata Steel Ltd. (Refer Note (e))	Rs.	10	-	-	0.17
			(12021)		
Titan Industries Ltd. (Refer Note (e))	Re.	1	-	-	2.95
			(9248060)		
Joonktolle Tea & Industries Ltd.	Rs.	10	12602	<b>0.07</b>	0.07
				<b>56.98</b>	<b>63.41</b>
<b>(b) Unquoted Equity Investments</b>					
Investment in Associates (Refer Note (f) below)					
Amalgamated Plantations Pvt. Ltd.	Rs.	10	61024400	<b>61.02</b>	61.02
[Cumulative Group share of profits /(losses) - Rs 69.31 Crores (Rs 79.31 Crores)]					
Estate Management Services Pvt. Ltd.	LKR	10	12078406	<b>14.57</b>	14.57
[Cumulative Group share of profits /(losses) - Rs 15.69 Crores (Rs 9.77 Crores)]					
Kanan Devan Hills Plantations Company Pvt. Ltd.	Rs.	10	3976563	<b>12.33</b>	12.33
[Cumulative Group share of profits /(losses) - (Rs 1.62 Crores) (Rs 4.05 Crores)]					
TRIL Constructions Limited	Rs.	10	11748148	<b>11.75</b>	11.75
[Cumulative Group share of profits /(losses) - (Rs 0.62 Crores) ((Rs 0.56 Crores))]					
				<b>99.67</b>	<b>99.67</b>
<b>Others</b>					
Tata Sons Ltd.	Rs.	1000	1755	<b>9.75</b>	9.75
Tata Capital Ltd.	Rs.	10	613598	<b>0.95</b>	0.95
Tata Services Ltd.	Rs.	1000	475	<b>0.05</b>	0.05
Tata Industries Ltd.	Rs.	100	6519441	<b>115.82</b>	115.82
Taj Air Ltd.	Rs.	10	22200000	<b>29.29</b>	28.50
Chembra Peak Estates Ltd.	Rs.	10	3481	<b>0.01</b>	0.01
Wartyhully Estates Ltd.	Rs.	10	24748	<b>0.01</b>	0.01
Southern Scribe Instruments Pvt. Ltd. #	Rs.	100	7280	<b>0.07</b>	0.07
Armstrong Power Private Limited # (Refer Note (d))	Rs.	100	375	<b>0.00</b>	-
Armstrong Power Systems Private Limited # (Refer Note (d))	Rs.	100	460	<b>0.00</b>	-
# relatings to power purchase agreement entered by an Indian subsidiary				<b>155.96</b>	155.16

# Notes to Consolidated

## Financial Statements

					Rs in Crores
		Face Value of each	Nos	2016	2015
<b>(c) Unquoted Preference Shares</b>					
<b>Investment in Associates</b>					
Amalgamated Plantations Pvt. Ltd.	Rs.	10	67000000	<b>67.00</b>	67.00
0.01% Non Cum Redeemable Preference Shares (Redeemable with special redemption premium within 7 - 9 years from issue date and extension is being considered in line with the agreements)					
TRIL Constructions Limited	Rs.	10	66751852	<b>66.75</b>	66.75
0.001% Non Cumulative Non redeemable, mandatorily and fully convertible Preference Shares (Redeemable within 6 years from issue date )					
				<b>133.75</b>	<b>133.75</b>
<b>(d) Quoted Debentures</b>					
The Indian Hotels Co Ltd.	Rs.	55	-	-	2.09
Compulsory Convertible Debenture			(379741)		
				<b>-</b>	<b>2.09</b>
<b>OTHERS INVESTMENT (fully paid and valued at cost)</b>					
<b>(a) Quoted Equity Investments</b>					
SBI Home Finance Ltd. (Refer Note (c))	Rs.	10	100000	-	-
Industrial Development Bank of India	Rs.	10	16160	<b>0.13</b>	0.13
				<b>0.13</b>	<b>0.13</b>
<b>(b) Unquoted Equity Investments</b>					
The Annamallais Ropeways Company Ltd. - Ordinary Shares (Refer Note (c))	Rs.	100	2092	-	-
ABC Tea Workers Welfare Services - Ordinary Shares	Rs.	10	20000	<b>0.02</b>	0.02
Assam Hospitals Ltd.	Rs.	10	200000	<b>0.20</b>	0.20
The Valparai Co-operative Wholesale Stores Ltd. - Ordinary Shares (Refer Note (c))	Rs.	10	350	-	-
Suryakiran Apartment Services Pvt. Ltd. (Refer Note (d))	Rs.	10	2146	<b>0.00</b>	0.00
Jalpaiguri Club Ltd.- Ordinary Shares (Cost Re 1)	Rs.	10	60	-	-
GNRC Ltd.	Rs.	10	50000	<b>0.05</b>	0.05
IFCI Venture Capital Funds Ltd.	Rs.	10	250000	<b>0.25</b>	0.25
Ritspin Synthetics Ltd. (Refer Note (c))	Rs.	10	200000	-	-
Coorg Orange Growers Co-operative Society Ltd.	Rs.	100	4	-	-
Tata Coffee Co-operative Stores Limited	Rs.	5	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs.	100	1	-	-
TEASERVE (Refer Note (d)) (The Tamil Nadu Tea Manufacturers' Service Industrial Co-op Society Ltd.)	Rs.	5000	1	<b>0.00</b>	0.00
Woodlands Hospital & Medical Res. Centre Ltd. - Equity Shares	Rs.	10	12280	<b>0.00</b>	0.00
				<b>0.53</b>	<b>0.53</b>
<b>(c) Unquoted Preference Shares</b>					
Thakurbari Club Ltd. (Cost Re 1)	Rs.	100	26	-	-
				-	-

# Notes to Consolidated

## Financial Statements

					Rs in Crores
		Face Value of each	Nos	2016	2015
<b>(d) Unquoted Government Securities:</b>					
W.B. Estates Acquisition Compensation Bond (Refer Note (d))				0.00	0.00
				<b>0.00</b>	<b>0.00</b>
<b>(e) Unquoted Debentures</b>					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures (Refer Note (d))	Rs.	1000	7	<b>0.00</b>	0.00
Shillong Club Ltd. - 5% Debentures - (Cost Rs 2)	Rs.	100	31	-	-
				<b>0.00</b>	0.00
<b>INVESTMENT PROPERTIES</b>					
Commercial Property				70.80	70.45
				<b>70.80</b>	70.45
	<b>Total</b>			<b>517.81</b>	<b>525.19</b>
Net appreciation in investments in associates under equity method (Refer Note (f))				82.76	92.57
				<b>600.57</b>	<b>617.76</b>
<b>Total of Investments</b>					
Quoted				57.11	65.63
Unquoted				<b>472.66</b>	481.68
Investment Properties				70.80	70.45
<b>Aggregate Amount</b>				<b>600.57</b>	<b>617.76</b>
<b>Market value of quoted investments</b>				<b>431.22</b>	<b>903.97</b>

### Notes :

- (a) 3723648 shares of Tata Chemicals Ltd. is pledged against outstanding 3% Non Convertible privately placed Debentures.
- (b) Cost of investments in Amalgamated Plantations Pvt. Ltd. and Kanan Devan Hills Plantations Co. Pvt. Ltd. includes capital reserve of Rs 15.60 Crores and Rs 11.80 Crores respectively.
- (c) Fully provided (Original Cost Rs 0.32 Crores).
- (d) Investment costs are below Rs 0.01 Crores.
- (e) During the year, the Holding Company has sold some of its investments and the resultant profit has been accounted under exceptional item (Refer Note 32).
- (f) Includes the following adjustments on account of Associate Companies:

			Rs in Crores	
			2016	2015
Pre-acquisition share of profit / (loss)			(1.52)	(1.52)
Post acquisition profit			<b>122.72</b>	133.60
Current year profit / (loss)			(1.41)	(10.88)
Dividend received			(37.03)	(28.63)
			<b>82.76</b>	<b>92.57</b>

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>15. Deferred Tax Assets (net)</b>		
<b>Deferred Tax Asset</b>		
Provision for Doubtful Debts/Advances	3.12	2.51
Employee Benefits	39.20	35.28
Premium on redemption of Debentures	4.44	12.81
Others	11.42	18.32
	<b>58.18</b>	<b>68.92</b>
<b>Deferred Tax Liability</b>		
Depreciation	15.90	14.67
	<b>15.90</b>	<b>14.67</b>
<b>Net Deferred Tax Assets</b>	<b>42.28</b>	<b>54.25</b>
	Rs in Crores	
	2016	2015
<b>16. Long Term Loans and Advances</b>		
(unsecured and considered good unless otherwise stated)		
<b>Inter Corporate Loans - Secured</b>	57.13	102.11
<b>Capital Advances</b>	2.12	2.13
<b>Deposits</b>	17.96	12.39
<b>Security Deposit</b>		
Considered Good	37.18	37.60
Considered Doubtful	0.28	0.28
	<b>37.46</b>	37.88
Less: Provision for Doubtful Deposits	(0.28)	(0.28)
	<b>37.18</b>	<b>37.60</b>
<b>Other Advances</b>		
Considered Good	15.97	15.23
Considered Doubtful	0.07	0.12
	<b>16.04</b>	15.35
Less: Provision for Doubtful Advances	(0.07)	(0.12)
	<b>15.97</b>	<b>15.23</b>
Advance Tax [net of provisions of <b>Rs 1406.99 Crores</b> (Rs 1315.96 Crores)]	31.22	19.86
MAT Credit Entitlement	39.00	-
Advance for purchase of shares in a subsidiary	39.82	-
	<b>240.40</b>	<b>189.32</b>

# Notes to Consolidated

## Financial Statements

Rs in Crores

	2016	2015
<b>17. Other Non current Assets</b>		
Property rights pending development	70.50	70.50
	<b>70.50</b>	<b>70.50</b>

Rs in Crores

	Face Value of each	Nos	2016	2015
<b>18. Current Investments</b>				
(At lower of cost and fair value)				
<b>Unquoted Mutual Fund</b>				
Tata Liquid Fund	Rs. 1000	17590.5	4.90	-
JM Financial Mutual Fund	Rs. 10	900768	3.69	-
ICICI Prudential Liquid - Units of Regular Plan - Growth	Rs. 100	-	-	1.42
		(72313.5)		
Kotak Floater Short Term - Units of Regular Plan - Growth	Rs. 1000	-	-	1.89
		(8657.5)		
Sundaram Money Fund - Units of Regular Plan - Growth	Rs. 10	-	-	0.06
		(21554.5)		
HSBC Ultra Short Term Fund - Weekly Dividend	Rs. 10	-	-	0.89
		(887448)		
<b>Total Current Investments</b>			<b>8.59</b>	<b>4.26</b>
<b>Net fair value of investment in Mutual Fund</b>			<b>8.63</b>	<b>4.43</b>

Rs in Crores

	2016	2015
<b>19. Inventories</b>		
(At lower of cost and net realisable value)		
Stores, Spare Parts and Packing Materials	84.03	89.01
Raw Material*	982.42	866.64
Finished Goods**	647.20	656.73
Stock in Trade	6.60	4.37
Work in Progress	7.86	8.55
	<b>1728.11</b>	<b>1625.30</b>

\*includes in transit of **Rs. 13.79 Crores** (Rs. 19.41 Crores)\*\*includes in transit of **Rs. 6.54 Crores** (Rs. 5.61 Crores)

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>20. Trade Receivables</b>		
<b>Receivables outstanding for a period exceeding six months from due date</b>		
Considered Good	2.51	1.69
Doubtful	6.98	8.11
	9.49	9.80
Less : Provision for Doubtful Debts	(6.98)	(8.11)
	2.51	1.69
<b>Other Receivables</b>		
Considered Good*	629.57	614.40
Doubtful	0.85	0.62
	630.42	615.02
Less : Provision for Doubtful Debts	(0.85)	(0.62)
	629.57	614.40
	632.08	616.09

\*Other Receivable includes secured receivable of **Rs. 20.79 Crores** (Rs. 20.04 Crores)

	Rs in Crores	
	2016	2015
<b>21. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash/Cheques in hand	0.62	0.66
Others - Investment in Mutual Fund	173.33	10.83
<b>Balances with Bank</b>		
Current Account*	81.24	73.63
Deposit Account ^	275.58	451.41
	530.77	536.53
<b>Other Bank Balances</b>		
Unclaimed Dividend Account	8.16	7.71
	8.16	7.71
	538.93	544.24

\* Includes remittance in transit - **Rs 14.78 Crores** (Nil).

^ The cash held in bank deposits includes **Nil** (Rs 0.62 Crores) of restricted cash which may only be used to service the external debt.

# Notes to Consolidated

## Financial Statements

Rs in Crores

	2016	2015
<b>22. Short Term Loans and Advances</b>		
(unsecured and considered good unless otherwise stated)		
<b>Inter Corporate Loans</b>	<b>601.69</b>	579.75
(including secured loan amounting to <b>Rs. 170.37 Crores</b> (Rs. 165.24 Crores))		
<b>Deposits</b>		
Considered Good	5.63	5.00
Considered Doubtful	0.38	0.38
	6.01	5.38
Less : Provision for Doubtful Deposits	(0.38)	(0.38)
	5.63	5.00
<b>Other Advances</b>		
Considered Good	152.41	165.05
Considered Doubtful	2.67	2.67
	155.08	167.72
Less : Provision for Doubtful Advances	(2.67)	(2.67)
	152.41	165.05
<b>Prepaid Expenses</b>	<b>43.16</b>	32.09
<b>Advance Tax</b>	<b>16.28</b>	9.70
	<b>819.17</b>	<b>791.59</b>

Rs in Crores

	2016	2015
<b>23. Other Current Assets</b>		
Interest Accrued		
Interest Accrued	14.10	3.62
Export Incentive receivable	18.42	14.79
Others receivables	11.62	11.25
	<b>44.14</b>	<b>29.66</b>

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>24. Revenue from Operations</b>		
<b>Sale of Products</b>	7979.23	7827.17
<b>Sale of Services</b>	9.66	6.05
<b>Other Operating Revenues</b>		
Miscellaneous Receipts	32.47	34.07
Liabilities no longer required written back	20.69	50.43
Provision for debts and advances written back	0.07	0.04
Royalty Income	48.08	49.21
Export Incentive	27.50	26.97
	128.81	160.72
	<b>8117.70</b>	7993.94
Less: Excise Duty	(7.19)	(0.55)
	<b>8110.51</b>	<b>7993.39</b>

	Rs in Crores	
	2016	2015
<b>25. Other Income</b>		
Interest Income - on advances and deposits	43.52	52.02
<b>Dividend income</b>		
Long-term Investments	21.13	15.07
Current Investments	1.30	0.62
	22.43	15.69
Profit on sale of Current Investments (net)	1.32	0.75
Profit on sale of Fixed Asset (net)	2.18	-
Rent Income	0.93	1.02
Other non operating income	0.22	0.50
	<b>70.60</b>	<b>69.98</b>

	Rs in Crores	
	2016	2015
<b>26. Cost of Materials Consumed</b>		
<b>Raw Materials Consumed</b>		
Tea	2459.51	2459.48
Coffee	630.83	668.69
Others	34.01	24.41
	3124.35	3152.58
<b>Consumption of Packing Materials</b>		
	480.65	472.54
	<b>3605.00</b>	<b>3625.12</b>

# Notes to Consolidated

## Financial Statements

Rs in Crores

	2016	2015
<b>27. Purchase of Stock in Trade</b>		
Tea	171.98	156.50
Coffee	89.59	48.20
Others	68.97	58.77
	<b>330.54</b>	<b>263.47</b>

	2016	2015
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### 28. Changes in Inventories of Finished Goods/Work in progress/ Stock in Trade

#### Stock as at 1st April

Finished Goods	656.73	606.05
Stock-in-Trade	4.37	3.58
Work-in-Progress	8.55	8.77
	<b>669.65</b>	618.40

#### Stock as at 31st March

Finished Goods	647.20	656.73
Stock-in-Trade	6.60	4.37
Work-in-Progress	7.86	8.55
	<b>661.66</b>	669.65
	<b>7.99</b>	(51.25)
Less: Partial diminution in the value of Inventory accounted in Exceptional Items (Refer Note 32)	<b>18.12</b>	-
	<b>(10.13)</b>	<b>(51.25)</b>

Rs in Crores

	2016	2015
<b>29. Employee Benefits Expense</b>		
Salaries, Wages and Bonus (Refer Note 39)	800.78	775.89
Contribution to Provident Fund and other Funds	59.94	53.86
Workmen and Staff Welfare Expenses	41.29	27.92
	<b>902.01</b>	<b>857.67</b>

Rs in Crores

	2016	2015
<b>30. Finance Costs</b>		
Interest Expense	64.21	77.90
Other Borrowing Cost	0.96	0.92
Exchange loss (net)	3.60	3.04
	<b>68.77</b>	<b>81.86</b>

# Notes to Consolidated

## Financial Statements

	Rs in Crores	
	2016	2015
<b>31. Other Expenses</b>		
Manufacturing and Contract Packing Expenses	130.25	111.39
Consumption of Stores and Spare Parts	50.14	47.52
Power and Fuel	81.43	84.78
Repairs to Plant and Machinery	27.20	23.03
Repairs to Buildings	17.02	15.21
General Repairs	22.82	21.52
Rent	108.97	96.94
Rates and Taxes	20.51	18.78
Advertisement and Sale Charges	1368.77	1325.57
Commission on Sales	116.27	137.63
Freight	187.18	199.94
Insurance	28.10	24.82
Legal and Professional Expenses	126.88	115.67
Miscellaneous Expenses* (Refer Note 39)	314.91	298.96
Provision for Doubtful Debts and Advances	2.39	0.34
Debts and Advances written off (net)	5.59	0.42
Loss on sale of fixed assets	-	1.01
	2608.43	2523.53

\*Includes Exchange gain - **Rs. 6.36 Crores** (Rs. 9.77 Crores)

	Rs in Crores	
	2016	2015
<b>32. Exceptional Items</b>		
<b>Income</b>		
Profit on sale of Non-Core Investments	327.79	-
Write back on Change in Accounting Policy [Refer Note 13]	16.97	-
Exchange Gain	-	0.87
	344.76	0.87
<b>Expenditure</b>		
Impairment of Intangible / Other Assets*	(288.28)	(95.38)
Re-organisation/Business Restructure costs	(18.48)	(17.52)
Disposal of an Associate	-	(17.96)
Acquisition related Expenditure	(13.07)	-
Provision for retrospective amendment of legislation relating to employee benefits	(5.13)	-
Levy relating to past demerged business	(3.00)	-
Others **	(4.92)	-
	(332.88)	(130.86)

\* includes impairment of intangible assets (Refer Note 40) and partial diminution in the value of inventory - **Rs 18.12 Crores** (Nil).

11.88 (129.99)

\*\* includes settlement of legal claims - **Rs 2.51 Crores** (Nil).

# Notes to Consolidated

## Financial Statements

**33.** Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2016 aggregated **Rs 12.45 Crores** (Rs 10.83 Crores).

**34. Contingent Liabilities not provided for in respect of :**

a) Claims under adjudication not acknowledged as debts:

Particulars	Rs in Crores	
	2016	2015
i Taxes, Statutory Duties/ Levies etc	<b>53.33</b>	35.88
ii Commercial and other Claims	<b>9.27</b>	11.41

b) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and **Rs 0.90 Crores** (Rs 0.80 Crores) for an Indian subsidiary.

c) In the case of overseas subsidiaries there are contingent liabilities in respect of outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade and are centrally managed by the central treasury team of the overseas subsidiary. Because the value of many of these liabilities is dependent on future events, the directors believe that it is not practically possible to provide an estimate of the Group's potential liability under such arrangements.

d) Bank and other guarantees - **Rs 9.73 Crores** (Rs 9.23 Crores).

**35. Litigations**

i) Stamp duty claim yet to be reassessed – amount not ascertainable

ii) Product / commercial liability claims not established – amounts not ascertainable

iii) Holding Company's overseas subsidiary in US alongwith 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. 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.

**36. Research & Development Expenditure:**

Particulars	Rs in Crores	
	2016	2015
Capital	<b>0.71</b>	0.34
Revenue	<b>9.59</b>	8.59
<b>Total</b>	<b>10.30</b>	<b>8.93</b>

# Notes to Consolidated

## Financial Statements

### 37. Details of provision:

Particulars	Rs in Crores			
	Reorganisation Cost <sup>#</sup>		Others <sup>&amp;</sup>	
	2016	2015	2016	2015
Opening Balance	20.69	27.90	13.09	6.92
Provision made during the year	9.96	11.47	6.03	6.94
Amount paid / adjusted during the year	(7.67)	(18.68)	-	(0.77)
<b>Closing Balance</b>	<b>22.98</b>	<b>20.69</b>	<b>19.12</b>	<b>13.09</b>

<sup>#</sup> relates to restructure costs and is expected to be paid in near future .

<sup>&</sup> relates to provision for trade obligations.

**38.** The current tax charge is net of credit pertaining to earlier year **Rs 20.11 Crores** (Rs 53.35 Crores). Prior year included one-time credit arising on amalgamation of Mount Everest Mineral Water Limited with the Holding Company and credit relating to debenture redemption premium charged to Securities Premium account in an earlier year.

**39.** As per Section 135 of the Companies Act 2013, the amount contributed for Corporate Social Responsibility causes are as follows:

Particulars	Rs in Crores	
	2016	2015
Employee Benefit Expenses incurred on specific CSR activities	1.51	0.95
Others Expenses - Miscellaneous	6.50	5.50
<b>Total</b>	<b>8.01</b>	<b>6.45</b>

**40.** During the year, the Group recognized a non-cash impairment loss mainly on goodwill relating to its branded businesses in Eastern Europe and US. While the Company is actively pursuing various growth opportunities, the accounting impairment has been recognised due to underperformances as compared to plans mainly arising out of factors like macro-economic instability in Russia and category decline in every day black tea / competitive intensity in other markets. Accordingly, impairment of **Rs 157.03 Crores** has been recognized in Eastern European markets [Russia (coffee segment), Poland (tea segment) and Czech (tea segment)] wherein the pre-tax discount rate is within the range of 7.1% to 14.9% and **Rs 106.13 Crores** in the US tea business primarily within the specialty tea segment after applying a pre-tax discount rate of 8.0%. Additionally, an impairment loss of **Rs 7.00 Crores** has been recognised on Patent/Knowhow (water segment) which arose on account of revision in the business plans with lower than expected economic benefits over its estimated useful life. A pre-tax discounting rate of 22.3 % was used for evaluation of value in use.

The impact of impairment has been accounted under exceptional items and is disclosed as unallocated items in the segment report.

# Notes to Consolidated

## Financial Statements

### 41. Leases

#### Operating Lease

Group's leasing arrangements are for premises (residential, office, factory, godown and Stores), equipments and vehicles, these ranges between 5 months to 15 years and are usually renewable on mutually agreed terms.

#### Disclosure in respect of operating leases:

Particulars	Rs in Crores	
	2016	2015
Minimum lease payments under Non-cancellable operating lease		
Within one year	50.70	52.26
Later than one year and not later than five years	128.53	124.27
Later than five years	67.45	24.11
<b>Total</b>	<b>246.68</b>	<b>200.64</b>
Lease payments recognised in the Statement of Profit and Loss	121.39	104.26

### 42. Earning Per Share

Particulars	Rs in Crores	
	2016	2015
Group Net Profit (Rs in Crores)	325.91	247.82
Numbers of Equity Shares Outstanding	631129729	618398570
Add: Equity shares to be issued consequent to amalgamation lying in share suspense account	-	12731159
<b>Total number of Shares (No.)</b>	<b>631129729</b>	<b>631129729</b>
<b>Earnings Per Share (Rs.)</b>		
Basic	5.16	3.93
Diluted	5.16	3.93

# Notes to Consolidated

## Financial Statements

**43.** The proportionate share of the assets, liabilities, income and expenditure of the joint venture of Holding Company and its subsidiary companies (refer note 2(b) above) are given below:

### JV's Balance Sheet as at March 31, 2016

Rs in Crores

Particulars	2016	2015
<b>Equity and Liabilities</b>		
<b>Share Capital</b>		
Share Capital	326.16	275.38
Reserves and Surplus	(165.92)	(133.09)
<b>Shareholders Funds</b>	<b>160.24</b>	<b>142.29</b>
<b>Non Current Liabilities:</b>		
Deferred Tax (net)	-	(0.73)
Other Long Term Liabilities	-	0.05
Long Term Provisions	1.18	1.03
<b>Total Non Current Liabilities</b>	<b>1.18</b>	<b>0.35</b>
<b>Current Liabilities:</b>		
Short Term Borrowings	24.05	34.66
Trade Payables	55.40	54.72
Other Current Liabilities	9.94	11.34
Short Term Provisions	1.19	1.56
<b>Total Current Liabilities</b>	<b>90.58</b>	<b>102.28</b>
<b>Total</b>	<b>252.00</b>	<b>244.92</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Tangible Assets	75.38	77.83
Intangible assets	4.69	4.38
Capital work in progress	9.98	9.06
Intangible assets under development	-	0.01
Long Term Loans and Advances	14.65	12.92
<b>Total Non Current Assets</b>	<b>104.70</b>	<b>104.20</b>
<b>Current Assets</b>		
Current investments	8.59	3.37
Inventories	91.16	88.73
Trade Receivables	18.65	18.84
Cash and Bank Balance	10.79	17.93
Short Term Loans and Advances	18.05	11.78
Other Current Assets	0.06	0.07
<b>Total Current Assets</b>	<b>147.30</b>	<b>140.72</b>
<b>Total</b>	<b>252.00</b>	<b>244.92</b>

# Notes to Consolidated

## Financial Statements

### JV's Statement of Profit and Loss for the year ended March 31, 2016

Rs in Crores

Particulars	2016	2015
<b>Income</b>		
Revenue from Operations		
Revenue from Operations	618.98	560.36
Other Income	2.57	1.63
<b>Total Revenue</b>	<b>621.55</b>	<b>561.99</b>
<b>Expenses</b>		
Material Cost	388.90	366.58
Employee Benefits Expense	54.87	49.57
Finance Costs	1.60	2.53
Depreciation and Amortisation Expense	16.24	11.49
Other Expenses	174.71	161.49
<b>Total Expenses</b>	<b>636.32</b>	<b>591.66</b>
<b>Profit before Exceptional Items and Taxes</b>	<b>(14.77)</b>	<b>(29.67)</b>
Exceptional Items (net)	-	-
<b>Profit before tax</b>	<b>(14.77)</b>	<b>(29.67)</b>
Tax Expenses	0.88	0.33
<b>Profit after Taxation</b>	<b>(15.65)</b>	<b>(30.00)</b>

# Notes to Consolidated

## Financial Statements

### 44 a. Consolidated Related Party Disclosure as per Accounting Standard - 18 Particulars of transactions during the year ended March 31, 2016

Nature of Transactions	Joint	Promoter	Key Management Personnel	Total
	Ventures	Associates		
Sale of Goods and Services	19.53	0.59		20.12
	(23.24)	(0.04)		(23.28)
Other Operating Income	0.15	-		0.15
	(0.16)	(1.09)		(1.25)
Purchase of Goods and Services	74.30	298.43		372.73
	(72.44)	(273.97)		(346.41)
Rent Paid	1.84	-		1.84
	(1.34)	(0.32)		(1.66)
Fees paid for Product Development	3.79			3.79
	(6.91)			(6.91)
Other Expenses (Net)	3.25	12.52		15.77
	(2.83)	(12.80)		(15.63)
Deposits Redeemed		-		
		(1.00)		(1.00)
Directors Remuneration *			7.01	7.01
			(5.74)	(5.74)
Dividend Paid	32.14			32.14
	(32.14)			(32.14)
Sale of Investment	312.31			312.31
		-		-
Reimbursement of Expenditure/(Income)	(0.75)	3.91	0.41	3.57
	((0.62))	(1.17)	((0.01))	(0.54)
Dividend/Interest Received	-	10.44	4.21	14.65
	-	(12.02)	(1.40)	(13.42)
Balances Outstanding	Debit	5.05	25.18	-
		(4.28)	(30.08)	-
	Credit	1.88	6.75	11.70
		(1.57)	(2.14)	(12.02)
				(15.73)

\* 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

### Related Parties

#### Promoter

Tata Sons Ltd.

#### Key Management Personnel

Mr. Ajoy Misra - CEO & Managing Director

Mr. L Krishna Kumar - Executive Director & Group CFO

### Associates

Estate Management Services Pvt. Ltd.

Amalgamated Plantations Pvt. Ltd.

Kanan Devan Hills Plantations Co. Pvt. Ltd.

TRIL Constructions Ltd.

### Joint Ventures

NourishCo Beverages Ltd.

Tata Starbucks Pvt. Ltd.

### Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Ltd.

Empirical Group LLC, USA

Southern Tea LLC, USA

Tetley Clover Pvt. Ltd., Pakistan

### Associate of Subsidiary

Bjets Pte. Ltd. Singapore

# Notes to Consolidated

## Financial Statements

**b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type :**

			Rs. in Crores	
			2016	2015
1	Sale of Goods and Services	Southern Tea LLC.	4.30	2.65
		NourishCo Beverages Ltd.	10.18	9.81
		Tetley Clover Pvt. Ltd.	-	8.60
		Tata Starbucks Pvt. Ltd.	3.58	-
2	Other Operating Income	Kanan Devan Hills Plantations Co. Pvt. Ltd.	-	1.09
		NourishCo Beverages Ltd.	0.15	0.16
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	206.89	180.29
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	91.54	93.68
		Southern Tea LLC.	74.03	72.30
4	Rent Paid	Tata Sons Ltd.	-	0.32
		Amalgamated Plantations Pvt. Ltd.	1.35	0.85
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.49	0.49
5	Fees paid for Product Development	NourishCo Beverages Ltd.	3.79	6.91
6	Other Expenses (Net)	Tata Sons Ltd.	12.62	12.80
		Amalgamated Plantations Pvt. Ltd.	3.25	2.83
7	Dividend Paid	Tata Sons Ltd.	32.14	32.14
8	Sale of Investment	Tata Sons Ltd.	312.31	-
9	Reimbursement of Expenses/ (Income)	Amalgamated Plantations Pvt. Ltd.	3.95	1.14
		NourishCo Beverages Ltd.	(0.72)	(0.61)
		Tata Starbucks Pvt. Ltd.	(0.04)	(0.01)
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	(0.04)	0.03
		Tata Sons Ltd.	0.41	(0.01)
10	Deposits Redeemed	Tata Sons Ltd.	-	1.00
11	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	3.67	3.42
		Estate Management Services Pvt. Ltd.	4.34	4.46
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	2.44	4.14
		Tata Sons Ltd.	4.21	1.40

# Notes to Consolidated

## Financial Statements

### 45. Disclosure requirement for Derivatives Instruments

A. The Group uses forward exchange contracts to hedge its exposures in foreign currency. All the derivative contracts entered by the Company were for hedging purposes and not for any speculative purpose.

a) The outstanding forward exchange contracts of foreign currency are:

Type of Contract	Currency Pair	No of Contract	Notional Amount in FCY Mn	Equivalent Amount in Rs Crores *	2016		2015					
					No of Contract	Notional Amount in FCY Mn	Equivalent Amount in Rs Crores *	No of Contract				
<b>Forward Contracts Outstanding</b>												
i)	Exports	GBP / EUR	1	0.74	5.58	2	1.10	7.39				
		GBP / CAD	16	25.27	129.45	-	-	-				
		USD / INR	188	28.95	191.79	184	32.30	201.86				
		AUD / INR	35	6.05	30.83	62	9.20	43.72				
		EUR / INR	1	0.10	0.64							
ii)	Payables	GBP / USD	12	20.99	139.06	25	35.70	223.11				
		USD / RUB	34	5.30	35.11	23	4.55	28.44				
iii)	Loans given	GBP / USD	7	80.93	536.15	8	93.83	586.37				
iv)	Loan to subsidiary	GBP / USD	5	60.67	401.95	6	55.57	347.31				
v)	Loan from subsidiary	USD / RUB	1	4.35	28.82							
vi)	Receivables from Subsidiary	GBP / PLN	1	16.00	28.32	1	12.80	21.03				
		GBP / CZK	1	64.89	18.09	2	160.11	39.11				
		GBP / AUD	1	13.30	67.78	2	6.10	28.99				
		GBP / CAD	3	3.73	19.13	1	1.50	7.35				
		GBP / USD	1	9.63	63.83	1	9.40	58.75				
		GBP / RUB	1	94.42	9.34	-	-	-				

\* converted at the year exchange rates

b) The foreign currency exposures not hedged as at the year end are as under :

		Currency Pair	Foreign Currency in Mn	Equivalent Amount in Rs Crores *	2016		2015	
					Foreign Currency in Mn	Equivalent Amount in Rs Crores *	Foreign Currency in Mn	Equivalent Amount in Rs Crores *
a)	Amounts receivable in foreign currency	USD/INR	1.76	11.67	9.57	59.81		
		USD/RUB	0.07	0.48	2.21	13.80		
		EUR/INR	0.52	3.93	0.11	0.71		
b)	Amounts payable in foreign currency	USD/INR	1.63	10.81	1.88	11.74		
c)	Outstanding Loan in Foreign Currency ^	USD/INR	3.13	20.71	14.60	91.22		

\* converted at the year exchange rates

^ This includes Long Term Borrowing of **USD 3.13 mn** (PY - USD 5.63 mn)

# Notes to Consolidated

## Financial Statements

**B. Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:**

Details of Borrowings	Currency	2016		2015	
		Foreign Currency	Equivalent Amount in in Mn Rs Crores *	Foreign Currency	Equivalent Amount in in Mn Rs Crores *
Senior Debts / External Commercial Borrowings **	USD	48.13	318.88	53.13	332.01

\* converted at the year exchange rates

\*\* to the extent of swap entered

**C. Outstanding position of various commodity derivatives financial instruments.**

Commodity	Futures & Options	2016		2015	
		Notional Value in USD Mn	Equivalent Amount in Rs Crores *	Notional Value in USD Mn	Equivalent Amount in Rs Crores *
a) Coffee	Futures	18.19	120.55	9.06	56.64
b) Coffee	Options	4.46	29.55	14.44	90.26

\* converted at the year exchange rates

## 46. Consolidated Segment Reporting

**a) By Business Segments:**

Particulars	Tea	Coffee and Other Produce	Others	Unallocated	Total	Rs. in Crores
Sales Revenue from External Customers	5870.79	2002.03	108.88		7981.70	
	(5824.92)	(1909.78)	(97.97)	-	(7832.67)	
Other Operating Revenue	60.64	66.22	1.95	-	128.81	
	(55.32)	(100.55)	(4.85)	-	(160.72)	
Total Segment Revenue	5931.43	2068.25	110.83	-	8110.51	
	(5880.24)	(2010.33)	(102.82)	-	(7993.39)	
Add : Other Income	-	-	-	70.60	70.60	
				(69.98)	(69.98)	
Total Income	5931.43	2068.25	110.83	70.60	8181.11	
	(5880.24)	(2010.33)	(102.82)	(69.98)	(8063.37)	
Segment result	580.05	214.40	(41.42)	-	753.03	
	(614.97)	(264.38)	((44.26))	-	(835.09)	
Add : Other Income	-	-	-	70.60	70.60	
	-	-	-	(69.98)	(69.98)	
Add : Unallocable (expenditure) net of income	-	-	-	(221.30)	(221.30)	
	-	-	-	((193.34))	((193.34))	
Less: Finance Cost	-	-	-	(68.77)	(68.77)	
				((81.86))	((81.86))	

# Notes to Consolidated

## Financial Statements

Rs. in Crores

Particulars	Tea	Coffee and Other Produce	Others	Unallocated	Total
Profit before Exceptional Items and Taxes	580.05	214.40	(41.42)	(219.47)	533.56
	(614.97)	(264.38)	((44.26))	((205.22))	(629.87)
Exceptional Income / (Expenditure)	-	-	-	11.88	11.88
				((129.99))	((129.99))
Profit before Tax	580.05	214.40	(41.42)	(207.59)	545.44
	(614.97)	(264.38)	((44.26))	((335.21))	(499.88)
Provision for Taxation	-	-	-	(210.40)	(210.40)
				((215.52))	((215.52))
Profit after Taxation before Share of Results of Associates and Minority Interest	580.05	214.40	(41.42)	(417.99)	335.04
	(614.97)	(264.38)	((44.26))	((550.73))	(284.36)
Share of Results of Associates	-	-	-	(1.41)	(1.41)
				((10.88))	((10.88))
Profit after Taxation before Minority Interest	580.05	214.40	(41.42)	(419.40)	333.63
	(614.97)	(264.38)	((44.26))	((561.61))	(273.48)
Segment Assets	4864.74	2748.18	59.29	-	7672.21
	(4766.75)	(2694.44)	(72.50)	-	(7533.69)
Investments	-	-	-	609.16	609.16
				(622.02)	(622.02)
Unallocated Assets	-	-	-	1336.37	1336.37
				(1356.12)	(1356.12)
Total Assets	4864.74	2748.18	59.29	1945.53	9617.74
	(4766.75)	(2694.44)	(72.50)	(1978.14)	(9511.83)
Segment Liabilities	881.98	301.49	27.18	-	1210.65
	(802.31)	(325.77)	(17.85)	-	(1145.93)
Unallocated liabilities	-	-	-	1807.48	1807.48
				(1996.90)	(1996.90)
Total Liabilities	881.98	301.49	27.18	1807.48	3018.13
	(802.31)	(325.77)	(17.85)	(1996.90)	(3142.83)
Capital Expenditure	85.82	80.80	0.09	-	166.71
	(111.03)	(170.74)	(4.81)	-	(286.58)
Depreciation & Amortisation	64.39	76.37	2.24	-	143.00
	(66.74)	(64.77)	(1.60)	-	(133.11)
Non Cash Expenditure other than depreciation and amortisation	3.13	5.83	0.12	-	9.08
	(0.65)	(1.04)	(0.00)	-	(1.69)

# Notes to Consolidated

## Financial Statements

### b) By Geographical Segments:

	India	UK	USA & Canada	Rest of the World	Rs in Crores Total
Sales Revenue	3137.12	1386.34	2035.14	1423.10	7981.70
	(2959.66)	(1443.55)	(1929.84)	(1499.62)	(7832.67)
Segment Assets	2193.28	2753.09	2381.97	343.87	7672.21
	(1998.14)	(2858.13)	(2269.51)	(407.91)	(7533.69)
Purchase of Fixed Assets	77.21	28.60	50.59	10.31	166.71
	(104.09)	(95.59)	(51.37)	(35.52)	(286.58)

#### Notes:

- a. Business Segments: The internal business segmentation and the activities encompassed therein are as follows:  
 Tea : Cultivation, manufacture, blending and sale of tea in packet, bulk or value added forms  
 Coffee and Other Produce : Cultivation of coffee and related plantation crops and sale of coffee in various value added forms  
 Others : Sale of water products and other businesses
- b. Geographical segments : Sales Revenue is on the basis of the geographical location of the customers.  
 Carrying value of segment assets is based on geographical location of assets
- c. The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditures includes expenses incurred on common services at the corporate level and exceptional items. Unallocable Income includes income from investments and exceptional items.
- d. Pricing of inter segment transfers are based on benchmark market prices.

**47.** Additional information, as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiary/ Associates/Joint Ventures (Refer Note 2b(i)).

Name of the Entity	Net Assets		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)
<b>Parent</b>				
Tata Global Beverages Limited	50.64%	2895.90	172.95%	563.67
<b>Subsidiaries</b>				
<b>Indian</b>				
1 Tata Coffee Ltd.	13.25%	757.79	31.45%	102.50
2 Tata Tea Holdings Pvt. Ltd.	0.00%	0.00	0.00%	(0.00)
<b>Foreign</b>				
1 Consolidated Coffee Inc. (Consolidated Financials)	10.14%	579.83	24.69%	80.46
2 Tata Tea Extractions Inc.	5.28%	301.99	4.55%	14.82
3 Zhejiang Tata Tea Extraction Company Ltd.	-0.42%	(24.16)	-7.54%	(24.58)
4 Tata Global Beverages Capital Ltd.	15.18%	868.30	4.24%	13.82

# Notes to Consolidated

## Financial Statements

Name of the Entity	Net Assets		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)
5 Tata Global Beverages Group Ltd.	38.87%	2223.23	10.98%	35.77
6 Tata Global Beverages Holdings Ltd.	29.13%	1666.18	9.43%	30.74
7 Tata Global Beverages Services Ltd.	57.50%	3288.22	-8.61%	(28.06)
8 Tata Global Beverages GB Ltd.	35.01%	2002.28	25.81%	84.13
9 Tata Global Beverages Overseas Holdings Ltd.	-1.21%	(68.99)	-2.05%	(6.67)
10 Tata Global Beverages Overseas Ltd.	0.01%	0.57	-0.01%	(0.02)
11 Lyons Tetley Ltd.	-	-	-	-
12 Drassington Ltd.	-	-	0.00%	0.00
13 Teapigs Ltd.	1.35%	77.05	3.25%	10.59
14 Teapigs US LLC	-0.03%	(1.94)	-0.08%	(0.26)
15 Stansand Ltd.	-	-	-	-
16 Stansand (Brokers) Ltd.	-	-	-	-
17 Stansand (Africa) Ltd.	0.15%	8.72	1.10%	3.59
18 Stansand (Central Africa) Ltd.	0.03%	1.88	0.48%	1.58
19 Joekels Tea Packers (Proprietary) Ltd.	0.21%	12.12	0.94%	3.06
20 Tata Global Beverages Polska sp.zo.o	-0.59%	(33.65)	-4.33%	(14.11)
21 Tata Global Beverages Czech Republic a.s.	0.00%	0.22	-2.02%	(6.59)
22 Tata Global Beverages US Holdings Inc.	7.09%	405.25	-0.74%	(2.41)
23 Tetley USA Inc.	5.00%	286.15	0.66%	2.14
24 Good Earth Corporation.	-0.11%	(6.17)	-0.08%	(0.27)
25 Good Earth Teas Inc.	0.23%	13.18	-4.62%	(15.05)
26 Tata Global Beverages Canada Inc.	1.56%	89.09	2.96%	9.65
27 Tata Global Beverages Australia Pty Ltd.	0.29%	16.36	1.19%	3.89
28 Earth Rules Pty Ltd.	-0.49%	(28.20)	-8.35%	(27.22)
29 Tata Global Beverages Investments Ltd.	66.34%	3793.67	20.78%	67.71
30 Campestres Holdings Ltd.	0.66%	37.85	-29.68%	(96.73)
31 Kahutara Holdings Ltd.	0.66%	37.80	-44.97%	(146.55)
32 Suntyco Holding Ltd. (Consolidated Financials)	-0.25%	(14.04)	-9.58%	(31.21)
Minorities in all Subsidiaries	-15.40%	(880.69)	-2.37%	(7.72)

### Associates

Indian				
1 Amalgamated Plantations Pvt. Ltd.	1.21%	69.31	-1.94%	(6.34)
2 Kanan Devan Hills Plantations Co. Pvt. Ltd.	-0.03%	(1.62)	-1.62%	(5.27)
3 TRIL Constructions Ltd.	-0.01%	(0.62)	-0.02%	(0.06)
Foreign				
Estate Management Services Pvt. Ltd.	0.27%	15.69	3.15%	10.26

# Notes to Consolidated

## Financial Statements

Name of the Entity	Net Assets		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)
<b>Joint Ventures</b>				
<b>Indian</b>				
1 NourishCo Beverages Ltd.	0.10%	5.62	-4.91%	(16.00)
2 Tata Starbucks Pvt. Ltd.	1.77%	101.19	-6.16%	(20.07)
<b>Foreign</b>				
1 Empirical Group LLC	0.23%	12.96	6.78%	22.09
2 Southern Tea LLC	0.71%	40.89	1.15%	3.74
3 Tetley ACI (Bangladesh) Ltd.	-0.02%	(0.96)	-0.65%	(2.12)
4 Tetley Clover (Pvt.) Ltd.	0.01%	0.54	-1.01%	(3.30)
Consolidation Eliminations/adjustments	-224.34%	(12829.87)	-85.20%	(277.69)
<b>Total</b>		<b>5718.92</b>		<b>325.91</b>

### 48. Post Retirement Employee Benefits :

- The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these 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. An amount of **Rs 38.89 Crores** (Rs 37.10 Crores) has been charged to the statement of profit and loss on account of defined contribution schemes.
- The Group also operates defined benefit schemes like retirement gratuity, superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are 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 ("Others"). The defined benefit schemes 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 has substantial international operations with approximately 60% of its revenues coming from overseas operations. For the purposes of consolidated financial statements, actuarial gains and losses relating to defined benefit pension scheme of overseas subsidiaries has been accounted for in the Reserves instead of the statement of profit and loss, applying the accounting principles of consolidation under Accounting Standard 21 and the policy followed by the overseas subsidiaries and as recognised by the relevant overseas accounting framework. Adoption of the above policy is required to reflect a consistent framework amenable for better inter-firm comparison and to reflect the underlying performance. Further, the current policy is consistent with IND-AS 19 – Employee Benefits (mandatorily applicable from April 1, 2016) wherein, the actuarial gains and losses on defined benefit plans are not required to be recognised in the Statement of Profit and Loss.

# Notes to Consolidated

## Financial Statements

Overseas actuarial gains/losses principally relate to a defined benefit retirement scheme of an overseas subsidiary which is closed for future accruals. These gains/ losses represent increase in the value of future long term payment obligations due to changes in interest rates and other actuarial assumptions based on the market position as at the year end. The actuarial assumptions are subject to significant fluctuations especially under volatile market conditions. Had the company followed the policy of accounting overseas actuarial gain/(loss) in the statement of profit and loss, the profit before tax, profit after tax before shares of results of Associate & Minority Interest and profit after tax would have been lower by **Rs. 53.15 Crores** (Rs 58.67 Crores), **Rs. 42.61 Crores** (Rs 48.11 Crores) and **Rs. 37.77 Crores** (Rs 42.65 Crores) respectively.

- d. The following tables set out the details of funded and un-funded retirement benefit plans and amounts recognised in the financial statements :
  - i. Amounts recognised in the Statement of Profit and Loss and charged to Contribution to Provident Fund and Other Funds, Staff Welfare as follows:

	Rs in Crores							
	Pension		Gratuity		Medical		Others	
	2016	2015	2016	2015	2016	2015	2016	2015
Current Service Cost	-	-	5.56	4.55	1.52	1.85	3.01	2.17
Interest on obligation	44.36	50.67	6.79	6.62	3.29	3.66	3.51	3.43
Expected Return on plan assets	(47.00)	(52.34)	(5.72)	(5.59)	-	-	-	-
Net actuarial loss/ (gain) recognised during the year	(0.25)	0.16	6.30	4.08	2.19	(4.21)	6.65	3.15
Effects of the limit in Para 59(b) of AS-15	(0.27)	(0.09)	-	(0.01)	0.90	-	-	-
<b>Total recognised in statement of profit and loss</b>	<b>(3.16)</b>	<b>(1.60)</b>	<b>12.93</b>	<b>9.65</b>	<b>7.90</b>	<b>1.30</b>	<b>13.16</b>	<b>8.75</b>

- ii. Reconciliation of opening and closing balances of the present value of the obligations:

	Rs in Crores							
	Pension		Gratuity		Medical		Others	
	2016	2015	2016	2015	2016	2015	2016	2015
Opening defined benefit obligation	1281.79	1178.84	86.88	77.67	40.27	40.22	56.70	51.27
Current Service Cost	-	-	5.58	4.55	1.52	1.85	3.01	2.17
Interest Cost	44.36	50.67	6.79	6.62	3.29	3.66	3.51	3.43
Actuarial loss/ (gain)	(16.23)	188.15	5.72	4.32	2.19	(4.21)	6.65	3.15
Liabilities assumed on Acquisition / (settled on Divestiture) etc.	-	-	-	(0.62)	0.90	-	-	-
Exchange Rate Variation	43.44	(99.24)	-	-	-	-	-	-
Benefit Paid	(41.56)	(36.63)	(8.08)	(5.66)	(1.03)	(1.25)	(4.31)	(3.32)
<b>Closing Defined Benefit Obligation</b>	<b>1311.80</b>	<b>1281.79</b>	<b>96.91</b>	<b>86.88</b>	<b>47.14</b>	<b>40.27</b>	<b>65.56</b>	<b>56.70</b>

# Notes to Consolidated

## Financial Statements

iii) Reconciliation of opening and closing balances of the fair value of plan assets:

	Rs in Crores			
	Pension		Gratuity	
	2016	2015	2016	2015
Opening fair value of Plan Assets	1111.31	1051.20	77.53	69.17
Expected Return on plan assets	47.00	52.34	5.72	5.59
Actuarial gain/ (loss)	(69.13)	129.32	(0.58)	0.24
Asset distributed on settlement	-	-	-	-
Contribution/ (Withdrawal) by employer	34.40	-	8.74	8.89
Assets acquired on Acquisition / (settled on Divestiture)	(1.00)	-	-	(0.70)
Exchange Rate Variation	38.70	(85.34)	-	-
Benefits Paid	(41.17)	(36.21)	(7.84)	(5.66)
<b>Closing Fair value of Plan Assets</b>	<b>1120.11</b>	<b>1111.31</b>	<b>83.56</b>	<b>77.53</b>
<b>Actual Return on Plan Assets</b>	<b>(22.12)</b>	<b>181.66</b>	<b>5.14</b>	<b>5.83</b>

iv. Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2016	2015
Govt of India Securities	0.14%	0.18%
Equity	32.61%	35.07%
Bonds	50.12%	49.77%
Insurance managed Funds	7.46%	7.14%
Property	8.07%	7.29%
Others	1.60%	0.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

v. Effect of increase/ decrease of one percentage point in the assumed medical inflation rates:

	Rs in Crores			
	Increase		Decrease	
	2016	2015	2016	2015
Effect on aggregate of interest cost and current service cost	2.77	1.58	(2.19)	(1.98)
Effect on defined benefit obligation	5.85	4.47	(4.68)	(4.01)

# Notes to Consolidated

## Financial Statements

vi. Principal Actuarial assumptions used:

	2016	2015
Discount rates	8.05% / 7.90% / 7.80% / 7.60% / 3.40%	8.00% / 9.30% / 9.00% / 3.40%
Expected rate of return on plan assets	7.50% / 8.00%	7.50% / 8.85%
Medical inflation rate	8.00%	8.00%
Mortality rates	LIC 1994-96 mortality tables/ other approved norms for overseas schemes	LIC 1994-96 mortality tables/ other approved norms for overseas schemes

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Group for the year ending March 31, 2017 is not readily ascertainable.

vii. Amounts recognised in the Balance Sheet are as follows:

Particulars	Rs in Crores									
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Present value of funded obligation	1307.91	1277.64	1174.42	957.88	846.28	96.91	86.88	77.67	68.34	56.18
Fair Value of Plan Assets	1120.11	1111.31	1051.20	810.42	694.65	83.56	77.52	69.17	56.37	46.46
	187.80	166.33	123.22	147.46	151.63	13.35	9.36	8.50	11.97	9.72
Present Value of Unfunded Obligation	3.89	4.15	4.42	4.63	5.91	-	-	-	0.03	-
Amount not recognized as an asset (limit in Para 59 (b) of AS-15)	0.42	0.69	0.77	0.66	0.71	-	-	0.02	-	-
Contribution adjustment	(0.99)	-	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>191.12</b>	<b>171.17</b>	<b>128.41</b>	<b>152.75</b>	<b>158.25</b>	<b>13.35</b>	<b>9.36</b>	<b>8.52</b>	<b>12.00</b>	<b>9.72</b>

# Notes to Consolidated

## Financial Statements

Particulars	Medical					Others				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	
Present value of funded obligation	-	-	-	-	-	-	-	-	-	
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Present Value of Unfunded Obligation	<b>47.14</b>	40.27	40.22	41.94	37.78	<b>65.56</b>	56.70	51.27	38.89	
Amount not recognized as an asset (limit in Para 59 (b) of AS -15)	-	-	-	-	-	-	-	-	-	
<b>Net Liability</b>	<b>47.14</b>	<b>40.27</b>	<b>40.22</b>	<b>41.94</b>	<b>37.78</b>	<b>65.56</b>	<b>56.70</b>	<b>51.27</b>	<b>38.89</b>	

**49.** Unless otherwise stated, figures in brackets relate to the previous year and have been rearranged / regrouped, wherever necessary.

### For Lovelock & Lewes

Firm Registration No. 301056E  
Chartered Accountants

### Dibyendu Majumder

Partner  
Membership No. 057687  
Mumbai  
24<sup>th</sup> May, 2016

### Cyrus P Mistry

Chairman  
L Krishnakumar  
Executive Director  
V Leeladhar  
Director  
John Jacob  
Chief Financial Officer

### Ajoy Misra

Managing Director  
Harish Bhat  
Director  
Darius Pandole  
Director  
V Madan  
Company Secretary

**STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARIES/ASSOCIATES COMPANIES / JOINT VENTURES**

**Part "A": Subsidiaries**

SL No	Name of the Subsidiary	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 4)	Share Capital	Reserves & 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
1	Tata Global Beverages Group Ltd.	GBP	95.47	2244.17	7.31	8039.09	5787.61	7388.61	-	47.58	12.38	59.96	-	88.65	98.28
2	Tata Global Beverages Holdings Ltd.	GBP	95.47	0.00	1666.18	1809.22	143.04	1702.10	-	23.49	-	100.00	-	100.00	98.28
3	Tata Global Beverages Services Ltd.	GBP	95.47	1.53	3297.17	4962.44	1663.74	-	197.25	3.11	(6.59)	(34.8)	-	100.00	98.28
4	Tata Global Beverages GB Ltd.	GBP	95.47	-	1722.21	2811.70	1089.50	9.55	1354.10	7.75	(16.24)	(8.48)	-	100.00	98.28
5	Tata Global Beverages Overseas Holdings Ltd.	GBP	95.47	-	(423.00)	460.44	883.44	326.14	-	(373.22)	2.09	(371.13)	-	100.00	98.28
6	Tata Global Beverages Overseas Ltd.	GBP	95.47	-	(17.42)	63.97	81.39	-	-	0.33	0.06	0.39	-	100.00	98.28
7	Lyons Tetley Limited (Dormant)	GBP	95.47	0.19	-	0.19	-	-	-	-	-	-	-	100.00	98.28
8	Drassington Ltd.	GBP	95.47	18.67	(18.67)	-	-	-	-	-	-	-	-	100.00	98.28
9	Teapigs Ltd.	GBP	95.47	9.55	31.88	95.00	53.58	0.00	99.24	20.02	(4.01)	16.01	-	100.00	98.28
10	Teapigs US LLC	USD	66.25	-	(1.94)	5.23	7.17	-	8.17	(0.26)	-	(0.26)	-	100.00	65.32
11	Stansand Ltd. (Dormant)	GBP	95.47	0.05	-	0.05	-	-	-	-	-	-	-	100.00	98.28
12	Stansand Brokers Ltd. (Dormant)	GBP	95.47	0.30	-	0.30	-	-	-	-	-	-	-	100.00	98.28
13	Stansand (Africa) Ltd.	KES	0.65	0.03	8.74	35.26	26.48	-	166.39	5.30	(1.69)	3.61	-	100.00	0.65
14	Stansand (Central Africa) Ltd.	MWK	0.10	0.00	0.59	2.24	1.35	-	48.46	1.80	(0.57)	1.24	-	100.00	0.12
15	Joekels Tea Packers (Proprietary) Ltd.	SAR	4.50	0.00	12.06	33.71	21.65	-	95.70	3.33	(1.00)	2.33	-	51.00	4.82
16	Tata Global Beverages Polska sp.z.o.o.	PLN	17.70	77.63	(118.63)	23.69	64.69	-	55.95	(13.50)	-	(13.50)	-	100.00	17.01
17	Tata Global Beverages Czech Republic a.s	CZK	2.79	0.56	(4.67)	27.24	31.36	-	53.99	(6.45)	-	(6.45)	-	100.00	2.64
18	Tata Global Beverages US Holdings Inc	USD	66.25	443.89	(38.66)	602.48	197.24	598.05	-	(2.36)	-	(2.36)	-	100.00	63.32
19	Tetley USA Inc.	USD	66.25	904.34	(618.17)	319.34	33.18	18.73	130.85	2.39	(0.05)	2.35	-	100.00	65.32
20	Good Earth Corporation	USD	66.25	-	(6.17)	0.11	6.27	-	(0.27)	-	(0.27)	-	-	100.00	65.32
21	Good Earth Teas Inc.	USD	66.25	119.85	(106.66)	29.26	16.08	14.99	38.27	(14.94)	-	(14.94)	-	100.00	65.32
22	Tata Global Beverages Canada Inc	CAD	51.23	7.69	80.61	155.97	67.58	-	361.63	12.18	(2.51)	9.67	-	100.00	49.87
23	Tata Global Beverages Australia Pty Ltd.	AUD	50.96	60.13	(42.83)	118.62	101.32	-	141.12	5.61	(1.68)	3.93	-	100.00	47.92
24	Earth Rutes Pty Ltd.	AUD	50.96	75.61	(103.80)	58.44	86.63	-	85.25	(26.95)	-	(26.95)	-	100.00	47.92
25	Tata Global Beverages Investment Ltd. (Refer Note 3)	GBP	95.47	2231.50	1468.36	3703.21	3.35	25.09	-	33.88	(24.46)	9.42	-	100.00	97.88
26	Camprestes Holdings Ltd.	USD	66.25	0.02	8.37	8.88	0.49	-	(30.77)	-	(30.77)	-	-	100.00	65.32
27	Kahutare Holdings Ltd.	USD	66.25	0.13	(81.94)	47.53	129.33	46.89	-	(125.35)	0.00	(125.35)	-	65.00	65.32
28	Suntoryco Holdings Ltd.	USD	66.25	0.46	51.11	51.95	0.39	48.42	-	(0.10)	0.20	0.10	-	100.00	65.32
29	Onomento Co Ltd	USD	66.25	0.05	14.09	14.27	0.13	-	2.58	2.46	-	2.46	-	100.00	65.32
30	OOO Sunty LLC (Refer Note 1)	RUR	0.90	10.10	(28.63)	90.24	108.77	-	282.88	(24.51)	(7.54)	(32.05)	-	100.00	1.08
31	OOO Teatrade LLC (Refer Note 1)	RUR	0.90	0.00	2.17	35.65	33.48	-	154.41	0.18	(0.13)	0.05	-	100.00	1.08
32	Tata Global Beverages Capital Ltd	GBP	95.47	855.44	12.68	1588.52	720.40	1524.11	-	8.30	5.60	13.90	-	100.00	98.28
33	Tata Co ee Ltd	INR	-	18.68	739.11	1054.16	296.37	215.99	718.18	141.97	(39.47)	102.50	24.28	57.48	-
34	Consolidated Co ee Inc.	USD	66.25	396.84	(51.91)	403.65	58.72	-	306.84	46.84	0.73	47.56	-	100.00	65.32
35	Eight O'Clock Holdings Inc.	USD	66.25	396.84	(0.47)	397.11	0.75	396.84	-	48.72	0.09	48.81	-	100.00	65.32
36	Eight O'Clock Co ee Inc.	USD	66.25	396.84	104.92	161.25	1110.80	-	389.90	114.40	(36.26)	78.14	-	100.00	65.32
37	Tata Tea Extractions Inc.	USD	66.25	92.75	209.24	333.77	31.79	288.68	94.24	20.68	(5.79)	14.89	-	100.00	65.32
38	Zhejiang Tata Tea Extraction Company Ltd. (Refer Note 1)	CNH	10.19	56.04	(100.46)	70.13	114.54	0.01	0.01	-	(0.00)	(0.00)	-	81.46	10.22
39	Tata Tea Holdings Private Ltd. (Refer Note 1)	INR	-	0.05	(0.05)	-	-	-	-	-	-	-	-	100.00	-

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Note:

- Reporting period for all subsidiaries are 31.03.2016 except for OOO Sunty LLC, OOO Teatrade LLC and Zhejiang Tata Tea Extraction Company Ltd - 31.12.2015.
- % of shareholding is based on voting power held by the immediate parent.
- Financial year is of eighteen months as the entity has changed its financial year end from September to March during the year.
- Balance sheet items have been translated at the exchange rate as on the last day of relevant financial year.
- The numbers reported above are based on individual financial statements prepared under local GAAP.
- Above list does not include RBC HoldCo LLC which was dissolved during the year 2015-16. The assets held by the said entity amounting to Rs 0.83 Crores is pending distribution subject to completion of regulatory formalities.

**STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARIES/ASSOCIATES COMPANIES / JOINT VENTURES**

**Part "B" : Associates and Joint Ventures**

<b>Sl No.</b>	<b>Name of Associates/ Joint Ventures</b>	<b>Amalgamated Plantation Private Limited</b>	<b>Kanan Devan Hill Plantations Limited</b>	<b>TRIL Construction Limited</b>	<b>Estate Management Services Private Limited</b>	<b>Tetley Clover (Private) Limited</b>	<b>Tetley ACI (Bangladesh) Limited</b>	<b>Empirical Group, LLC</b>	<b>Southern Tea, LLC</b>	<b>NourishCo Beverages Limited</b>	<b>Tata Starbucks Private Limited</b>
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	<b>31.03.2016</b>	<b>31.03.2016</b>	<b>31.03.2016</b>	<b>31.03.2016</b>	<b>31.03.2016</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>31.03.2016</b>
<b>2</b>	<b>Shares of Associate /Joint Ventures held by the company on the year-end</b>										
	<b>Equity Shares</b>										
	i) Number	61024400	397563	11748148	12078406	43750000	2000000	Membership Interest-56%	Membership Interest-50%	90500000	17800000
	ii) Amount of Investment in Associates/Joint Venture (Rs in Crores)	61.02	12.33	11.75	14.57	32.57	22.16	-	33.74	90.50	178.00
	iii) Extent of Holdings	41.03%	28.52%	32.50%	31.85%	50%	50%	56%	50%	50%	50%
	<b>Preference Shares</b>										
	i) Number	67000000	-	66751852	-	300000	-	-	-	-	-
	ii) Amount of Investment in Associates/Joint Venture (Rs in Crores)	67.00	-	66.75	-	2.74	-	-	-	-	-
<b>3</b>	<b>Description of how there is significant influence</b>	<b>Shareholding</b>	<b>Shareholding</b>	<b>Shareholding</b>	<b>Shareholding</b>	<b>Joint Venture Agreement</b>	<b>Joint Venture Agreement</b>	<b>Joint Venture Agreement</b>	<b>Joint Venture Agreement</b>	<b>Joint Venture Agreement</b>	<b>Joint Venture Agreement</b>
<b>4</b>	<b>Reason why the associate/joint venture is not consolidated</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>5</b>	<b>Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crs)</b>	<b>128.20</b>	<b>21.90</b>	<b>50.17</b>	<b>62.18</b>	<b>1.92</b>	<b>(4.64)</b>	<b>12.96</b>	<b>39.99</b>	<b>5.62</b>	<b>101.20</b>
<b>6</b>	<b>Profit / (Loss) for the year*</b>										
i	Considered in Consolidated** (Rs in Crores)	(9.61)	(5.58)	(0.06)	10.26	(3.30)	(2.12)	22.09	3.74	(16.00)	(20.08)
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 31.03.2016, for consolidation purposes.

\*\* Represents Group's share of profit/(loss)  
① redeemable preference shares.

**TATA GLOBAL BEVERAGES LIMITED**

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020

Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tbl.com Website address – www.tataglobalbeverages.com

**ATTENDENCE SLIP**

(To be presented at the entrance)

I hereby record my presence at the 53<sup>rd</sup> Annual General Meeting on Wednesday, 24<sup>th</sup> August 2016 at 10.30 a.m. at the Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 020

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

**TATA GLOBAL BEVERAGES LIMITED**

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020

Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tbl.com Website address – www.tataglobalbeverages.com

**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 -----shares of Tata Global Beverages Limited, hereby appoint

1. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him \_\_\_\_\_

2. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him \_\_\_\_\_

3. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us , and on my /our behalf at the fifty third Annual General Meeting of the Company to be held on Wednesday, 24<sup>th</sup> August 2016 at 10.30 a.m. at the Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt:
  - (a) the audited financial statements for the financial year ended 31<sup>st</sup> March 2016, together with the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2016 together with the report of the Auditors thereon.
2. Declaration of dividend
3. Re-appointment of Mr. Cyrus P. Mistry as Director.
4. Ratification of appointment of auditors
5. Remuneration of cost auditors
6. Issue of Non Convertible Debentures on private placement basis

A'x  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

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.**



To,  
TSR Darashaw Limited  
Unit: Tata Global Beverages Limited  
6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

**Updation of Shareholder Information**

I / We request you to record the following information against my / our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / beneficiary account.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Sole / First holder



# Corporate Information

## BOARD OF DIRECTORS

Cyrus P. Mistry (Chairman)  
Mallika Srinivasan (Mrs.)  
Analjit Singh  
V. Leeladhar  
Ranjana Kumar (Mrs.)  
Darius Pandole  
S. Santhanakrishnan  
Ireema Vittal (Mrs.)  
Harish Bhat  
Ajoy Misra, Chief Executive Officer & Managing Director  
L. KrishnaKumar, Executive Director & Group Chief Financial Officer  
V. Madan, Vice President and Company Secretary

## BOARD COMMITTEES

### Audit Committee

V. Leeladhar (Chairman)  
Ranjana Kumar (Mrs.)  
Darius Pandole  
S. Santhanakrishnan  
Ireema Vittal (Mrs.)  
Harish Bhat

### Nomination and Remuneration Committee

Ranjana Kumar (Mrs.) (Chairperson)  
Cyrus P. Mistry  
V. Leeladhar  
Darius Pandole  
Harish Bhat

### Stakeholder Relationship Committee

V. Leeladhar (Chairman)  
S. Santhanakrishnan  
L. KrishnaKumar

### Executive Committee

Cyrus P. Mistry (Chairman)  
Harish Bhat  
Ireema Vittal (Mrs.)  
Ajoy Misra  
L. KrishnaKumar

### Corporate Social Responsibility Committee

Ranjana Kumar (Mrs.) (Chairperson)  
V. Leeladhar  
S. Santhanakrishnan  
Ajoy Misra  
Prof. S. Parasuraman (Expert Member)

### Ethics and Compliance Committee

V. Leeladhar (Chairman)  
Ranjana Kumar (Mrs.)  
Ajoy Misra

## REGISTERED OFFICE

1, Bishop Lefroy Road, Kolkata - 700 020  
Telephone : 033-22813779/3891/4422/4747/66053400  
Fax : 033-22811199  
Website : [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

## SOLICITORS AND LEGAL ADVISERS

AZB Partners  
Cyril Amarchand Mangaldas  
Dua Associates  
Khaitan & Co.  
Orr Dignam & Co.  
Veritas Legal

## AUDITORS

Lovelock & Lewes

## REGISTRARS

Equity Shares and Fixed Deposits

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](http://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  
Citibank N.A  
Coöperatieve Centrale Raiffeisen  
Boerenleenbank B.A. ( RABO BANK )  
Deutsche Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
State Bank of India  
State Bank of Travancore  
The Hongkong and Shanghai  
Banking Corporation Limited  
The Royal Bank of Scotland N.V.  
YES Bank Limited



## TATA GLOBAL BEVERAGES



TATA WATER PLUS



teapigs.



**Tata Global Beverages Limited**

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