TATA GLOBAL BEVERAGES

Annual Report 2017-18

TATA

TATA TEA 1868,
A SPECIALLY CURATED
RANGE OF TEAS, TO
CELEBRATE 150 YEARS
OF TATA GROUP, DEBUTED
AT WORLD ECONOMIC
FORUM 2018, DAVOS







MILESTONE MOMENTS

TATA STARBUCKS OPENS 100TH STORE IN INDIA



HIMALAYAN SPARKLING ELEVATES THE FINE-DINE EXPERIENCE







JAAGO RE 2.0 SUBMITS 1.8 MILLION PETITIONS TO HRD MINISTER ON WOMEN'S SAFETY AND SPORTS CULTURE

Corporate Information

BOARD OF DIRECTORS

N. Chandrasekaran (w.e.f. July 3, 2017) (Chairman)

Mallika Srinivasan (Mrs.)

V. Leeladhar

Ranjana Kumar (Mrs.)

S. Santhanakrishnan

Ireena Vittal (Mrs.)

Siraj Azmat Chaudhry (w.e.f. July 3, 2017)

Harish Bhat

Ajoy Misra, Managing Director & Chief Executive Officer

L. Krishnakumar, Executive Director & Group CFO

V. Madan, Vice President and Company Secretary

BOARD COMMITTEES

AUDIT COMMITTEE

V. Leeladhar (Chairman)

Ranjana Kumar (Mrs.)

S. Santhanakrishnan

Ireena Vittal (Mrs.)

Harish Bhat (w.e.f. March 21, 2018)

Siraj Azmat Chaudhry (w.e.f. March 21. 2018)

NOMINATION AND REMUNERATION COMMITTEE

Ranjana Kumar (Mrs.) (Chairperson)

N. Chandrasekaran (w.e.f. July 3, 2017)

V. Leeladhar

Harish Bhat

STAKEHOLDER RELATIONSHIP COMMITTEE

V. Leeladhar (Chairman)

S. Santhanakrishnan

L. Krishnakumar

ETHICS AND COMPLIANCE COMMITTEE

V. Leeladhar (Chairman)

Ranjana Kumar (Mrs.)

Ajoy Misra

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ranjana Kumar (Mrs.) (Chairperson)

V. Leeladhar

S. Santhanakrishnan

Ajoy Misra

EXECUTIVE COMMITTEE

Harish Bhat (Chairman)

Ireena Vittal (Mrs.)

Ajoy Misra

L. Krishnakumar

RISK MANAGEMENT COMMITTEE

V. Leeladhar (Chairman)

Ranjana Kumar (Mrs.)

S. Santhanakrishnan

Ireena Vittal (Mrs.)

Harish Bhat

Siraj Azmat Chaudhry (w.e.f. March 21, 2018)

COMMITTEE FOR SPECIAL PROJECTS

V. Leeladhar (Chairman)

Ranjana Kumar (Mrs.)

Harish Bhat

Ajoy Misra

L. Krishnakumar

M&A AND DIVESTITURE COMMITTEE

V. Leeladhar (Chairman)

Harish Bhat

Ajoy Misra

L. Krishnakumar

Siraj Azmat Chaudhry (w.e.f. March 21, 2018)

REGISTERED OFFICE

1, Bishop Lefroy Road, Kolkata - 700 020

Telephone: 033-22813779/3891/4422/4747/66053400

Fax: 033-22811199

Website: www.tataglobalbeverages.com

SOLICITORS AND LEGAL ADVISERS

Anand and Anand

AZB & Partners

Cyril Amarchand Mangaldas

Dua Associates

Khaitan & Co.

Orr Dignam & Co.

Veritas Legal

AUDITORS

Deloitte Haskins & Sells LLP

REGISTRARS

TSR Darashaw Limited

(Formerly Tata Share Registry Limited)

(Unit : Tata Global Beverages Ltd.)

6-10, Haji Moosa Patrawala Ind. Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai - 400 011

Telephone: 022-66568484; Fax: 022-66568494

Website: www.tsrdarashaw.com

Kolkata Office

1st Floor, Tata Centre,

43, Chowringhee Road,

Kolkata - 700 071

Telephone: 033-22883037; Fax: 033-22883097

BANKERS

Bank of America

Citibank N.A

Coöperatieve Rabobank U.A

Deutsche Bank

HDFC Bank Limited

ICICI Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong and Shanghai Banking Corporation Limited

YES Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

Our Approach to Integrated Reporting

Report Approach

The Annual Report 2017-18 is aimed at meeting the information requirements of all our stakeholders to help them make informed decisions regarding Tata Global Beverages Limited. It details the Company's value creation process and presents relevant information on the Company's performance, in a balanced and concise manner.

Standards and Framework

Through this Report, we have attempted to enhance our disclosures and have created the content elements in the non-statutory section of the Report, following some of the guiding principles of the International Integrated Reporting Council (IIRC) recommended International Integrated Reporting <IR> Framework. The other statutory reports, including the Director's Report, Management Discussion and Analysis (MD&A) and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules thereunder), Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

Scope and Boundary of the Report

The reported information for the Financial Year 2017-18, covers information on the Company's major operations in India, the US, Canada, the UK, Australia and other countries and the comparative figures to provide a holistic view to our stakeholders.

Leadership Accountability

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

TATA GLOBAL BEVERAGES

STRATEGIC REPORT	
Milestone Moments	03
Who We Are	04
Vision, Purpose and Values	06
Awards & Achievements for the year	07
Performance Highlights	08
Brand Highlights	10
Managing Director & CEO's Message	12
Business Model	14
Winning Moments	16
A Wake-up Call to Drive Change through Pre-Activism	18
A Befitting Toast to the Tata Legacy	20
Brewing the Perfect Cuppa Since 1837	22 24
Hitting a Century in India	
Celebrating 25 Years of Empowerment through Rehabilitation	25
New Spaces and Categories	26
A First-Of-Its-Kind Squash Range	28
Tea Discovery Made Simple	29
On a Mission to spread Chai Warmth	30
A World-Class Website for a Premium-Quality Tea	31
Adding Value to Water	32
Serving Simplicity and Authenticity	33
Process Improvements	34
Ensuring a Seamless Way of Working	36
Risks and Opportunities	38
Our Commitment to the Present and the Future	40
Governance Framework	42
Board & Executive Office Profiles	43
Annual General Meeting 2017	48
10-Year Financial Highlights	50
STATUTORY REPORTS	
Notice	51
Board's Report	65
Management Discussion and Analysis	106
Report on Corporate Governance	115
Business Responsibility Report	134
FINANCIAL STATEMENTS Standalone	
Standaione Independent Auditors' Report	142
Annexure A to Independent Auditors' Report	144
Annexure B to Independent Auditors' Report	145
Balance Sheet	148
Statement of Profit and Loss	149
Statement of Changes in Equity	150
Statement of Cash Flow	151
Notes to Financial Statements	153
Consolidated	
Independent Auditors' Report	193
Annexure to Independent Auditors' Report	196
Consolidated Balance Sheet	198
Consolidated Statement of Profit and Loss	199
Consolidated Statement of Changes in Equity	200
Consolidated Statement of Cash Flow	201
Notes to Consolidated Financial Statements	203
Subsidiary Companies' Financial Highlights	260











We explored new categories, re-defined product experiences and strengthened our core brands with powerful marketing campaigns.

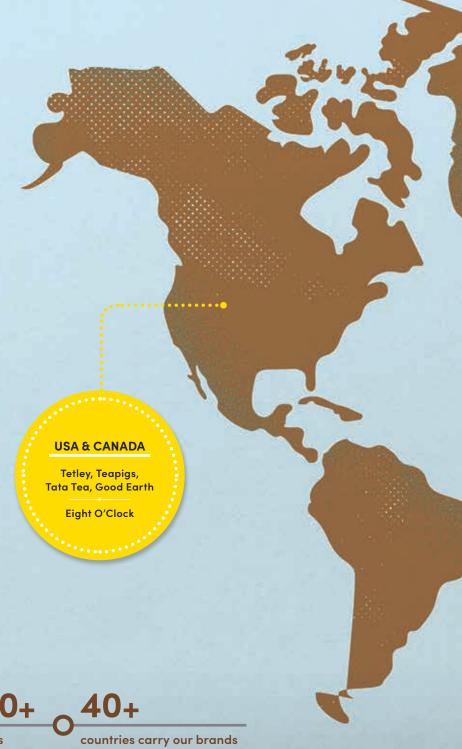
Our milestones this year range from those which celebrate the legacy of the Tata group and the heritage of our brands to key initiatives on innovation, brand communication and process improvement.

Our commitment to creating magical beverage moments and the inspiration we draw from our brands and consumers have helped us build lasting experiences savoured by millions worldwide every day.

Every milestone moment we crossed has enthused us to strive to create more milestone moments that count for a lifetime.

Who We Are...

TATA GLOBAL BEVERAGES (TGB) IS A NATURAL **BEVERAGES COMPANY** WITH FOCUS ON TEA, **COFFEE AND WATER.** IT HAS EVOLVED FROM A PREDOMINANTLY **PLANTATION-BASED INDIAN ENTITY INTO A GLOBAL BRAND FOCUSSED ORGANISATION WITH A PORTFOLIO OF SEVERAL** INNOVATIVE INTERNATIONAL AND DOMESTIC BRANDS. LED BY SHARP CONSUMER **INSIGHT AND GUIDED** BY THE ENDURING TATA LEGACY, TGB AIMS TO **DELIGHT WITH EVERY SIP.**



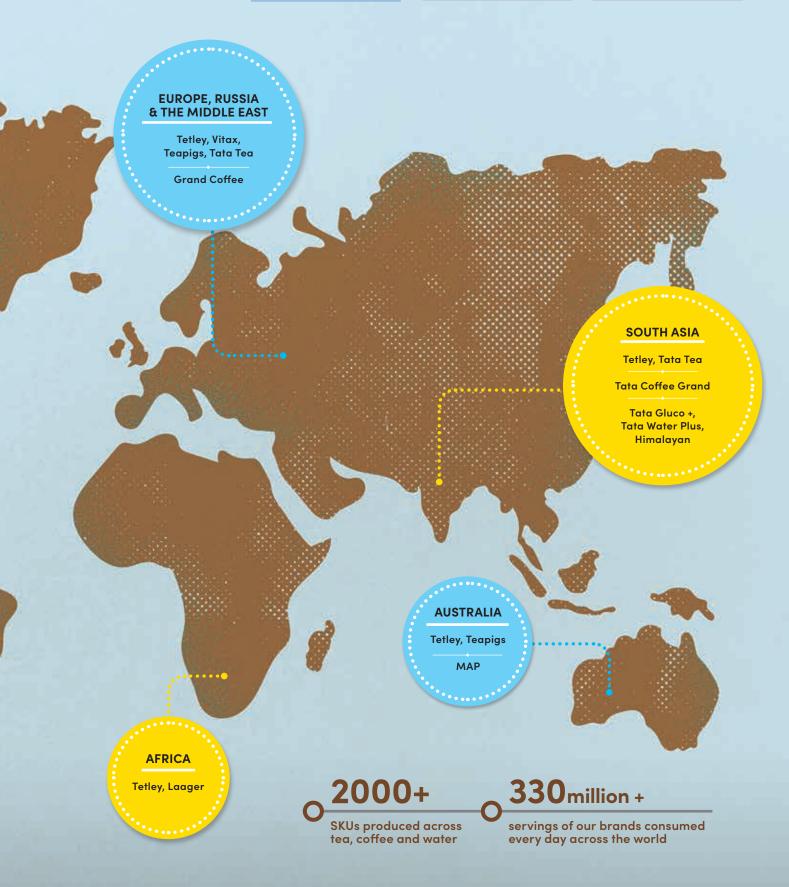
2nd

largest tea company in the world

3000+

employees worldwide

Note: Map not to scale



Vision, Purpose & Values



Our Vision

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

Our Purpose

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

Our Values











Performance Highlights (Consolidated)



Rs. 6,815 Crores

Revenue from Operations

Rs. 774 Crores

Profit before Exceptional



Rs.557 Crores

Net Profit

Rs. 7.85

Earnings per Share



Rs. 16,330 Crores

Market Capitalisation