

Annual Report
for the financial year ended
31 March 2017
Tata Global Beverages
Czech Republic a.s.

Note:

This annual report has been prepared in Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the annual report takes precedence over the English version.

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I. ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

A GENERAL INFORMATION ABOUT THE COMPANY

Business name:	Tata Global Beverages Czech Republic a.s.
Registered office:	Jemnice, Znojemska 687, postal code 675 31
Identification number:	274 26 912
Date of establishment:	1 March 2006
Legal form:	Joint-stock company
Registration Court:	District Court in Brno
	Insert number at registration court: section B, insert 4651
Business activities:	- production of food products - intermediation of business and services

The Company does not have any organizational units abroad.

B SHAREHOLDER STRUCTURE AND THE GROUP

Tata Global Beverages Czech Republic a.s. (hereinafter "the Company") is part of Tata Global Beverages Group, owned by Tata Global Beverages Limited (TGBL).

Tata Global Beverages Group is a global company focused on trade, production and distribution of tea, coffee, bottled water and other beverages. The Group runs production and trade operations of its branded products mainly in India, Europe, USA, Canada and Australia.

The Company is fully owned by Tata Global Beverages Overseas Holdings Limited, incorporated in Great Britain. The parent company of the Group is Tata Global Beverages Limited, incorporated in India.

C BUSINESS AND FINANCE ACTIVITIES

The main business activities of the Company are production and distribution of packed tea.

Production

The Company achieved total production of 989 tonnes of tea in the year ended 31 March 2017.

Sales of own products and services and loss for the period

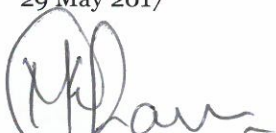
The Company sold own products, services and goods in the total amount of CZK 181,989 thousand and reported a loss of CZK 18,271 thousand.

To ensure the continued functioning of the Company as a prosperous business entity, continued support from its sole shareholder is required.

Number of employees

During the year ended 31 March 2017 the Company had an average number of employees amounting to 84.

29 May 2017



Manesh Thakrar
Member of the Board of Directors

**II. REPORT ON RELATIONS BETWEEN RELATED PARTIES
FOR THE YEAR ENDED 31 MARCH 2017**

Report on relations

of the Company

Tata Global Beverages Czech Republic a.s.

Pursuant to Section 82 of the Act on Corporations

For the accounting period ended 31 March 2017

The Board of Directors of Tata Global Beverages Czech Republic a.s., with its registered office at Jemnice, Znojemská 687, postal code 675 31, identification Number: 274 26 912, registered in the Commercial Register maintained by the Municipal Court in Brno, Section B, File 4651 (in this Report also the "**Company**"), has prepared the following Report on Relations pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the "**Corporations Act**"), for the accounting period ended 31 March 2017 (the "**Relevant period**").

1. Structure of relations

- 1.1 According to the information available to the Board of Directors of the Company acting with due managerial care, for the whole of the Relevant period, the Company formed a part of a group in which the Controlling party is Tata Global Beverages Limited (the "**Group**"). Information on the entities forming part of the Group is stated as at 31 March 2017 according to the information available to the statutory body of the Company acting with due managerial care. The structure of relations within the Group is graphically illustrated in the Annex No. 1.

1.1.1 Controlling party

Tata Global Beverages Limited with its registered office at 1 Bishop Lefroy Road, Kolkata, 700 020, India ("**Controlling party**") indirectly controls the Company through the company Tata Global Beverages Overseas Holdings Limited, with its registered office at 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, United Kingdom of Great Britain and Northern Ireland, which was the sole shareholder of the Company in the Relevant period.

2. Role of the Company in the Group

The Company is engaged in the manufacture and distribution of packaged tea, which is sold mainly to third parties in the domestic market and abroad.

3. Methods and means of control

The Controlling party indirectly controls the Company through the company Tata Global Beverages Overseas Holdings Limited, which was the sole shareholder in the Relevant period. The control of the Company occurs in particular through the decisions at the General Meeting.

4. Mutual Contracts within the Group

- 4.1 Contracts entered into between the Company and the Controlling party that were effective and valid in the Relevant period:

During the Relevant period there were no effective contracts that had been concluded between the Company and the Controlling party.

- 4.2 Contracts entered into between the Company and the other parties controlled by the Controlling Party that were effective and valid in the Relevant period:

- Loan agreement with Tetley Overseas Holdings Limited dated 29 March 2007.
- Agreement on use of trademarks with Tata Global Beverages GB Limited dated 31 March 2014.
- Service agreement with Tata Global Beverages GB Limited dated 14 April 2014.
- Service agreement with Tata Global Beverages Services Limited dated 14 April 2014.

5. Legal acts made at the instigation of or in the interest of the Controlling party or other parties controlled by the Controlling party

During the Relevant period, the Company made legal acts and other measures in the interest, or at the instigation of, the Controlling party or other parties controlled by the Controlling party, which would involve assets exceeding in value 10% of the Company's equity reported in the latest Financial Statements as at 31 March 2017 (due to negative equity all transactions are disclosed):

- Insurance in the amount of CZK 246 thousand recharged by Tata Global Beverages GB Limited
- Interest expense in the amount of CZK 1,152 thousand based on Loan agreement with Tetley Overseas Holdings Limited dated 29 March 2007
- Licence fee in the amount of CZK 450 thousand based on Agreement on use of trademarks with Tata Global Beverages GB Limited dated 31 March 2014
- Management fee in the amount of CZK 13,164 thousand based on Service agreement with Tata Global Beverages Services Limited dated 14 April 2014
- Purchase of goods from Tata Global Beverages GB limited amounting of CZK 301 thousand (Tetley Tea)
- Other income in the amount of CZK 96 thousand from recharged services to Tata Global Beverages GB Limited

6. Assessment of a detriment and its compensation

- 6.1 No detriment occurred to the Company on the basis of the agreements entered into in the Relevant period between the Company and other entities from the Group, other acts or measures which were implemented in the interest, or at the instigation of, of such entities by the Company in the Relevant period.

7. Evaluation of relations and risks within the Group

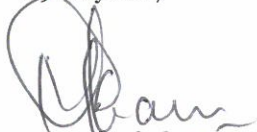
- 7.1 Evaluation of advantages and disadvantages of relations within the Group.

The Company benefits from being part of the Group. Tata Global Beverages Group is a global company focused on the manufacture, sale and distribution of tea, coffee, bottled water and other beverages. It has strong brand name and financial background to benefit to the Company, especially when doing business with its suppliers.

No disadvantages have arisen to the Company from the participation within the Group.

- 7.2 No risks have arisen to the Company from the relations within the Group.

29 May 2017

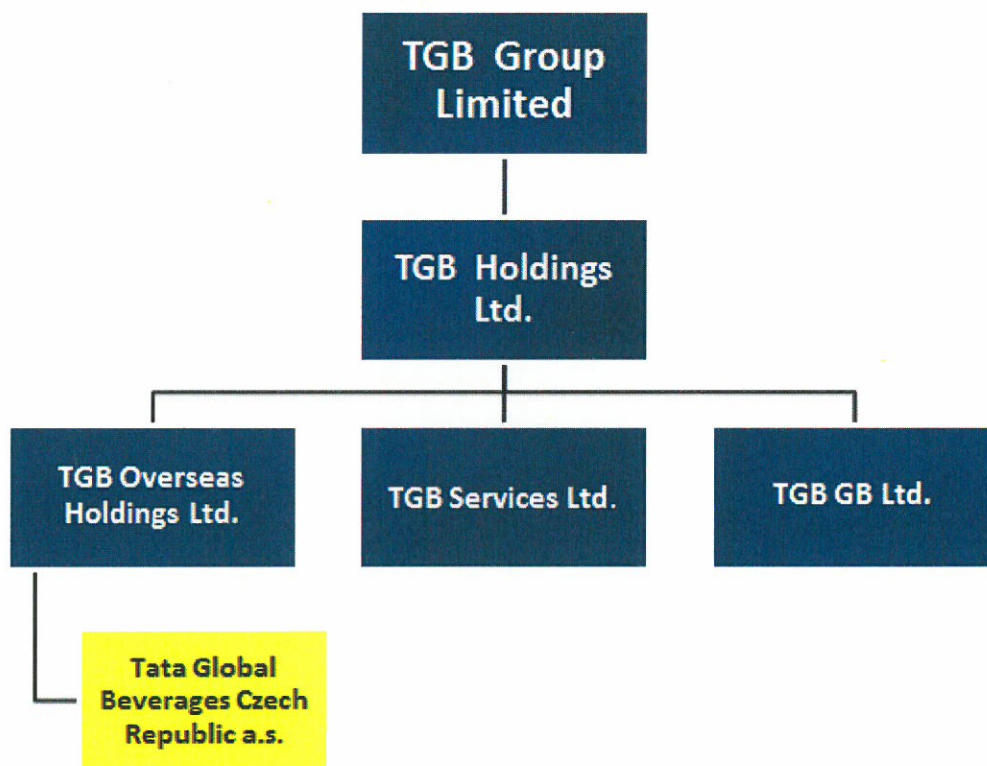


Manesh Thakrar

Member of the Board of Directors

Annex No. 1

Structure of relations within the Group



- 1) Note: Abbreviation “TGB” is commonly used for Tata Global Beverages
- 2) The organizational structure includes only entities in a group with which the Company reported transactions in the year ended 31 March 2017, or they are direct parent companies.

III. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

***Tata Global Beverages
Czech Republic a.s.***

Financial statements

31 March 2017

Company name: Tata Global Beverages Czech Republic a.s.
Identification number: 27426912
Legal form: Joint Stock Company
Primary business: Production of food products
Balance sheet date: 31 March 2017
Date of preparation of the financial statements: 29 May 2017

BALANCE SHEET

(in thousand Czech crowns)

Ref. a	ASSETS b	Row c	31.3.2017			31.3.2016
			Gross 1	Provision 2	Net 3	Net 4
	TOTAL ASSETS	001	217,736	(122,109)	95,627	97,723
B.	Fixed assets	003	152,312	(121,506)	30,806	31,107
B. I.	Intangible fixed assets	004	1,626	(809)	817	433
B. I. 2.	Royalties	006	1,498	(748)	750	165
B. I. 2. 1.	Software	007	1,398	(648)	750	165
B. I. 2. 2.	Other royalties	008	100	(100)	-	-
B. I. 4.	Other intangible fixed assets	010	61	(61)	-	-
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	011	67	-	67	268
B. I. 5. 2.	Intangible fixed assets in the course of construction	013	67	-	67	268
B. II.	Tangible fixed assets	014	150,686	(120,697)	29,989	30,674
B. II. 1.	Land and constructions	015	34,844	(10,947)	23,897	25,059
B. II. 1. 1.	Land	016	1,725	-	1,725	1,725
B. II. 1. 2.	Constructions	017	33,119	(10,947)	22,172	23,334
B. II. 2.	Equipment	018	113,169	(108,886)	4,283	4,639
B. II. 4.	Other tangible fixed assets	020	1,205	(864)	341	334
B. II. 4. 3.	Tangible fixed assets - other	023	1,205	(864)	341	334
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	024	1,468	-	1,468	642
B. II. 5. 1.	Advances paid for tangible fixed assets	025	-	-	-	157
B. II. 5. 2.	Tangible fixed assets in the course of construction	026	1,468	-	1,468	485
C.	Current assets	037	65,228	(603)	64,625	66,427
C. I.	Inventories	038	34,211	(594)	33,617	33,835
C. I. 1.	Raw materials	039	17,837	(515)	17,322	18,499
C. I. 2.	Work in progress and semi-finished products	040	1,715	-	1,715	2,860
C. I. 3.	Finished goods and goods for resale	041	14,659	(79)	14,580	12,476
C. I. 3. 1.	Finished goods	042	14,456	(79)	14,377	12,476
C. I. 3. 2.	Goods for resale	043	203	-	203	-
C. II.	Receivables	046	26,250	(9)	26,241	29,713
C. II. 2.	Short-term receivables	057	26,250	(9)	26,241	29,713
C. II. 2. 1.	Trade receivables	058	25,861	(9)	25,852	28,453
C. II. 2. 4.	Receivables - other	061	389	-	389	1,260
C. II. 2. 4. 4.	Short-term advances paid	065	389	-	389	423
C. II. 2. 4. 6.	Other receivables	067	-	-	-	837
C. IV.	Cash	071	4,767	-	4,767	2,879
C. IV. 1.	Cash in hand	072	53	-	53	59
C. IV. 2.	Cash at bank	073	4,714	-	4,714	2,820
D.	Prepayments and accrued income	074	196	-	196	189
D. 1.	Prepaid expenses	075	196	-	196	183
D. 3.	Accrued income	077	-	-	-	6

Ref.	LIABILITIES AND EQUITY	Row	31.3.2017	31.3.2016
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	078	95,627	97,723
A.	Equity	079	(33,039)	(14,768)
A. I.	Share capital	080	2,000	2,000
A. I. 1.	Share capital	081	2,000	2,000
A. II.	Share premium and capital contributions	084	300,000	300,000
A. II. 2.	Capital contributions	086	300,000	300,000
A. II. 2. 1.	Other capital contributions	087	300,000	300,000
A. III.	Other reserves	092	200	200
A. III. 1.	Other reserve funds	093	200	200
A. IV.	Retained earnings / Accumulated losses	095	(316,968)	(292,531)
A. IV. 2.	Accumulated losses	097	(316,968)	(292,531)
A. V.	Profit / (loss) for the current period	099	(18,271)	(24,437)
B. + C.	Liabilities	101	128,664	112,485
B.	Provisions	102	630	1,058
B. 4.	Other provisions	106	630	1,058
C.	Liabilities	107	128,034	111,427
C. I.	Long-term liabilities	108	49,686	49,686
C. I. 6.	Liabilities - subsidiaries and controlling party	116	49,686	49,686
C. II.	Short-term liabilities	123	78,348	61,741
C. II. 4.	Trade payables	129	50,457	35,377
C. II. 8.	Liabilities - other	133	27,891	26,364
C. II. 8. 3.	Liabilities to employees	136	1,728	1,702
C. II. 8. 4.	Liabilities for social security and health insurance	137	1,040	1,024
C. II. 8. 5.	Taxes and state subsidies payable	138	5,752	1,528
C. II. 8. 6.	Estimated payables	139	19,236	21,977
C. II. 8. 7.	Other liabilities	140	135	133
D.	Accruals and deferred income	141	2	6
D. 1.	Accrued expenses	142	2	6

Company name: Tata Global Beverages Czech Republic a.s.
Identification number: 27426912
Legal form: Joint Stock Company
Primary business: Production of food products
Balance sheet date: 31 March 2017
Date of preparation of the financial statements: 29 May 2017

INCOME STATEMENT

(in thousand Czech crowns)

Ref.	TEXT	Row	1.4.2016 - 31.3.2017	1.4.2015 - 31.3.2016
a	b	c	1	2
I.	Sales of products and services	01	181,836	204,384
II.	Sales of goods	02	153	-
A.	Cost of sales	03	161,442	184,921
A. 1.	Cost of goods sold	04	90	-
A. 2.	Raw materials and consumables used	05	117,916	111,563
A. 3.	Services	06	43,436	73,358
B.	Changes in inventories of finished goods and work in progress	07	(899)	2,183
D.	Staff costs	09	34,613	35,138
D. 1.	Wages and salaries	10	25,233	25,774
D. 2.	Social security, health insurance and other social costs	11	9,380	9,364
D. 2. 1.	Social security and health insurance costs	12	8,673	8,705
D. 2. 2.	Other social costs	13	707	659
E.	Value adjustments in operating activities	14	2,828	3,317
E. 1.	Value adjustments of fixed assets	15	2,644	3,035
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	16	2,644	3,035
E. 2.	Provision for impairment of inventories	18	182	275
E. 3.	Provision for impairment of receivables	19	2	7
III.	Operating income - other	20	1,084	745
III. 1.	Sales of fixed assets	21	18	8
III. 2.	Sales of raw materials	22	91	37
III. 3.	Other operating income	23	975	700
F.	Operating expenses - other	24	2,335	2,833
F. 1.	Net book value of fixed assets sold	25	3	-
F. 2.	Net book value of raw materials sold	26	64	23
F. 3.	Taxes and charges from operating activities	27	123	127
F. 4.	Operating provisions and complex prepaid expenses	28	(428)	88
F. 5.	Other operating expenses	29	2,573	2,595
*	Operating result	30	(17,246)	(23,263)
VI.	Interest and similar income	39	39	105
VI. 2.	Other interest and similar income	41	39	105
J.	Interest and similar expenses	43	1,285	1,260
J. 1.	Interest and similar expenses - subsidiaries or controlling party	44	1,152	1,162
J. 2.	Other interest and similar expenses	45	133	98
VII.	Other financial income	46	525	417
K.	Other financial expenses	47	304	436
*	Financial result	48	(1,025)	(1,174)
**	Net profit / (loss) before taxation	49	(18,271)	(24,437)
**	Net profit / (loss) after taxation	53	(18,271)	(24,437)
***	Net profit / (loss) for the financial period	55	(18,271)	(24,437)
	Net turnover for the financial period	56	183,637	205,651

Tata Global Beverages Czech Republic a.s.
Financial statements
for the year ended 31 March 2017

Statement of changes in shareholder's equity
Year ended 31 March 2017

(CZK'000)	Share capital	Other capital funds	Reserve fund	Accumulated losses	Total
As at 1 April 2015	2,000	300,000	-	(292,330)	9,670
Contribution to other capital funds	-	-	200	(200)	-
Net loss for the year	-	-	-	(24,437)	(24,437)
Rounding	-	-	-	(1)	(1)
As at 31 March 2016	2,000	300,000	200	(316,968)	(14,768)
Net loss for the year	-	-	-	(18,271)	(18,271)
As at 31 March 2017	2,000	300,000	200	(335,239)	(33,039)

Cash flow statement for the year ended 31 March 2017

(CZK'000)		1 April 2016 – 31 March 2017
	Cash flows from operating activities	
	Net loss on ordinary activities before tax	(18,271)
A.1	Adjustments for non-cash movements:	
A.1.1	Amortisation/Depreciation of fixed assets	2,644
A.1.2	Changes in provisions	(244)
A.1.3	Profit from disposal of fixed assets	(15)
A.1.4	Net interest expense/(income)	1,246
A*	Net cash flow from operating activities before tax and changes in working capital	(14,640)
A.2	Working capital changes:	
A.2.1	Changes in receivables and prepayments and accrued income	3,463
A.2.2	Changes in short-term payables, accrued expenses and deferred income	15,205
A.2.3	Changes in inventories	36
A**	Net cash flow from operating activities before tax	4,064
A.3	Interest paid	(133)
A.4	Interest received	39
A***	Net cash flow from operating activities	3,970
	Cash flows from investing activities	
B.1	Acquisition of fixed assets	(2,100)
B.2	Proceeds from the sale of fixed assets	18
B***	Net cash flow from investing activities	(2,082)
	Net increase / decrease in cash and cash equivalents	1,888
	Cash and cash equivalents as at the beginning of the year	2,879
	Cash and cash equivalents as at the end of the year	4,767

In the year ended 31 March 2017, the Company prepares the cash-flow statement for the first time and used the exception given by Czech accounting legislation not to present comparative figures in its cash-flow statement.

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

1. General information

1.1. Introductory information about the Company

Tata Global Beverages Czech Republic a.s. ("the Company") was incorporated on 1 March 2006 by the Regional Court in Brno, section B, insert 4651 and has its registered office in Jemnice, Znojemska 687. The Company's primary business activities are production and distribution of food products, mainly tea.

The Company updated its Articles of Association that are now fully governed by the new Corporations Act. This fact became effective as at the date of its registration in the Commercial Register, specifically on 8 July 2014.

The Company is not a shareholder with unlimited liability in other legal entities.

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for medium-sized companies and have been prepared under the historical cost convention.

2.2. Comparative figures

Based on the amendment to the Act on Accounting and implementing Decree effective from 1 January 2016, individual items of the balance sheet and income statement are presented in a different structure. In order to ensure the comparability of items presented in the financial statements, the comparative figures for the year ended 31 March 2016 were reclassified in accordance with Czech accounting standard no. 24: "The comparative figures for the accounting period beginning in 2016".

2.3. Tangible and intangible fixed assets

All intangible and tangible assets with a useful life longer than one year and a unit cost of more than CZK 20 thousand are treated as intangible and tangible fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Intangible and tangible fixed assets are amortised/depreciated over their estimated useful lives. The rates used differ from those allowable for taxation purposes.

Low-value fixed assets with a useful life longer than one year and a unit cost less than CZK 20 thousand are expensed upon consumption and further registered in operational evidence.

Repairs and maintenance expenditures of tangible fixed assets are expensed as incurred. Technical improvements of intangible and tangible fixed assets are capitalised.

The depreciation plan is updated during the useful life of the intangible and tangible fixed assets based on the expected useful life change.

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

2.4. Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost method is applied for all disposals.

Work-in-progress and semi-finished goods, are stated at direct material cost. Finished goods are stated at production costs including direct materials, direct wages and a part of production overheads.

A provision is created for slow-moving and obsolete inventory based on an analysis of turnover and individual evaluation of inventories.

2.5. Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and individual evaluation of the credit worthiness of the customers. Receivables from related parties have not been provided for.

2.6. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the exchange rate published by the Czech National Bank determined for the calendar month period as at the first day of the period.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

2.7. Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.8. Revenue recognition

Sales are recognised upon the delivery of goods and customer acceptance and are stated net of discounts and value added tax.

2.9. Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the Company;
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence.

2.10. Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognised in the balance sheet.

2.11. Interest expenses

Interest expenses are expensed.

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

2.12. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

2.13. Cash flow statement

The Company has prepared a Cash-flow statement using the indirect method. Cash equivalents represent short-term liquid investments, which are readily convertible for a known amount of cash.

2.14. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

3. Tangible fixed assets

(CZK'000)	1 April 2016	Additions / transfers	Disposals	31 March 2017
Cost				
Land	1,725	-	-	1,725
Constructions	33,119	-	-	33,119
Equipment	112,524	824	(179)	113,169
Other tangible fixed assets	1,191	156	(142)	1,205
Tangible fixed assets in the course of construction	642	826	-	1,468
Total	149,201	1,806	(321)	150,686
Accumulated depreciation				
Constructions	(9,785)	(1,162)	-	(10,947)
Equipment	(107,885)	(1,180)	179	(108,886)
Other tangible fixed assets	(857)	(149)	142	(864)
Total	(118,527)	(2,491)	321	(120,697)
Net book value	30,674			29,989

(CZK'000)	1 April 2015	Additions / transfers	Disposals	31 March 2016
Cost				
Land	1,725	-	-	1,725
Constructions	32,762	357	-	33,119
Equipment	112,404	377	(257)	112,524
Other tangible fixed assets	1,347	98	(254)	1,191
Tangible fixed assets in the course of construction	-	642	-	642
Total	148,238	1,474	(511)	149,201
Accumulated depreciation				
Constructions	(8,638)	(1,147)	-	(9,785)
Equipment	(106,503)	(1,639)	257	(107,885)
Other tangible fixed assets	(953)	(158)	254	(857)
Total	(116,094)	(2,944)	511	(118,527)
Net book value	32,144			30,674

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

4. Inventories

The Company created a provision for inventories as at 31 March 2017 of CZK 594 thousand (as at 31 March 2016: CZK 412 thousand).

5. Receivables

The overdue receivables as at 31 March 2017 amounted to CZK 1,239 thousand (as at 31 March 2016: CZK 3,258 thousand).

The provision for doubtful receivables as at 31 March 2017 was CZK 9 thousand (as at 31 March 2016: CZK 7 thousand).

Unsettled receivables have not been covered by guarantees and none of them are due after more than 5 years.

The Company has no receivables nor provided any guarantees which are not included in the balance sheet.

6. Equity

The Company is fully owned by Tata Global Beverages Overseas Holdings Limited, incorporated in Great Britain, and the ultimate holding company is Tata Global Beverages Limited, incorporated in India.

The Company Tata Global Beverages Group Limited with the registered office at 325 Oldfield Lane North, Greenford, United Kingdom prepares the consolidated financial statements of the smallest group of entities of which the Company forms a part as a subsidiary.

The Company Tata Global Beverages Limited with the registered office at 1 Bishop Lefroy Road, Kolkata, India prepares the consolidated financial statements of the largest group of entities of which the Company forms a part as a subsidiary.

The consolidated financial statements of the smallest and the largest group of entities can be obtained in the place of residence of the above mentioned companies.

The Company is fully governed by the new Corporations Act (see Note 1); however, it did not use the option not to create a reserve fund.

The Company continues to create a reserve fund and its use is governed by its Articles of Association. The usage of the reserve fund is according to its Articles of Association based on decision of statutory body and can be used to offset losses only. The Company creates reserve fund up to amount equal to 20% of share capital.

Contribution to Other capital funds in the amount of CZK 230,000 thousand was settled by netting off the payable to Tata Global Beverages Overseas Holdings Limited in the same amount as at 29 March 2007. Contribution to Other capital funds in the amount of CZK 70,000 thousand was decided on 26 March 2014.

The sole shareholder approved the financial statements for the year ended 31 March 2016 and decided about the allocation of loss incurred in the year ended 31 March 2016 of CZK 24,437 thousand on 27 June 2016.

Until the date of preparation of these financial statements, the Company has not proposed allocation of the loss incurred for the year ended 31 March 2017.

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

Management and the Board of Directors together with the sole shareholder analyse projects to resolve the negative equity situation and short term liabilities exceeding short term assets of the Company. In order for the Company to continue as going concern, an ongoing support of its sole shareholder is necessary. The Company obtained Letter of Support dated 10 May 2017 that confirms the sole shareholder's will to continue with the support of the Company.

7. Payables, commitments and contingent liabilities

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

Total future commitments from operating lease contracts (not recorded in the balance sheet) amounted to CZK 2,362 thousand as at 31 March 2017 (as at 31 March 2016: CZK 3,541 thousand).

The Company provided no other guarantees except those recognised in the balance sheet.

The management of the Company is not aware of any contingent liabilities as at 31 March 2017.

Estimated payables as at 31 March 2017 and 2016 consisted mainly of not billed parent company services and customer bonuses.

8. Related party transactions

All material transactions with related parties are presented in this note:

(CZK'000)	31 March 2017	31 March 2016
Revenues		
Other sales	96	252
Total	96	252
Costs / Purchases		
Purchase of goods for resale	301	0
Interest expense	1 152	1 162
Licence fees	450	460
Management service fees	13 164	12 276
Other services	246	346
Total	15 313	14 244

All material balances with related parties are presented in this note:

(CZK'000)	31 March 2017	31 March 2016
Receivables		
Trade receivables	-	1,028
Other receivables	-	831
Total	-	1,859
Liabilities		
Liabilities to companies within the consolidation group	93,204	79,772
Out of which:		
Loans payable	49,686	49,686
Accruals	13,614	13,024
Other liabilities	29,904	17,062
Total	93,204	79,772

Based on the Company's sole shareholder's declaration the loan received has been classified as non- current. The loan was not secured and bears an interest rate of 2.29% (as at 31 March 2016: 2.3%).

Company cars are made available for use by the management.

Tata Global Beverages Czech Republic a.s.

Notes to financial statements
for the year ended 31 March 2017

Except for the above-mentioned in Note 9, there was no other remuneration provided to the shareholders, members of the board of directors and the supervisory board and other management during the year ended 31 March 2017 and 2016 neither in cash nor in kind.

9. Employees

	Year ended 31 March 2017		Year ended 31 March 2016	
	number	CZK'000	number	CZK'000
Wages and salaries to other management	9	7,227	10	8,785
Wages and salaries to other employees	75	18,006	73	16,989
Social security costs		8,673		8,705
Other social costs		707		659
Wages and salaries total	84	34,613	83	35,138

The Company's management includes senior staff members directly reporting to the statutory body.

Other transactions with the Company's management are described in Note 8 - Related party transactions.

10. Income tax

Deferred tax asset can be analysed as follows:

CZK'000	Year ended 31 March 2017	Year ended 31 March 2016
Deferred tax asset arising from:		
Difference between accounting and tax net book value of fixed assets	22,756	22,348
Provisions	234	281
Tax losses carried forward	9,489	14,598
Net deferred tax asset	32,479	37,227

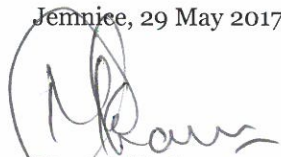
A potential net deferred tax asset of CZK 32,479 thousand as at 31 March 2017 (as at 31 March 2016: CZK 37,227 thousand) has not been recognised as it is not probable that future taxable profit will be available against which the unused tax credits can be utilised. The 19% rate has been used for its calculation as at 31 March 2017 and 2016.

The Company had tax losses of CZK 49,942 thousand as at 31 March 2017 (as at 31 March 2016: CZK 76,831 thousand) out of which CZK 3,604 thousand can be utilized up to 2019, CZK 11,346 thousand up to 2020, CZK 20,581 thousand up to 2021, CZK 14,411 thousand up to 2022.

11. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 March 2017.

Jemnice, 29 May 2017



Manesh Thakrar
Member of the Board of Directors

IV. INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

to the shareholder of Tata Global Beverages Czech Republic a.s.

Opinion

We have audited the accompanying financial statements of Tata Global Beverages Czech Republic a.s., with its registered office at Znojemska 687, Jemnice ("the Company") prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 March 2017, the income statement, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**Shareholder of Tata Global Beverages Czech Republic a.s.
Independent auditor's report**

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

29 May 2017

Prizematalane Corpus Audit s.r.o.

represented by

Petr Malíš

Petr Malíš

Marek Richter

Marek Richter
Statutory Auditor, Evidence No. 1800

Translation note

Our report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over the English version.