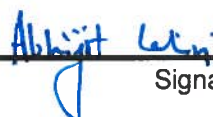


# TATA GLOBAL BEVERAGES CANADA INC.

## Balance Sheet

As at March 31, 2017

	2017 CAD\$ ('000s)	2016 CAD\$ ('000s)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	-	8,627
Accounts receivable	12,264	10,926
Prepaid expenses	181	149
Inventory	4,899	4,038
Deferred Tax Asset	104	231
	<hr/> 17,448	<hr/> 23,971
Property and equipment	501	560
Goodwill	5,912	5,912
	<hr/> <b>23,861</b>	<hr/> <b>30,443</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank indebtedness	5,159	
Accounts payable and accrued liabilities	8,149	7,624
Due to related companies	4,676	5,585
	<hr/> 17,984	<hr/> 13,209
<b>SHAREHOLDER'S EQUITY</b>		
Capital Stock	1,500	1,500
Retained Earnings	4,377	15,734
	<hr/> 5,877	<hr/> 17,234
	<hr/> <b>23,861</b>	<hr/> <b>30,443</b>



Signature

Authorized Signing Officer  
May 31, 2017

# TATA GLOBAL BEVERAGES CANADA INC.

## Statement of Income and Retained Earnings

For the year ended March 31, 2017

	<b>2017</b> CAD\$ ('000s)	<b>2016</b> CAD\$ ('000s)
<b>Net revenue</b>	54,901	54,120
<b>Costs and expenses</b>		
Cost of goods sold	38,886	37,654
Selling, general and administration	14,374	14,270
	<u>53,260</u>	<u>51,924</u>
<b>Income from operations</b>	1,641	2,196
<b>Interest Income</b>	<u>211</u>	<u>246</u>
<b>Income before income taxes</b>	1,852	2,442
<b>Provision for income taxes</b>	<u>609</u>	<u>503</u>
<b>Net income for the year</b>	1,243	1,938
<b>Retained earnings, beginning of year</b>	15,734	13,796
<b>Dividends Paid</b>	<u>12,600</u>	
<b>Retained earnings, end of year</b>	<u><u>4,377</u></u>	<u><u>15,734</u></u>

  
Signature

Authorized Signing Officer

May 31, 2017

# TATA GLOBAL BEVERAGES CANADA INC.

## Cash Flow Statement

As at March 31, 2017

	2017 CAD\$ ('000s)	2016 CAD\$ ('000s)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	1,852	2,442
Adjusted for :		
Depreciation and amortisation	89	61
(Profit)/Loss on sale/discard of Fixed Assets (net)	-	21
Finance Cost		
Interest income	(205)	(266)
	<u>1,736</u>	<u>2,258</u>
Operating Profit before working capital changes		
Adjustments for:		
Trade and other receivables	(1,243)	(2,819)
Inventories	(861)	(407)
Trade Payables	(422)	1,335
Cash generated from operations	<u>(790)</u>	<u>367</u>
Direct taxes paid	(571)	(770)
Net Cash from Operating Activities	(1,361)	(403)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets (Net)	(30)	(551)
Sale of fixed assets	-	22
Interest received	205	266
Net cash from / (used in) Investing Activities	<u>175</u>	<u>(263)</u>
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid	(12,600)	-
Net Cash used in Financing Activities	<u>(12,600)</u>	<u>-</u>
Net increase / (decrease) in Cash and Cash Equivalents	(13,786)	(666)
<b>D. Cash and Cash Equivalents</b>		
Opening Balance	8,627	9,293
Cash and Cash equivalents at end of the year	<u><u>(5,159)</u></u>	<u><u>8,627</u></u>

  
 Signature

Authorized Signing Officer  
 May 31, 2017

# **TATA GLOBAL BEVERAGES CANADA INC.**

**As at March 31, 2017**

## **Organization of the Company**

Tata Global Beverages Canada Inc. (previously Tetley Canada Inc.) was incorporated in 1996). It's a wholly owned subsidiary of Tata Global Beverages Overseas Holdings Limited.

## **Nature of Operations**

Tata Global Beverages Canada Inc. (TGBCI) is responsible for sales and marketing of all TGB products in Canada. TGBCI creates advertising and promotional programs to drive sales and manages both the sales brokers and distributors who sell to retailers and foodservice operators .

## **Summary of Significant Accounting Policies**

### **Revenue Recognition**

Sales are recognized when an arrangement exists, the seller's price to the buyer is fixed and determinable, collectability is reasonably assured and risk of loss and title have transferred to the customer, which is typically dependant on the route-to-market in Canada. For retail sales, revenue is recorded when product is shipped to retailer distribution centres. Promotional costs associated for running short term promotions to increase volumes such as money offs, coupons, listing or slotting fees are netted off from Revenue.

### **Royalty Income**

Royalty income includes fees generated by licensing the Company's trademark throughout Canada. Licensing fees are recognized when earned, which is generally upon sale of the underlying products by the licensees and are recorded in net sales.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Trade accounts receivable are recorded at the invoiced amounts and do not bear interest. There is no off-balance-sheet credit exposures related to customers.

### **Inventories, net**

Inventories are stated at the lower of cost, as determined by using the first-in, first-out method, or market.

### **Property, Plant and Equipment, net**

Property, plant and equipment are recorded at cost. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed utilizing the straight-line method over the shorter of the remaining lease term or estimated useful life. The cost and accumulated depreciation and amortization applicable to assets retired or otherwise disposed of are removed from the asset accounts, as retired.

### **Advertising, Promotions and Marketing**

The costs for advertising, promotion and marketing programs are expensed in the year incurred and are included in selling and marketing expenses. Promotion and marketing expenses were approximately \$23,583K for the year ended March 31, 2017.

### **Subsequent events**

The Company has performed an evaluation of subsequent events through May 11, 2017, the date these financial statements were available for issuance. There were no subsequent events that required either recognition or disclosure.

Abhijit Lata