

TATA CONSUMER PRODUCTS CANADA INC.

Balance Sheet

As at March 31, 2020

	2020	2019
	CAD\$ ('000s)	CAD\$ ('000s)
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Accounts receivable	13,202	12,767
Prepaid expenses	547	550
Inventory	3,886	3,543
Deferred Tax Asset	-	147
	<hr/>	<hr/>
	17,635	17,007
Property and equipment	307	353
Right-of-use Asset	264	
Goodwill	5,912	5,912
	<hr/>	<hr/>
	24,118	23,272
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Bank indebtedness	242	1,815
Accounts payable and accrued liabilities	12,345	9,860
Due to related companies	7,517	3,293
Deferred Tax Liability	844	
Lease Liability	110	
Non-Current Liabilities		
Lease Liability	501	
	<hr/>	<hr/>
	21,559	14,968
	<hr/>	<hr/>
SHAREHOLDER'S EQUITY		
Capital Stock	1,500	1,500
Retained Earnings	1,059	6,804
	<hr/>	<hr/>
	2,559	8,304
	<hr/>	<hr/>
	24,118	23,272
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Abhijit Lahiri

Signature

Authorized Signing Officer
May 5, 2020

TATA CONSUMER PRODUCTS CANADA INC.

Statement of Income and Retained Earnings

For the year ended March 31, 2020

	2020 CAD\$ ('000s)	2019 CAD\$ ('000s)
Net revenue	58,043	54,784
Costs and expenses		
Cost of goods sold	43,025	39,520
Selling, general and administration	13,241	13,460
	<u>56,266</u>	<u>52,980</u>
Income from operations	1,777	1,804
Other Income	(11)	(11)
Interest (Income) / Expense	(57)	(7)
Non Recurring Expense	46	172
Income before income taxes	1,799	1,650
Provision for income taxes		
Current	465	339
Deferred	990	90
Net income for the year	344	1,221
Retained earnings, beginning of year	6,804	5,600
Adjustment on account of first time adoption of IFRS-16	(88)	
Dividends Paid	(6,000)	
Retained earnings, end of year	<u>1,059</u>	<u>6,822</u>

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May 5, 2020

TATA CONSUMER PRODUCTS CANADA INC.**Cash Flow Statement****For the year ended March 31, 2020**

	2020		2019	
	CAD\$ ('000s)		CAD\$ ('000s)	
A. Cash Flow from Operating Activities				
Net Profit before Tax		1,799		1,650
Adjusted for :				
Depreciation and amortisation	83		84	
(Profit)/Loss on sale/discard of Fixed Assets (net)	-		-	
Finance Cost				
Interest expense / (income)	(57)	26	(7)	77
		<hr/>		<hr/>
Operating Profit before working capital changes		1,825		1,727
Adjustments for:				
Trade and other receivables	(1,129)		(1,235)	
Inventories	(343)		1,336	
Trade Payables	7,552	6,080	(1,369)	(1,268)
Cash generated from operations		<hr/>		<hr/>
		7,905		459
Direct taxes paid		(352)		(516)
Net Cash from Operating Activities		7,553		(57)
B. Cash Flow from Investing Activities				
Purchase of fixed assets (Net)	(37)		(20)	
Sale of fixed assets			-	
Interest received	57		7	
Net cash from / (used in) Investing Activities		<hr/>		<hr/>
		20		(13)
C. Cash Flow from Financing Activities				
Dividend paid	(6,000)		-	
Interest paid	-		-	
Net Cash used in Financing Activities		(6,000)		-
Net increase / (decrease) in Cash and Cash Equivalents		1,573		(70)
D. Cash and Cash Equivalents				
Opening Balance		(1,815)		(1,745)
Cash and Cash equivalents at end of the year		<hr/>		<hr/>
		(242)		(1,815)

Abhijit Lahiri

SignatureAuthorized Signing Officer
May 5, 2020

TATA CONSUMER PRODUCTS CANADA INC.

As at March 31, 2020

Organization of the Company

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

Nature of Operations

Tata Consumer Products Canada Inc. (TCPCI) is responsible for sales and marketing of all TCP products in Canada. TCPCI 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 \$4,009K for the year ended March 31, 2020.

IFRS 17 : Leases

The Company adopted IFRS-17 for leases with effect from April 1, 2019

Subsequent events

The Company has performed an evaluation of subsequent events through May 4, 2020, the date these financial statements were available for issuance. There were no subsequent events that required either recognition or disclosure.