

TATA COFFEE VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2021

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Tata Coffee Vietnam Company Limited (the "Company") presents this report together with the Company's financial statements for the year ended 31 March 2021.

MEMBERS' COUNCIL AND THE BOARD OF DIRECTORS

The members of Members' Council and Board of Directors of the Company who held office during the year and to the date of this report are as follows:

Members' Council

Mr. Chacko Purackal Thomas	Chairman
Mr. Santhanakrishnan Sankaran	Member
Mr. Radhakrishna Tirumala	Member (resigned on 13 November 2020)
Mr. Raghu Narayanam	Member (appointed on 14 November 2020)
Mr. Venkataramanan Krishnamoorthy	Member
Mr. Amit Pant	Member

Board of Directors

Mr. Radhakrishna Tirumala	General Director (resigned on 13 November 2020)
Mr. Raghu Narayanam	General Director (appointed on 14 November 2020)
Mr. Venkataramanan Krishnamoorthy	Deputy General Director
Mr. Sudhakar Pathey Jawaharlal	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Raghu Narayanam
General Director
20 May 2021

No.: 0738 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: The Members' Council and Board of Directors of Tata Coffee Vietnam Company Limited

We have audited the accompanying financial statements of Tata Coffee Vietnam Company Limited (the "Company"), prepared on 20 May 2021 as set out from page 3 to page 19, which comprise the balance sheet as at 31 March 2021, and the income statement, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Dao Thai Thinh
Audit Partner
Audit Practising Registration Certificate
No. 1867-2018-001-1
BRANCH OF DELOITTE VIETNAM COMPANY LIMITED
20 May 2021
Ho Chi Minh City, Vietnam



Pham Hoang Khanh Phuong
Auditor
Audit Practising Registration Certificate
No. 2756-2020-001-1

BALANCE SHEET
As at 31 March 2021

Unit: USD

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		13,001,378	9,618,868
I. Cash and cash equivalents	110	4	530,007	46,357
1. Cash	111		6,007	46,357
2. Cash equivalents	112		524,000	-
II. Short-term financial investments	120		2,070,046	380,078
1. Held-to-maturity investments	123	5	2,070,046	380,078
III. Short-term receivables	130		4,107,368	3,508,217
1. Short-term trade receivables	131	6	4,023,334	3,218,383
2. Short-term advances to suppliers	132		38,543	225,376
3. Other short-term receivables	136		45,491	64,458
IV. Inventories	140	7	6,225,022	5,627,191
1. Inventories	141		6,225,022	5,627,191
V. Other short-term assets	150		68,935	57,025
1. Short-term prepayments	151		68,935	57,025
B. NON-CURRENT ASSETS	200		58,436,819	61,924,873
I. Long-term receivables	210		58,785	51,533
1. Other long-term receivables	216		58,785	51,533
II. Fixed assets	220		51,570,611	54,549,189
1. Tangible fixed assets	221	8	51,437,062	54,372,223
- Cost	222		57,371,349	57,226,411
- Accumulated depreciation	223		(5,934,287)	(2,854,188)
2. Intangible assets	227	9	133,549	176,966
- Cost	228		216,880	216,880
- Accumulated amortisation	229		(83,331)	(39,914)
III. Other long-term assets	260		6,807,423	7,324,151
1. Long-term prepayments	261	10	6,807,423	7,324,151
TOTAL ASSETS (270=100+200)	270		71,438,197	71,543,741

The accompanying notes are an integral part of these financial statements

TATA COFFEE VIETNAM COMPANY LIMITED

No. 12 VSIP II-A, Street No. 32
Vietnam Singapore Industrial Park II-A
Tan Binh Commune, Bac Tan Uyen Town
Binh Duong Province, Vietnam

FORM B 01-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

BALANCE SHEET (Continued)
As at 31 March 2021

Unit: USD

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		62,639,324	62,812,295
I. Current liabilities	310		21,824,386	14,209,701
1. Short-term trade payables	311	11	697,315	195,123
2. Short-term advances from customers	312		2,880	5,216
3. Taxes and amounts payable to the State budget	313	12	9,172	10,840
4. Short-term accrued expenses	315	13	796,265	1,193,480
5. Other current payables	319		17,516	188
6. Short-term loans	320	14	20,301,238	12,804,854
II. Long-term liabilities	330		40,814,938	48,602,594
1. Long-term loans	338	15	40,783,518	48,602,594
2. Long-term provisions	342		31,420	-
D. EQUITY	400		8,798,873	8,731,446
I. Owner's equity	410	16	8,798,873	8,731,446
1. Owner's contributed capital	411		12,500,000	12,500,000
2. Accumulated losses	421		(3,701,127)	(3,768,554)
- Accumulated losses to the prior year end	421a		(3,768,554)	(1,595,646)
- Retained earnings/(Losses) of the current year	421b		67,427	(2,172,908)
TOTAL RESOURCES (440=300+400)	440		71,438,197	71,543,741

Ung Thanh Hanh
Preparer/Chief Accountant

Sudhakar Pathy Jawaharlal
Deputy General Director

Raghu Narayanam
General Director
20 May 2021

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT
For the year ended 31 March 2021

Unit: USD

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold	01		30,652,915	17,705,726
2. Net revenue from goods sold (10=01)	10	18	30,652,915	17,705,726
3. Cost of sales	11	18	26,261,326	16,047,700
4. Gross profit from goods sold (20=10-11)	20		4,391,589	1,658,026
5. Financial income	21	20	124,170	26,849
6. Financial expenses	22	21	2,379,493	2,664,345
- In which: Interest expense	23		1,824,095	2,217,751
7. Selling expenses	25	22	1,292,734	350,474
8. General and administration expenses	26	22	776,105	849,173
9. Operating profit/(loss) (30=20+(21-22)-(25+26))	30		67,427	(2,179,117)
10. Other income	31		-	6,209
11. Profit from other activities (40=31)	40		-	6,209
12. Accounting profit/(loss) before tax (50=30+40)	50		67,427	(2,172,908)
13. Current corporate income tax expense	51	23	-	-
14. Net profit/(loss) after corporate income tax (60=50-51)	60		67,427	(2,172,908)

Ung Thanh Hanh
Preparer/Chief Accountant

Sudhakar Pathey Jawaharlal
Deputy General Director

Raghu Narayanam
General Director
20 May 2021

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT
For the year ended 31 March 2021

Unit: USD

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/(Loss) before tax	01	67,427	(2,172,908)
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	3,123,516	2,873,628
Provisions	03	31,420	
Foreign exchange loss/(gain) arising from translating foreign currency items	04	11,336	(17,714)
Gain from investing activities	05	(30,912)	(2,974)
Interest expense	06	1,824,095	2,217,751
3. Operating profit before movements in working capital	08	5,026,882	2,897,783
Changes in receivables	09	(601,904)	(3,730,504)
Changes in inventories	10	(597,831)	(3,300,753)
Changes in payables	11	317,268	(974,671)
Changes in prepaid expenses	12	504,818	526,461
Interest paid	14	(1,985,479)	(1,674,080)
Net cash generated by/(used in) operating activities	20	2,663,754	(6,255,764)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(182,604)	(2,416,163)
2. Cash outflow for term deposits	23	(7,083,956)	-
3. Cash recovered from withdrawal of term deposits	24	5,393,988	-
4. Interest received	27	26,413	2,974
Net cash used in investing activities	30	(1,846,159)	(2,413,189)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	-	2,000,000
2. Proceeds from borrowings	33	25,413,299	17,956,022
3. Repayment of borrowings	34	(25,735,991)	(13,349,655)
Net cash (used in)/generated by financing activities	40	(322,692)	6,606,367
Net increase/(decrease) in cash (50=20+30+40)	50	494,903	(2,062,586)
Cash and cash equivalents at the beginning of the year	60	46,357	2,107,849
Effects of changes in foreign exchange rates	61	(11,253)	1,094
Cash and cash equivalents at the end of the year (70=50+60+61)	70	530,007	46,357

Ung Thanh Hanh
Preparer/Chief Accountant

Sudhakar Pathey Jawaharlal
Deputy General Director

Raghu Narayana
General Director
20 May 2021

The accompanying notes are an integral part of these financial statements

TATA COFFEE VIETNAM COMPANY LIMITED

No. 12 VSIP II-A, Street No. 32

Vietnam Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen Town

Binh Duong Province, Vietnam

FORM B 09-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Structure of ownership

Tata Coffee Vietnam Company Limited (the "Company") was incorporated in Vietnam, as a wholly foreign owned enterprise for 41 years under Investment Registration Certificate No. 5422642151 dated 13 March 2017 issued by the Board of Management of Vietnam - Singapore Industrial Park and under Business Registration Certificate No. 3702547670 dated 28 March 2017 issued by the Department of Planning and Investment in Binh Duong Province, as amended.

The owner is Tata Coffee Limited, a company incorporated in India.

The number of the Company's employees as at 31 March 2021 was 67 (as at 31 March 2020 was 66).

Principal activities

The principal activity of the Company is manufacture of soluble coffee.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a period of 12 months or less.

Significant event in the year

Although the current situation of COVID-19 new disease that has been disrupting Viet Nam and the world's economy, the Board of Directors believe that the above issue does not have material impact on the financial statements for the year ended 31 March 2021. The Board of Directors has been assessing the potential impacts of COVID-19 on the Company's financial and operational performance in the fiscal year 2022 to plan appropriately in order to manage the uncertainty of this situation. However, the Board of Directors has assessed Covid-19 pandemic does not affect the Company's ability to continue to operate as a going concern.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 March 2020.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying financial statements, expressed in United States Dollars (USD), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors believes that the use of USD as currency unit is necessary in order to reflect the economic substance of the underlying events and circumstances relevant to the Company's business operations.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 April and ends on 31 March.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these accounting estimates are based on the Board of Directors' best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the separate income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have book value higher than net realisable value as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	10 - 39
Machinery and equipment	15 - 20
Motor vehicles	6 - 10
Office equipment	5 - 6

Intangible assets and amortisation

Intangible assets represent computer software. Intangible assets are initially recognised at cost. The costs of intangible assets less their estimated residual value are amortized on the straight line basis over their expected useful lives of 5 years. Intangible assets are stated at cost less any accumulated amortisation.

Long-term prepayments

Long-term prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rentals, upfront costs and other types of prepayments.

Land rentals represent rentals that have been paid in advance. Prepaid land rentals are charged to the income statement using the straight-line method over the lease term.

Upfront fee including of commitment fee, arrangement and guarantee fees incurred in acquisition of long-term loans. These costs are allocated to the income statement over a period of loan schedule.

Other types of long-term prepayments mainly are miscellaneous expenses which are expected to provide future economic benefits to the Company. These expenditures have been capitalized as prepayments, and are allocated to the income statement using the straight-line method over a period of within three years in accordance with the current prevailing accounting regulations.

Revenue recognition

Revenue from sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit after tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	USD	USD
Bank demand deposits	6,007	46,357
Cash equivalents	524,000	-
	<u>530,007</u>	<u>46,357</u>

Cash equivalents represent bank deposits in VND with maturity terms from 1 month to 3 months and earn interest at the rate of 3.1% per annum.

5. HELD – TO – MATURITY INVESTMENTS

Held-to-maturity investments represent bank deposits in VND with maturity term of more than 3 months and earn interest at the rates from 3.4% to 3.5% per annum (as at 31 March 2020: 3.4% to 3.5% per annum).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	USD	USD
a. Receivables from third parties		
Productos Soluble SA	902,707	1,770,888
Instanta SP. Z O.O.	507,813	425,750
Orimi Limited Liability Company	693,875	329,063
Strauss Coffee B.V.	1,578,720	298,252
Others	118,949	394,430
	<u>3,802,064</u>	<u>3,218,383</u>
b. Receivables from related parties		
(Details stated in Note 24)	221,270	-
	<u>221,270</u>	<u>-</u>
	<u>4,023,334</u>	<u>3,218,383</u>

7. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Goods in transit	150,408	-	110,250	-
Raw materials	2,995,713	-	1,937,514	-
Work in progress	322,664	-	413,524	-
Finished goods	2,756,237	-	3,165,903	-
	<u>6,225,022</u>	<u>-</u>	<u>5,627,191</u>	<u>-</u>

8. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures USD	Machinery and equipment USD	Motor vehicles USD	Office equipment USD	Total USD
COST					
Opening balance	6,660,000	50,191,591	-	374,820	57,226,411
Additions	19,090	132,211	4,683	37,767	193,751
Other decreases	-	(48,813)	-	-	(48,813)
Closing balance	6,679,090	50,274,989	4,683	412,587	57,371,349
ACCUMULATED DEPRECIATION					
Opening balance	294,937	2,537,031	-	22,220	2,854,188
Charge for the year	280,384	2,773,446	9	26,260	3,080,099
Closing balance	575,321	5,310,477	9	48,480	5,934,287
NET BOOK VALUE					
Opening balance	6,365,063	47,654,560	-	352,600	54,372,223
Closing balance	6,103,769	44,964,512	4,674	364,107	51,437,062

9. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Computer software USD
COST	
Opening balance and closing balance	216,880
ACCUMULATED AMORTISATION	
Opening balance	39,914
Charge for the year	43,417
Closing balance	83,331
NET BOOK VALUE	
Opening balance	176,966
Closing balance	133,549

10. LONG-TERM PREPAYMENTS

	Closing balance USD	Opening balance USD
Land rentals (*)	4,079,024	4,189,268
Upfront fee (**)	2,563,023	2,934,138
Others	165,376	200,745
	6,807,423	7,324,151

(*) The land rentals represent the land rental pertaining to the land in Vietnam – Singapore Industrial Park II-A in Binh Duong Province for a period of 41 years from 31 May 2017 to 19 March 2058.

(**) Upfront fee represents the fee paid to EKF and Standard Chartered Bank for acquisition of long-term loans as presented in Note 14 and Note 15.

11. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
a. Trade payables to third parties		
Trau Viet Co. Ltd	82,652	79,662
Olam Vietnam Co. Ltd	141,382	-
Sovan Tradecom Private Limited	7,053	26,721
Shardul Amarchand Mangaldas. Co Ltd	-	20,049
Tan Dao Co., Ltd	83,856	-
Neumann Gruppe Viet Nam Co., Ltd	139,518	-
Others	242,854	60,376
	<u>697,315</u>	<u>186,808</u>
b) Trade payables to related parties (Details stated in Note 24)		
	-	8,316
	-	<u>8,316</u>
	<u>697,315</u>	<u>195,123</u>

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>Opening balance</u>	<u>Payable</u>	<u>Paid</u>	<u>Closing balance</u>
	USD	during the year	during the year	USD
		USD	USD	
Personal income tax	12,207	186,760	190,755	8,212
Foreign withholding tax	(1,367)	73,006	70,679	960
Other taxes	-	295	295	-
	<u>10,840</u>	<u>260,061</u>	<u>261,729</u>	<u>9,172</u>

13. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Loan interest	382,287	543,671
Bonus for employees	91,967	110,000
Goods in transit	-	190,198
Boiler steam fee	83,412	86,207
Professional fee	15,670	25,499
Electricity expense	23,399	31,182
Others	199,530	206,723
	<u>796,265</u>	<u>1,193,480</u>

14. SHORT-TERM LOANS

	Opening balance USD	Addition during the year USD	Reclassified USD	Payment during the year USD	Closing balance USD
Short-term loans					
Mizuho Bank, Ltd. (*)	4,660,156	14,223,251	-	(15,547,642)	3,335,765
Standard Chartered Bank (Vietnam) Limited (**)	1,875,622	3,404,402	-	(4,545,876)	734,148
Citibank, N.A. (***)	-	5,853,756	-	-	5,853,756
DBS Bank Ltd. (****)	-	2,558,493	-	-	2,558,493
Current portion of long-term loan (Note 15)					
Standard Chartered Bank (Hong Kong) Limited	6,269,076	-	7,819,076	(6,269,076)	7,819,076
	<u>12,804,854</u>	<u>26,039,902</u>	<u>7,819,076</u>	<u>(26,362,594)</u>	<u>20,301,238</u>

(*) The credit facility obtained from Mizuho Bank, Ltd. – Ho Chi Minh City Branch with total credit limit of USD 7,500,000 to finance the working capital. The limit of the working capital facility increased from USD 6,500,000 to USD 7,500,000 through an amendment to agreement dated 31 July 2020 signed with Mizuho Bank. The facility will end on 31 July 2021 with an auto-renewal option for 12 months. The facility is secured by Corporate Guarantee issued by Tata Coffee Limited – the owner and bears interest at the rate of bank's cost of funds plus applicable spread. The total outstanding loan balance as at 31 March 2021 is USD 3,335,765.

(**) The credit facility obtained from Standard Chartered Bank (Vietnam) Limited with total limit of USD 2,500,000 to finance the working capital. The facility has been available for drawdown starting from the facility letter date of 7 January 2020 up to five years. The facility is secured by Corporate Guarantee issued by Tata Coffee Limited – the owner and bears interest at the rate of bank's cost of funds plus applicable spread. The total outstanding loan balance as at 31 March 2021 is USD 734,148.

(***) The credit facility obtained from Citibank, N.A. – Hanoi Branch with total credit limit of USD 8,500,000 which includes USD 7,500,000 to finance the working capital and USD 1,000,000 for hedging forex exposure. The working capital facility has been available for drawdown starting from the facility letter date of 9 December 2020. The facility is valid for a period of 1 year from the effective date of the facility agreement and shall be renewed for additional one-year period at the end of the initial one-year term. The facility bears interest at the rate of Bank's cost of funds plus applicable spread or as mutually agreed between the bank and the Company, whichever is lower. The total outstanding loan balance as at 31 March 2021 is USD 5,853,756.

(****) The credit facility obtained from DBS Bank Ltd. – Ho Chi Minh Branch with total credit limit of USD 15,000,000 to finance the working capital. The facility has been available for drawdown starting from the facility letter date of 26 January 2021. The facility is valid for a period of 1 year from the date of entering into the facility agreement and shall be renewed annually at the discretion of the bank. The facility bears interest at the rate of bank's cost of funds plus applicable spread or as mutually agreed between the bank and the Company. The total outstanding loan balance as at 31 March 2021 is USD 2,558,493.

15. LONG-TERM LOANS

	Opening balance	Addition	Reclassified	Payment	Closing balance
	USD	during the year	USD	during the year	USD
Standard Chartered Bank (Hong Kong) Limited	48,602,594	-	(7,819,076)	-	40,783,518
	<u>48,602,594</u>	<u>-</u>	<u>(7,819,076)</u>	<u>-</u>	<u>40,783,518</u>

On 28 June 2017, the Company has entered into a secured long-term loan with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 12,400,000 to finance its factory construction and acquisition of machinery and equipment. This loan has been withdrawn in installments starting from October 2017 to January 2019 and shall be repayable in eight equal semi-annual installments from December 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest has been fixed, accrued and paid on semi-annual basis. The loan is secured by Corporate Guarantee issued by Tata Coffee Limited - the owner. The Company had fully withdrawn with total of USD 12,400,000 as at 31 March 2021. Since 13 May 2019, the loan has been transferred and owned by Standard Chartered Bank (Hong Kong) Limited. The total outstanding loan balance as at 31 March 2021 is USD 7,750,000.

On 9 January 2018, the Company has entered into a secured long-term with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 42,471,670 to finance its acquisition of machinery and equipment. This loan has been withdrawn in installments starting from March 2018 to December 2018 and shall be repayable in eighteen equal semi-annual installments from June 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest has been fixed, accrued and paid on semi-annual basis. The loan is secured by Corporate Guarantee issued by Tata Coffee Limited - the owner and the guarantee of EKF Denmark's Export Credit Agency. The Company had fully withdrawn total of USD 42,471,670 as at 31 March 2021. Since 14 August 2019, the loan has been transferred and owned by Standard Chartered Bank (Hong Kong) Limited. The total outstanding loan balance as at 31 March 2021 is USD 33,033,518.

Long-term loans are repayable as follow:

	Closing balance	Opening balance
	USD	USD
On demand or within one year	7,819,076	6,269,076
In the second year	7,819,076	7,819,076
In the third to fifth year inclusive	18,807,228	21,907,228
After five years	14,157,214	18,876,290
	<u>48,602,594</u>	<u>54,871,670</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(7,819,076)	(6,269,076)
Amount due for settlement after 12 months	<u>40,783,518</u>	<u>48,602,594</u>

16. OWNER'S EQUITY

Movement of owner's equity

	Owner's contributed capital	Accumulated losses	Total
	USD	USD	USD
Prior year's opening balance	10,500,000	(1,595,646)	8,904,354
Capital contribution	2,000,000	-	2,000,000
Loss for the year	-	(2,172,908)	(2,172,908)
Current year's opening balance	<u>12,500,000</u>	<u>(3,768,554)</u>	<u>8,731,446</u>
Profit for the year	-	67,427	67,427
Current year's closing balance	<u>12,500,000</u>	<u>(3,701,127)</u>	<u>8,798,873</u>

Contributed and investment capitals

According to the second amended Investment Registration Certificate No. 5422642151 dated 17 June 2019 issued by the Board of Management of Vietnam – Singapore Industrial Park, the Company's investment and contributed capital are VND 1,518,750,000,000 (equivalent to USD 67,500,000) and VND 281,250,000,000 (equivalent to USD 12,500,000), respectively.

The charter capital contributions by the owner as at 31 March 2021 and 31 March 2020 had been fully made as follows:

	Per Investment Certificate		Contributed capital	
	USD	%	Closing and opening balance	
			USD	VND equivalent
Tata Coffee Limited	12,500,000	100	12,500,000	286,509,419,400

17. OFF-BALANCE SHEET ITEM

Foreign currency

	Closing balance	Opening balance
Vietnam Dong ("VND")	55,327,349	28,861,831

18. REVENUE AND COST OF GOODS SOLD

Revenue and cost of goods sold represent revenue and cost of goods sold from selling soluble coffee.

19. PRODUCTION COST BY NATURE

	Current year	Prior year
	USD	USD
Raw materials and consumables	16,665,938	8,026,615
Labour cost	2,332,818	2,097,266
Depreciation and amortisation	3,123,516	2,873,628
Out-sourced services	5,538,880	2,419,885
Other monetary expenses	120,199	1,829,953
	27,781,351	17,247,347

20. FINANCIAL INCOME

	Current year	Prior year
	USD	USD
Bank interest	30,912	2,974
Foreign exchange gain	93,258	23,875
	124,170	26,849

21. FINANCIAL EXPENSES

	Current year	Prior year
	USD	USD
Loan interest expenses	1,824,095	2,217,751
Foreign exchange loss	117,383	15,071
Others	438,015	431,523
	2,379,493	2,664,345

22. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	Current year USD	Prior year USD
Selling expenses		
Commission fees	64,332	86,813
Transportation fees	1,213,394	256,614
Others	15,008	7,047
	<u>1,292,734</u>	<u>350,474</u>
General and administration expenses		
Salary expenses	271,580	293,262
Rental fees	110,244	110,244
Professional fees	75,639	80,723
Depreciation and amortisation	103,704	103,214
Others	214,938	261,730
	<u>776,105</u>	<u>849,173</u>

23. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year USD	Prior year USD
Profit/(Loss) before tax	67,427	(2,172,908)
Adjustments for taxable profit:		
- Unrealized foreign exchange loss/(gain)	12,546	(1,094)
- Non-deductible expenses	332,609	1,343,904
- Other adjustments to decrease taxable profit/increase taxable loss	(1,447,675)	(1,371,795)
Tax losses	<u>(1,035,093)</u>	<u>(2,201,893)</u>
Corporate income tax expense	-	-

In accordance with Official Dispatch No. 18468/CT-TT&HT dated 30 October 2017 issued by Binh Duong Province Tax Department, the Company is obliged to pay corporate income tax at the rate of 15% of its taxable income from processing of agricultural products for the entire project life. The Company is entitled to a corporate income tax exemption for two years from the first profit-making year and a reduction of 50% for the following four years. Should the Company does not have taxable income in the first three years from the first year in which it has turnover from the investment project, the duration of tax exemption and reduction shall be calculated from the fourth year.

No corporate income tax has been provided for the year as the Company has no taxable income.

As at 31 March 2021, the Company has unused tax losses of USD 4,814,198 (as at 31 March 2020: USD 3,779,105) available for offset against future taxable income. This loss can be carried forward for a maximum period of five years from the year it incurred.

The benefits from the Company's tax losses carried forward expire according to the following schedule:

<u>Year</u>	<u>Tax loss carry forward</u>	
	<u>USD</u>	<u>VND equivalent</u>
2022-2023	433,557	9,853,883,496
2023-2024	1,143,655	26,515,650,913
2024-2025 (*)	2,201,893	51,141,161,383
2025-2026	1,035,093	23,991,385,554
	<u>4,814,198</u>	<u>111,502,081,346</u>

(*) The Company's taxable loss for the fiscal year ended 31 March 2020, which will be due in the year ended 31 March 2025, has been adjusted according to the according to Decree No. 132/2020/NĐ-CP dated 5 November 2020 by the Government as follows:

	<u>Reported amount</u>	<u>Adjusted amount</u>	<u>Restated amount</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
2024-2025	<u>44,314,368,705</u>	<u>6,826,792,678</u>	<u>51,141,161,383</u>

24. RELATED PARTY TRANSACTIONS AND BALANCES

<u>Related parties</u>	<u>Relationship</u>
Tata Coffee Limited	The owner
Tata Consultancy Services Limited	Company within Tata Group
Tata International Vietnam Company Limited	Company within Tata Group
Tata Consumer Products Ltd	Company within Tata Group
Tata Uganda Limited	Company within Tata Group

During the year, the Company entered into the following significant transactions with related parties:

	<u>Current year</u>	<u>Prior year</u>
	<u>USD</u>	<u>USD</u>
Revenue from of goods sold		
Tata Coffee Limited	<u>221,270</u>	<u>-</u>
Purchase of goods and services		
Tata Consultancy Services Limited	4,211	1,755
Tata International Vietnam Company Limited	33,212	37,763
Tata Consumer Products Ltd	10,733	-
Tata Uganda Limited	109,800	246,330
	<u>157,956</u>	<u>285,848</u>
Fees/Charges paid on behalf of		
Tata Consumer Products Ltd	<u>22,814</u>	<u>-</u>
Capital contribution		
Tata Coffee Limited	<u>-</u>	<u>2,000,000</u>

Remuneration paid to the Company's Board of Directors during the year was as follows:

	<u>Current year</u>	<u>Prior year</u>
	<u>USD</u>	<u>USD</u>
Salary and benefits in kind	<u>330,436</u>	<u>259,494</u>

At the year-end date, the Company have the following balances with related parties:

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Short-term trade receivables		
Tata Coffee Limited	221,270	-
Other short-term receivables		
Tata Consumer Products Ltd	22,814	-
Tata International Vietnam Company Limited	4,109	4,109
	<u>26,923</u>	<u>4,109</u>
Short-term trade payables		
Tata Consultancy Services Limited	-	1,755
Tata International Vietnam Company Limited	-	6,561
	-	<u>8,316</u>

25. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for purchases of fixed assets during the year excluded an amount of USD 11,147 (Prior year: nil), representing an addition in fixed assets during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows of interest paid during the year excluded an amount of USD 382,287 (Prior year: USD 543,671), representing the interest expenses during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash inflows of interest received during the year excluded an amount of USD 5,765 (Prior year: USD 1,266), representing the interest income during the year that has not yet been received. Consequently, changes in receivables have been adjusted by the same amount.

Proceeds from borrowings represent net amount between loan withdrawal and repayment amount of short-term loans with payment term of under 3 months. Accordingly, items "Proceeds from borrowings" and "Repayment of borrowings" have been respectively adjusted as decrease by the same amount of USD 626,603 (Prior year: nil).

Ung Thanh Hanh
Preparer/Chief Accountant

Sudhakar Pathey Jawaharlal
Deputy General Director

