

TATA CONSUMER PRODUCTS CANADA INC.

Balance Sheet

As at March 31, 2021

	2021	2020
	CAD\$ ('000s)	CAD\$ ('000s)
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Accounts receivable	13,921	13,202
Prepaid expenses	699	547
Inventory	6,623	3,886
Deferred Tax Asset	-	-
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	21,243	17,635
Property and equipment	231	307
Right-of-use Asset	235	264
Goodwill	5,912	5,912
	<hr/>	<hr/>
	27,621	24,118
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Bank indebtedness	336	242
Accounts payable and accrued liabilities	13,602	12,345
Due to related companies	8,289	7,517
Deferred Tax Liability	849	844
Lease Liability	60	110
Non-Current Liabilities		
Lease Liability	482	501
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	23,618	21,559
	<hr/>	<hr/>
SHAREHOLDER'S EQUITY		
Capital Stock	1,500	1,500
Retained Earnings	2,503	1,059
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	4,003	2,559
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	27,621	24,118
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Abhijit Lahiri

Signature

Authorized Signing Officer
May 21, 2021

TATA CONSUMER PRODUCTS CANADA INC.

Statement of Income and Retained Earnings

For the year ended March 31, 2021

	2021	2020
	CAD\$ ('000s)	CAD\$ ('000s)
Net revenue	66,982	58,043
Costs and expenses		
Cost of goods sold	51,825	43,025
Selling, general and administration	13,158	13,241
	<u>64,983</u>	<u>56,266</u>
Income from operations	1,999	1,777
Other Income	(11)	(11)
Interest (Income) / Expense	34	(57)
Non Recurring Expense	<u>-</u>	46
Income before income taxes	1,976	1,799
Provision for income taxes		
Current	526	465
Deferred	6	990
Net income for the year	1,444	344
Retained earnings, beginning of year	1,059	6,804
Adjustment on account of first time adoption of IFRS-16		(88)
Dividends Paid		(6,000)
Retained earnings, end of year	<u>2,503</u>	<u>1,059</u>

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TATA CONSUMER PRODUCTS CANADA INC.

Cash Flow Statement

For the year ended March 31, 2021

	2021 CAD\$ ('000s)		2020 CAD\$ ('000s)	
A. Cash Flow from Operating Activities				
Net Profit before Tax		1,976		1,799
Adjusted for :				
Depreciation and amortisation	76		83	
(Profit)/Loss on sale/discard of Fixed Assets (net)	-		-	
Finance Cost				
Interest expense / (income)	34	110	(57)	26
Operating Profit before working capital changes		2,086		1,825
Adjustments for:				
Trade and other receivables	(866)		(1,129)	
Inventories	(2,737)		(343)	
Trade Payables	1,926	(1,677)	7,552	6,080
Cash generated from operations		409		7,905
Direct taxes paid		(469)		(352)
Net Cash from Operating Activities		(60)		7,553
B. Cash Flow from Investing Activities				
Purchase of fixed assets (Net)	-		(37)	
Sale of fixed assets			-	
Interest received			57	
Net cash from / (used in) Investing Activities		-		20
C. Cash Flow from Financing Activities				
Dividend paid	-		(6,000)	
Interest paid	(34)		-	
Net Cash used in Financing Activities		(34)		(6,000)
Net increase / (decrease) in Cash and Cash Equivalents		(94)		1,573
D. Cash and Cash Equivalents				
Opening Balance		(242)		(1,815)
Cash and Cash equivalents at end of the year		<u>(336)</u>		<u>(242)</u>

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May 21, 2021

TATA CONSUMER PRODUCTS CANADA INC.

As at March 31, 2021

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 Consumer Products Overseas Holdings Limited.

Nature of Operations

Tata Consumer Products Canada Inc. (TCPCL) is responsible for sales and marketing of all TCP products in Canada. TCPCL 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 \$3,307K for the year ended March 31, 2021.

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, 2021, the date these financial statements were available for issuance. There were no subsequent events that required either recognition or disclosure.