

KAHUTARA HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 March 2022

KAHUTARA HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 March 2022

CONTENTS

PAGE

| | |
|--|--------|
| Board of Directors and other officers | 1 |
| Independent auditor's report | 2 - 4 |
| Statement of profit or loss and other comprehensive income | 5 |
| Statement of financial position | 6 |
| Statement of changes in equity | 7 |
| Statement of cash flows | 8 |
| Notes to the financial statements | 9 - 18 |

KAHUTARA HOLDINGS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Lakshmanan Krishnakumar
Nina Iosif
Stefani Orfanidou

Company Secretary:

A.T.S. Services Limited

Independent Auditors:

Deloitte Limited
Certified Public Accountants and Registered Auditors
Maximos Plaza, Tower 1, 3rd Floor 213
Arch. Makariou III Avenue
3030 Limassol
Cyprus

Registered office:

Arch. Makariou III, 2-4
Capital Center, 9th Floor
CY-1065 Nicosia
Cyprus

Registration number:

HE216538

Independent Auditor's Report

To the Members of Kahutara Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kahutara Holdings Limited (the "Company"), which are presented in pages 5 to 18 and comprise the statement of financial position as at 31 March 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Kahutara Holdings Limited as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 4 of the financial statements where it is indicated that the financial statements have not been prepared on a going concern basis since it is the intention of Management to liquidate the Company as soon as the liquidation arrangements can be made. Our opinion is not qualified in respect of this matter.



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Offices: Nicosia, Limassol

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Independent Auditor's Report (continued)

To the Members of Kahutara Holdings Limited

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, 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.

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 Board of Directors 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 ISAs 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 ISAs, 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 control.
- Obtain an understanding of internal control 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 control.
- 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

Independent Auditor's Report (continued)

To the Members of Kahutara Holdings Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



.....
Alexandros Photinos
Certified Public Accountant and Registered Auditor
for and on behalf of

Deloitte Limited
Certified Public Accountants and Registered Auditors
Maximos Plaza, Tower 1, 3rd Floor
213 Arch. Makariou III Avenue
CY-3030 Limassol, Cyprus

Limassol, 17 May 2022

KAHUTARA HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 March 2022

| | Note | 2022 US\$ | 2021 US\$ |
|--|------|--------------|--------------|
| Net other income | 12.1 | - | 29,001,882 |
| Other waived balances | | - | (58) |
| Administration expenses | 7 | - | (16,300) |
| Operating profit | | - | 28,985,524 |
| Finance income | 8 | - | 55 |
| Finance costs | 8 | - | (3,884) |
| Profit before tax | | - | 28,981,695 |
| Tax | 9 | - | - |
| Net profit for the year | | - | 28,981,695 |
| Other comprehensive income | | - | - |
| Total comprehensive profit for the year | | - | 28,981,695 |


The notes on pages 9 to 18 form an integral part of these financial statements.


KAHUTARA HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION 31 March 2022

| | Note | 2022 US\$ | 2021 US\$ |
|-------------------------------------|------|--------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 10 | - | - |
| Total assets | | - | - |
| Equity | | | |
| Share capital | 11 | 20,000 | 20,000 |
| Share premium | | 23,471,231 | 23,471,231 |
| Accumulated losses | | (23,491,231) | (23,491,231) |
| Total liabilities | | - | - |
| Total equity and liabilities | | - | - |

On 17 May 2022 the Board of Directors of Kahutara Holdings Limited authorised these financial statements for issue.


Lakshmanan Krishnakumar
Director


Nina Iosif
Director

The notes on pages 9 to 18 form an integral part of these financial statements.

KAHUTARA HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

31 March 2022

| | Share capital US\$ | Share premium US\$ | Accumulated losses US\$ | Total US\$ |
|--|--------------------------|--------------------------|-------------------------------|---------------------|
| Balance at 1 April 2020 | 20,000 | 23,471,231 | (52,472,926) | (28,981,695) |
| Comprehensive income | | | | |
| Net profit for the year | - | - | 28,981,695 | 28,981,695 |
| Balance at 31 March 2021 / 1 April 2021 | 20,000 | 23,471,231 | (23,491,231) | - |
| Comprehensive income | | | | |
| Net profit for the year | - | - | - | - |
| Balance at 31 March 2022 | 20,000 | 23,471,231 | (23,491,231) | - |

Share premium is not available for distribution.

The notes on pages 9 to 18 form an integral part of these financial statements.

KAHUTARA HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

31 March 2022

| | 2022 US\$ | 2021 US\$ |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | - | 28,981,695 |
| Adjustments for: | | |
| Receivable balances waived | - | 141,132 |
| Payable to related parties waived | - | (58,409) |
| Loan payable to related parties waived | - | (29,084,605) |
| | - | (20,187) |
| Changes in working capital: | | |
| Decrease in trade and other receivables | - | 8,213 |
| Increase in trade and other payables | - | 11,974 |
| Cash used in operations | - | - |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of the year | - | - |
| Cash and cash equivalents at end of the year | - | - |

The notes on pages 9 to 18 form an integral part of these financial statements.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

1. Incorporation and principal activities

Country of incorporation

Kahutara Holdings Limited (the "Company") was incorporated in Cyprus on 18 December 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Arch. Makarios III, 2-4, Capital Center, 9th Floor, 1065 Nicosia, Cyprus.

Principal activities

The Company was dormant during the year and, the intention of the Management is to proceed with the liquidation of the Company as soon as the liquidation arrangement can be made.

Operating Environment of the Company

Covid 19

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. COVID-19 did not have an immediate material impact on the business operations.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment. Management will continue to monitor the situation closely and will assess the need for further action in case the period of disruption becomes prolonged.

Russia/Ukraine conflict

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The conflict between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. In addition to the considerable human toll and impact of the events on entities that have operations in Russia, Ukraine, or neighboring countries, or that conduct business with their counterparties, the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including inflation and global supply chain disruption.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company does not have operations in Russia or Ukraine and as such, the Management of the Company does not expect significant impact from direct exposures to these countries.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2021. This adoption did have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of Management to liquidate the Company as soon as the liquidation arrangements can be made.

Revenue

- **Interest recognition**

Interest Income is recognised on a time-proportion basis using the effective interest method.

- **Dividend Income**

Dividend Income is recognized when the right to receive payment is established.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in (US\$), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

4. Significant accounting policies (continued)

Tax

Current tax liabilities and assets of the current period are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates and laws that have been declared, or substantively enacted, by the date of the Statement of Financial Position in the country where the entity operates and generates taxable income.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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 the deferred taxes relate to the same fiscal authority.

Financial assets - Classification

From 1 April 2019, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Recognition and derecognition

Purchases and sales are recognised when the entity becomes a party to the contractual provisions of the investments.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, trade and other receivables and loans receivables.

Financial assets - impairment - credit loss allowance for ECL

From 1 April 2019, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For all other financial assets that are subject to impairment under IFRS 9, the Company applies the general approach - three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among others, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

4. Significant accounting policies (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

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

Financial assets at amortised cost

These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity.

Share Premium is the difference between the fair value of the consideration received for the issue of shares and the nominal value of the shares. Share Premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

4. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. Financial risk management

Financial risk factors

The Company is exposed to foreign exchange risk. The risk management policies employed by the Company to manage this risk are discussed below:

5.1 Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

6. Critical accounting estimates, judgments and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income tax**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

7. Expenses by nature

| | 2022 US\$ | 2021 US\$ |
|--------------------------------------|--------------|---------------|
| Legal fees | - | 4,014 |
| Accounting fees | - | 6,132 |
| Auditors' remuneration | - | 1,452 |
| Professional fees | - | 1,546 |
| Irrecoverable VAT | - | 2,196 |
| Other expenses | - | 960 |
| Total administration expenses | - | 16,300 |

Given the intention of the Management to proceed with the liquidation of the Company, as disclosed in Note 4 to the financial statements, all expenses of the Company that will be incurred after the decision for liquidation was taken, will be borne by the parent entity Tata Consumer Products UK Group Limited, including the auditor's remuneration amounting to US\$2,760.

8. Finance income/(costs)

| | 2022 US\$ | 2021 US\$ |
|------------------------------------|--------------|----------------|
| Finance income | | |
| Realised foreign exchange profit | - | 55 |
| | - | 55 |
| Finance costs | | |
| Net foreign exchange losses | | |
| Unrealised foreign exchange loss | - | (3,884) |
| | - | (3,884) |

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

9. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

| | 2022 US\$ | 2021 US\$ |
|--|--------------|--------------|
| Profit before tax | - | 28,981,695 |
| Tax calculated at the applicable tax rates | - | 3,622,712 |
| Tax effect of expenses not deductible for tax purposes | - | 1,244 |
| Tax effect of allowances and income not subject to tax | - | (3,625,235) |
| Tax effect of tax loss for the year | - | 1,279 |
| Tax charge | - | - |

The corporation tax rate is 12,5%.

Under certain conditions interest income may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 17% for 2014 and thereafter. In certain cases, dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc.) are exempt from Cyprus income tax.

10. Investments in subsidiaries

| | 2022 US\$ | 2021 US\$ |
|----------------------------|--------------|--------------|
| Balance at 1 April | - | - |
| Balance at 31 March | - | - |

An impairment of US\$47,065,811 was recognised in the Company's records on 31 March 2015, 31 March 2016 and 31 March 2017 respectively.

On 31 March 2021, the shares held in Suntyco Holding Limited were transferred to Tata Consumer Products UK Group Limited.

The intention of the management is to liquidate the investment as soon as arrangement can be made.

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

11. Share capital

| | 2022 Number of shares | 2022 US\$ | 2021 Number of shares | 2021 US\$ |
|---------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| Authorised | | | | |
| Ordinary Class A shares of US\$1 each | 13,000 | 13,000 | 13,000 | 13,000 |
| Ordinary Class B shares of US\$1 each | 7,000 | 7,000 | 7,000 | 7,000 |
| | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> |
| | | US\$ | | US\$ |
| Issued and fully paid | | | | |
| Ordinary "A" shares- | | | | |
| Balance at 1 April | 13,000 | 13,000 | 13,000 | 13,000 |
| Balance at 31 March | <u>13,000</u> | <u>13,000</u> | <u>13,000</u> | <u>13,000</u> |
| Ordinary "B" shares- | | | | |
| Balance at 1 April | 7,000 | 7,000 | 7,000 | 7,000 |
| Balance at 31 March | <u>7,000</u> | <u>7,000</u> | <u>7,000</u> | <u>7,000</u> |
| Total at 31 March | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> |

Authorised capital

The authorized share capital is 13,000 ordinary "A" shares of US\$1 each and 7,000 ordinary "B" shares of US\$1 each. The rights of shares A and B are defined in the Memorandum and Articles of the Company. Class A shares are entitled to an additional preferential dividend of US\$7,825,000 before any dividends are to be said to both classes pro-rata. Dividends over and above such preferential dividend are distributed to the shareholders based on their percentage holding.

Issued Capital

At the year end the issued share capital was 13,000 ordinary "A" shares of nominal value US\$1 and 7,000 ordinary "B" shares of nominal value US\$1 each.

12. Related party balances and transactions

The Company is controlled by Tata Consumer Products UK Group Limited, incorporated in the UK, which owns 100% of the Company's shares. The ultimate parent company is Tata Consumer Products Ltd, incorporated in India.

The following transactions were carried out with related parties:

12.1 Net other income (waived balances)

| | Terms | 2022 US\$ | 2021 US\$ |
|------------------------------------|------------------------------|--------------|-------------------|
| Tata Global Beverages Services Ltd | Loan Payable | - | 27,688,156 |
| Suntco Holding Ltd | Current account - Payable | - | 6,010 |
| Tata Global Beverages Services Ltd | Current account - Payable | - | 52,399 |
| Onomento Co Ltd | Current account - receivable | - | (41,331) |
| Campestres Holdings Ltd | Loan Payable | - | 1,396,449 |
| Campestres Holdings Ltd | Current account - receivable | - | (99,801) |
| | | <u>-</u> | <u>29,001,882</u> |

KAHUTARA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **31 March 2022**

13. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2022.

14. Significant events after the end of the financial year

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 2 to 4