

SPRAWOZDANIE NIEZALEŻNEGO BIEGŁEGO REWIDENTA Z BADANIA

Dla Wspólników Tata Consumer Products Polska Sp. z o.o.

Sprawozdanie z badania rocznego sprawozdania finansowego

Opinia

Przeprowadziliśmy badanie rocznego sprawozdania finansowego Tata Consumer Products Polska Sp. z o.o. („Spółka”), które zawiera bilans na dzień 31 marca 2022 r. oraz rachunek zysków i strat, zestawienie zmian w kapitale własnym, rachunek przepływów pieniężnych za rok zakończony w tym dniu oraz dodatkowe informacje i objaśnienia („sprawozdanie finansowe”).

Naszym zdaniem sprawozdanie finansowe:

- przedstawia rzetelny i jasny obraz sytuacji majątkowej i finansowej Spółki na dzień 31 marca 2022 r. oraz jej wyniku finansowego i przepływów pieniężnych za rok obrotowy zakończony w tym dniu, zgodnie z mającymi zastosowanie przepisami ustawy z dnia 29 września 1994 r. o rachunkowości („Ustawa o rachunkowości” – Dz. U. z 2021 r., poz. 217 z późn. zm.) oraz przyjętymi zasadami (polityką) rachunkowości;
- jest zgodne co do formy i treści z obowiązującymi Spółkę przepisami prawa oraz jej umową;
- zostało sporządzone na podstawie prawidłowo prowadzonych ksiąg rachunkowych zgodnie z przepisami rozdziału 2 Ustawy o rachunkowości.

Podstawa opinii

Nasze badanie przeprowadziliśmy zgodnie z Krajowymi Standardami Badania („KSB”) w brzmieniu Międzynarodowych Standardów Badania przyjętymi przez Krajową Radę Biegłych Rewidentów oraz stosownie do ustawy z dnia 11 maja 2017 r. o biegłych rewidentach, firmach audytorskich i nadzorze publicznym („Ustawa o biegłych rewidentach” – Dz. U. z 2020 r., poz. 1415 z późn. zm.). Nasza odpowiedzialność zgodnie z tymi standardami została dalej opisana w sekcji naszego sprawozdania *Odpowiedzialność biegłego rewidenta za badanie sprawozdania finansowego*.

Jesteśmy niezależni od Spółki zgodnie z zasadami etyki zawodowej określonymi w przyjętym przez Krajową Radę Biegłych Rewidentów Międzynarodowym Kodeksie etyki zawodowych księgowych (w tym Międzynarodowe standardy niezależności) („Kodeks etyki”) opracowanym i zatwierdzonym przez Radę Międzynarodowych Standardów Etycznych dla Księgowych oraz z innymi wymogami etycznymi, które mają zastosowanie do badania sprawozdań finansowych w Polsce. Wypełniliśmy nasze inne obowiązki etyczne zgodnie z tymi wymogami i Kodeksem etyki. W trakcie przeprowadzania badania kluczowy biegły rewident oraz firma audytorska pozostali niezależni od Spółki zgodnie z wymogami niezależności określonymi w Ustawie o biegłych rewidentach.

Uważamy, że dowody badania, które uzyskaliśmy są wystarczające i odpowiednie, aby stanowić podstawę dla naszej opinii.

Odpowiedzialność Zarządu za sprawozdanie finansowe

Zarząd Spółki jest odpowiedzialny za sporządzenie, na podstawie prawidłowo prowadzonych ksiąg rachunkowych, sprawozdania finansowego, które przedstawia rzetelny i jasny obraz sytuacji majątkowej i finansowej i wyniku finansowego Spółki zgodnie z przepisami Ustawy o rachunkowości, przyjętymi zasadami (polityką) rachunkowości oraz obowiązującymi Spółkę przepisami prawa i umową, a także za kontrolę wewnętrzną, którą Zarząd uznaje za niezbędną, aby umożliwić sporządzenie sprawozdania finansowego niezawierającego istotnego zniekształcenia spowodowanego oszustwem lub błędem.

Sporządzając sprawozdanie finansowe Zarząd Spółki jest odpowiedzialny za ocenę zdolności Spółki do kontynuowania działalności, ujawnienie, jeżeli ma to zastosowanie, spraw związanych z kontynuacją działalności oraz za przyjęcie zasady kontynuacji działalności jako podstawy rachunkowości, z wyjątkiem sytuacji kiedy Zarząd albo zamierza dokonać likwidacji Spółki, albo zaniechać prowadzenia działalności, albo nie ma żadnej realnej alternatywy dla likwidacji lub zaniechania działalności.

Zarząd jest zobowiązany do zapewnienia, aby sprawozdanie finansowe spełniało wymagania przewidziane w Ustawie o rachunkowości.

Odpowiedzialność biegłego rewidenta za badanie sprawozdania finansowego

Naszymi celami są uzyskanie racjonalnej pewności, czy sprawozdanie finansowe jako całość nie zawiera istotnego zniekształcenia spowodowanego oszustwem lub błędem oraz wydanie sprawozdania z badania zawierającego naszą opinię. Racjonalna pewność jest wysokim poziomem pewności ale nie gwarantuje, że badanie przeprowadzone zgodnie z KSB zawsze wykryje istniejące istotne zniekształcenie. Zniekształcenia mogą powstawać na skutek oszustwa lub błędu i są uważane za istotne, jeżeli można racjonalnie oczekiwać, że pojedynczo lub łącznie mogłyby wpłynąć na decyzje gospodarcze użytkowników podjęte na podstawie tego sprawozdania finansowego.

Zakres badania nie obejmuje zapewnienia co do przyszłej rentowności Spółki ani efektywności lub skuteczności prowadzenia jej spraw przez Zarząd Spółki obecnie lub w przyszłości.

Podczas badania zgodnego z KSB stosujemy zawodowy osąd i zachowujemy zawodowy sceptycyzm, a także:

- identyfikujemy i oceniamy ryzyka istotnego zniekształcenia sprawozdania finansowego spowodowanego oszustwem lub błędem, projektujemy i przeprowadzamy procedury badania odpowiadające tym ryzykom i uzyskujemy dowody badania, które są wystarczające i odpowiednie, aby stanowić podstawę dla naszej opinii. Ryzyko niewykrycia istotnego zniekształcenia wynikającego z oszustwa jest większe niż tego wynikającego z błędu, ponieważ oszustwo może dotyczyć zmywu, fałszerstwa, celowych pominięć, wprowadzenia w błąd lub obejścia kontroli wewnętrznej;
- uzyskujemy zrozumienie kontroli wewnętrznej stosowanej dla badania w celu zaprojektowania procedur badania, które są odpowiednie w danych okolicznościach, ale nie w celu wyrażenia opinii na temat skuteczności kontroli wewnętrznej Spółki;
- oceniamy odpowiedniość zastosowanych zasad (polityki) rachunkowości oraz zasadność szacunków księgowych oraz powiązanych ujawnień dokonanych przez Zarząd Spółki;
- wyciągamy wniosek na temat odpowiedniości zastosowania przez Zarząd Spółki zasady kontynuacji działalności jako podstawy rachunkowości oraz, na podstawie uzyskanych dowodów badania, czy istnieje istotna niepewność związana ze zdarzeniami lub warunkami, która może poddawać w znaczącą wątpliwość zdolność Spółki do kontynuacji działalności. Jeżeli dochodzimy do wniosku, że istnieje istotna niepewność, wymagane jest od nas zwrócenie uwagi w naszym sprawozdaniu biegłego rewidenta na powiązane ujawnienia w sprawozdaniu finansowym lub, jeżeli takie ujawnienia są nieadekwatne, modyfikujemy naszą opinię. Nasze wnioski są oparte na dowodach badania uzyskanych do dnia sporządzenia naszego sprawozdania biegłego rewidenta, jednakże przyszłe zdarzenia lub warunki mogą spowodować, że Spółka zaprzestanie kontynuacji działalności;

- oceniamy ogólną prezentację, strukturę i zawartość sprawozdania finansowego, w tym ujawnienia oraz czy sprawozdanie finansowe przedstawia będące ich podstawą transakcje i zdarzenia w sposób zapewniający rzetelną prezentację.

Przekazujemy osobom sprawującym nadzór informacje o, między innymi, planowanym zakresie i czasie przeprowadzenia badania oraz znaczących ustaleniach badania, w tym wszelkich znaczących słabościach kontroli wewnętrznej, które zidentyfikujemy podczas badania.

Inne informacje, w tym sprawozdanie z działalności

Na inne informacje składa się sprawozdanie z działalności Spółki za rok obrotowy zakończony 31 marca 2022 r. („Sprawozdanie z działalności”).

Odpowiedzialność Zarządu

Zarząd Spółki jest odpowiedzialny za sporządzenie Sprawozdania z działalności zgodnie z przepisami prawa.

Zarząd Spółki jest zobowiązany do zapewnienia, aby Sprawozdanie z działalności spełniało wymagania przewidziane w Ustawie o rachunkowości.

Odpowiedzialność biegłego rewidenta

Nasza opinia z badania sprawozdania finansowego nie obejmuje Sprawozdania z działalności. W związku z badaniem sprawozdania finansowego naszym obowiązkiem jest zapoznanie się ze Sprawozdaniem z działalności, i czyniąc to, rozpatrzenie, czy Sprawozdanie z działalności nie jest istotnie niespójne ze sprawozdaniem finansowym lub naszą wiedzą uzyskaną podczas badania, lub w inny sposób wydaje się istotnie zniekształcone. Jeśli na podstawie wykonanej pracy, stwierdzimy istotne zniekształcenia w Sprawozdaniu z działalności, jesteśmy zobowiązani poinformować o tym w naszym sprawozdaniu z badania. Naszym obowiązkiem zgodnie z wymogami Ustawy o biegłych rewidentach jest również wydanie opinii, czy Sprawozdanie z działalności zostało sporządzone zgodnie z przepisami oraz czy jest zgodne z informacjami zawartymi w sprawozdaniu finansowym.

Opinia o Sprawozdaniu z działalności

Na podstawie wykonanej w trakcie badania pracy, naszym zdaniem, Sprawozdanie z działalności Spółki:

- zostało sporządzone zgodnie z art. 49 Ustawy o rachunkowości;
- jest zgodne z informacjami zawartymi w sprawozdaniu finansowym.

Ponadto, w świetle wiedzy o Spółce i jej otoczeniu uzyskanej podczas naszego badania oświadczamy, że nie stwierdziliśmy w Sprawozdaniu z działalności istotnych zniekształceń.

Kluczowym biegłym rewidentem odpowiedzialnym za badanie, którego rezultatem jest niniejsze sprawozdanie niezależnego biegłego rewidenta, jest Adam Chróścielewski.

Działający w imieniu Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. z siedzibą w Warszawie, wpisanej na listę firm audytorskich pod numerem 73, w imieniu której kluczowy biegły rewident zbadał sprawozdanie finansowe:

Adam Chróścielewski
nr w rejestrze 11341

Warszawa, 19 maja 2022 roku

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tata Consumer Products Polska Sp. z o.o.

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Tata Consumer Products Polska Sp. z o.o. (the "Company"), which comprise the balance sheet as at March 31, 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements:

- give a true and fair view of the economic and financial position of the Company as at March 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable provisions of the Accounting Act of 29 September 1994 (the "Accounting Act", Journal of Laws of 2021, item 217, as amended) and the adopted accounting policies;
- comply, as regards their form and content, with the applicable laws and the articles of association of the Company;
- have been prepared based on properly kept accounting records, in accordance with Section 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with the Polish Standards on Auditing ("PSAs") in the wording of the International Standards on Auditing adopted by the National Council of Statutory Auditors and in compliance with the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (the "Act on Statutory Auditors", Journal of Laws of 2020, item 1415, as amended). 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 principles of professional ethics specified in the International Code of Ethics for Professional Accountants (including International Independence Standards) ("Code of ethics") developed and issued by the International Ethics Standards Board for Accountants and adopted by the National Council of Statutory Auditors, together with the ethical requirements that are relevant to the audit of the financial statements in Poland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. Throughout the audit, both the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors.

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

Responsibilities of the Management Board for the Financial Statements

The Company's Management Board is responsible for the preparation – based on properly kept accounting records – of financial statements which give a true and fair view of the economic and financial position of the Company and of its financial performance in accordance with the provisions of the Accounting Act, the adopted accounting policies as well as the applicable laws and articles of association, and for such internal control as the Management Board 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 Management Board 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 Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management Board of the Company is obliged to ensure that the financial statements meet the requirements of the Accounting Act.

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 PSAs 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.

The scope of an audit does not include an assurance about the future profitability of the Company or the effectiveness or efficiency of the Management Board in managing the Company's affairs at present or in the future.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism 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 Company's Management Board;
- conclude on the appropriateness of the Company's Management Board's 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 fair presentation.

We provide the persons exercising supervision with information regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

Other Information, Including the Report on the Activities

Other information includes a report on the Company's activities in the financial year ended March 31, 2022 (the "Report on the Activities").

Responsibilities of the Management Board

The Company's Management Board is responsible for the preparation of the Report on the Activities in accordance with the applicable laws.

The Management Board is obliged to ensure that the Report on the Activities, meet the requirements of the Accounting Act.

Auditor's Responsibilities

Our opinion on the financial statements does not cover the Report on the Activities. In connection with our audit of the financial statements, our responsibility is to read the Report on the Activities and, in doing so, consider whether the Report on the Activities is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Report on the Activities, we are required to report that fact in our auditor's report. Additionally, under the Act on Statutory Auditors we are obliged to express an opinion on whether the Report on the Activities has been prepared in accordance with the applicable laws and whether it is consistent with the information contained in the financial statements.

Opinion on the Report on the Activities

Based on our work performed during the audit, we are of the opinion that the Report on the Activities:

- has been prepared in accordance with Article 49 of the Accounting Act;
- is consistent with the information contained in the financial statements.

Furthermore, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements of the Report on the Activities.

The key statutory auditor on the audit resulting in this independent auditor's report is Adam Chróścielewski.

Acting on behalf of Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered seat in Warsaw, entered under number 73 on the list of audit firms, in the name of which the financial statements have been audited by the key statutory auditor:

[Digital signature dated on: May 19, 2022; time: 14:20:11]

Adam Chróścielewski

Registered under number 11341

Warsaw, 19 May 2022

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TATA CONSUMER PRODUCTS POLSKA

DIRECTORS' REPORT OF TATA CONSUMER PRODUCTS POLSKA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ WITH ITS REGISTERED OFFICE IN WARSAW FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

Management Board:

Manesh Thakrar

The Management Board hereby presents the report on its operations and the financial performance of the Company for the financial year ended 31 March 2022.

INTRODUCTION

Tata Consumer Beverages Polska Sp. z o.o. ("TCPP") was established by virtue of a notarial deed drawn up at the office of notary Czesława Kołcun on 4 February 1994 (Rep. A-1100/94).

The Company was registered on 21 March 1994 by way of decision of the District Court in Warsaw, 16th Commercial and Registry Division, No RHB 39908, under the business name Lyons Tetley Poland Sp. z o.o. The Company was assigned Statistical Identification Number (REGON) 010611629. In 1995, the Company's name was changed to Tetley Polska Sp. z o.o. On 27 July 2010, the Company's name was changed to Tata Global Beverages Polska Sp. z o.o.

On 27 July 2001, the District Court for the Capital City of Warsaw, 20th Commercial Division of the National Court Register, issued its decision on entering the Company in the Register of Entrepreneurs under KRS number 30868.

In the period from April 1, 2021 to March 31, 2022 the Management Board was single-person and it included Manesh Thakrar.

As at 31 March 2022, the Company's share capital amounts to PLN 73,859,400 and is divided into 123,099 shares with a nominal value of PLN 600 each. The sole shareholder of TCPP is Tata Global Beverages Overseas Holdings Limited with its registered office in the United Kingdom.

ACTIVITY

In the reporting period 2021/2022, the Company continued its operations which consisted in selling tea under the Tetley, Vitax, Good Earth, Flosana and Golden Leaf brands and selling coffee under the Eight O'Clock brand.

The retail market in Poland continues to be very competitive, with a growing share of the own brands segment in virtually every category, including tea. The level of competition is not expected to change significantly in the near future. Over the past few years, the structure of retail trade has undergone many changes, including a growing share of discount store chains at the expense of the remaining distribution channels. Over the last year,

The Company does not conduct any research or development activities.



TATA CONSUMER PRODUCTS POLSKA SP. Z O.O.

Ul. Puławska 303, 02-785 Warszawa, tel.: 022 54 69 000, fax: 022 54 69 034,

Sąd Rejonowy dla M. St. Warszawy w Warszawie, XIII Wydz. Gosp. KRS, Numer KRS: 0000030868, NIP: 5270024800, REGON: 010611629,

Zarząd: Manesh Thakrar, Kapitał zakładowy: 73 859 400,00 zł

TATA CONSUMER PRODUCTS POLSKA

EMPLOYEES

In the past financial year, the average number of employees at TCPP was 7.

FINANCIAL POSITION

The financial statements of the Company for the period from 1 April 2021 to 31 March 2022 have been prepared in line with the applicable provisions of law.

In the current year, net sales revenue decreased by 6.4% as compared with the previous year. The profit and loss account showed a net profit of PLN 648,480.50. As at 31 March 2022, equity had a positive value of PLN 6,893,548.33.

In connection with the prerequisites set out in Article 233 para. 1 of the Commercial Companies Code, the General Meeting of Shareholders adopted a resolution regarding the continuation of the Company's operations.

In the current financial year, the main sources of funds for the Company were a group cash-pooling maintained by HSBC Bank Polska S.A.

SOURCES OF REVENUE

The main source of revenue in the reporting period was the sale of tea to customers in traditional and new distribution channels on the domestic market and for exports.

FINANCIAL RISK MANAGEMENT

The financial risks for TGBP include currency exchange rate fluctuations, interest rate movements and credit risk. The Management Board does not identify any other significant financial risks.

INVESTMENT PURCHASES

In the past period, the investment expenditures of TCPP were limited to the purchase of office equipment.

EXPECTED DEVELOPMENT OF THE COMPANY

In the future, TCPP expects to consolidate its presence on the Polish market of beverages as part of Tata Consumer Products Group.

POST BALANCE SHEET DATE EVENTS

The Russian aggression against Ukraine did not affect the property, financial situation and the financial result of the Company due to the fact that the Company does not cooperate with economic entities operating on the Ukrainian and Russian markets.

In the opinion of the Company, there will be no difficulties or inability to conduct business.



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Zarząd: Manesh Thakrar, Kapitał zakładowy: 73 859 400,00 zł

TATA CONSUMER PRODUCTS POLSKA

18 May 2022

Management Board:

Manesh Thakrar



TATA CONSUMER PRODUCTS POLSKA SP. Z O.O.

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Zarząd: Manesh Thakrar, Kapitał zakładowy: 73 859 400,00 zł

Tata Consumer Products Polska Sp. z o.o.

**ul. Puławska 303, 02-785 Warszawa
REGON: 010611629 NIP: 527-00-24-800**

Financial Statements
for the period from 1 April 2021 to 31 March 2022

Tata Consumer Products Polska Sp. z o.o.

Financial Statements

for the period from 1 April 2021 to 31 March 2022

Contents

	Page
Introduction	2 - 6
Balance sheet	7 - 8
Profit and loss account	9
Statement of changes in equity	10
Cashflow statement	11
Notes to the financial statements	12 - 21

Introduction to the financial statements for the period from 1 April 2021 to 31 March 2022

1. Core business of the Company

Tata Consumer Products Polska Sp. z o.o. with its registered office in Warsaw, ul. Puławska 303, commenced its operation in 1994. The District Court in Warsaw, 20th Commercial Division of the National Court Register, entered the Company in the Register of Entrepreneurs under KRS number 30868. At present, the Company is registered with the 13th Commercial Division of the National Court Register. The Company's primary object is the wholesale of tea and other food products.

On 13 May 2020 (date of entry into the National Court Register), the Company's name and address was changed from Tata Global Beverages Polska Sp. z o.o. with its registered office in Warsaw at Kłobucka 25 to Tata Consumer Products Polska Sp. z o.o. with its registered office in Warsaw at Puławska 303.

In the period from April 1, 2021 to March 31, 2022, the Management Board was single-person and it included Manesh Thakrar

In accordance with the Company's Articles of Association, the Company's duration is unlimited.

2. Financial statements

Accounting principles applied in preparation of the financial statements comply with the Accounting Act of 29 September 1994 (Journal of Laws of 2016, item 1047, as amended) and the implementing regulations issued thereunder, hereinafter referred to as the Act, which describes, inter alia, the general accounting principles to be applied by entities with their registered office or their head office in the Republic of Poland.

Accounting entries are made in accordance with the historical cost principle.

The financial statements are presented for the period of 12 months from 1 April 2021 to 31 March 2022. Comparative data pertain to the corresponding period of the previous financial year.

All values in the financial statements are disclosed in Polish zlotys.

The above accounting principles have been applied both for the period ended 31 March 2021 and 31 March 2022.

The financial statements have been prepared under the assumption that the Company would continue as a going concern in the future. In the current financial year, the Company incurred a net profit of PLN 648,480.50. The value of the Company's net assets as at 31 March 2022 was positive: PLN 6,893,548.33.

3. Adopted accounting principles

(a) Tangible fixed assets and intangible assets

Tangible fixed assets are non-current assets and their equivalents, suitable for use and allocated to be used for the purposes of the entity.

Intangible assets include economic rights used by the entity for the purposes of carrying out activity with expected economic useful life above one year.

Intangible assets are measured at the acquisition cost less amortisation write-downs and impairment losses.

Tangible fixed assets are stated in the financial statements at net carrying amount, i.e. at their initial value less depreciation write-downs and impairment losses. The initial value of fixed assets comprises all costs incurred by the entity for the period of construction, assembly, improvement and adjustment of the asset for use, including non-deductible tax on goods and services and the cost of incurred liabilities less the related revenue.

An impairment loss is recognised when there is a high likelihood that a tangible fixed asset controlled by the entity will not generate a significant part or all of the expected future economic benefits. In the event of earmarking a given asset for scrapping, discontinuing its use or other reasons which give rise to the impairment of such a fixed asset, a revaluation write-down is charged against other operating expenses.

**Introduction to the financial statements
for the period from 1 April 2021 to 31 March 2022**

Depreciation (amortisation) write-downs are recognised on the basis of the current depreciation (amortisation) schedule, setting rates and amounts of annual write-downs of individual non-current assets, taking into account economic useful life of individual non-current assets. Depreciation (amortisation) is recognised on a straight line basis. Depreciation (amortisation) write-downs are made starting from the month following the month of accepting a fixed asset or an intangible asset for use.

The correctness of useful lives and other data accepted for the depreciation schedule is periodically verified by the manager of the entity, which results in adjustments of annual depreciation (amortisation) rates and amounts of depreciation (amortisation) write-downs starting the first month of the next financial year.

The Company uses the following annual depreciation rates for key groups of fixed assets:

buildings, premises (leasehold improvements)	- 10%
technical equipment and machinery	- 10–30%
vehicles	- 20%
other fixed assets	- 20%

The amortisation rate for intangible assets, comprising computer software and copyrights, is 20–50%. In respect of goodwill, the Company applies an annual amortisation rate of 20%. Amortisation of goodwill is recognised under Other operating expenses in the Profit and loss account.

Minor equipment with a value of less than PLN 1,000 is not recorded and is charged directly to the costs of material consumption in the Profit and loss account.

(b) Receivables

As at the balance sheet date, receivables are measured at amounts due plus interest for delay calculated, and stated in net amount (i.e. less impairment write-downs recognised).

The value of receivables is adjusted with a view to the likelihood of their repayment by creating impairment write-downs that are charged, respectively, to other operating costs or financial costs, depending on the type of receivables to which the impairment write-down refers.

Tax, subsidy and social insurance receivables as well as other receivables are measured at the amount due, based on regulations, agreements or other documents.

(c) Inventories

Inventories are measured at the lower of actual purchase prices or actual manufacture costs and net realisable value.

The purchase price is the actual purchase price of materials, comprising the amount due to the seller (without due tax on goods and services) and in the case of imports – increased by public charges and costs directly related to the purchase, including costs of transportation, loading and unloading, less any price deductions (rebates, discounts).

Revaluation write-downs on inventories made as a result of their impairment and reflecting the measurement of their net realizable value, rather than purchase price or cost of production, are included in other operating expenses

(d) Monetary assets

Monetary assets include cash in hand, cash at bank or cash deposits due within 3 months, as well as external cheques, promissory notes and similar documents if they are due up to 3 months from the date of their issuance. Monetary assets also include interest accrued on financial assets.

Cash is stated at nominal value and reported together with interest charged or deducted.

Interest received and due is classified as part of financial income.

**Introduction to the financial statements
for the period from 1 April 2021 to 31 March 2022**

(e) Prepayments and accruals**i. Prepayments**

Prepayments include costs related to periods after the period in which they were incurred. The timing and method of recognition in the income statement corresponds to the nature of the expenses being recognised, taking account of the prudence principle.

ii. Accruals

Accruals, as referred to in Article 39.2.2 of the Accounting Act, are disclosed under “Provisions for liabilities” in liabilities and equity. In particular:

- accruals resulting from all types of accrued employee benefits, e.g. provisions for unused holiday leave, annual bonuses, long service bonuses and retirement severance pay are presented in the line “Provisions for employees and similar benefits”, except for accrued and unpaid remuneration for the previous financial year which is disclosed under payroll liabilities;

- accruals concerning future benefits for other persons (other than employees) the amount of which can be estimated in a credible manner, even though the origination date of the liability is yet unknown, e.g. provisions for guarantee repairs, restructuring provisions, are presented in the line “Other provisions”.

Accruals, as referred to in Article 39.2.1 of the Accounting Act, (mainly uninvoiced services and deliveries) are disclosed under “Trade payables” in liabilities and equity, in line with National Accounting Standard No 6.

(f) Equity

Equity comprises the share capital, reserve capital and capitals created by the Company in accordance with the applicable law, Articles of Association and resolution of the General Meeting of Shareholders, including the amount resulting from non-distributed retained earnings.

The share capital of the Company is disclosed at the amount consistent with the notarial deed and the entry in the commercial register, at nominal value.

Declared but not paid capital contributions are recognised as called-up share capital not paid.

In the event of adoption of a resolution of the Shareholders of the Company specifying the date and amount of payments, the equivalent payments are recognized in a separate item of the balance sheet liabilities (Reserve capital from shareholders payments) and are recognized as a component of the equity until it will not be used in a way justifying its write-off. Approved payments that have not yet been made are recognised as contributions towards reserve capital due (negative value)

Reserve capital is the capital from the sale of shares with premium above their nominal value, other amounts in accordance with the applicable law or notarial deed, and the amount of the financial result allocated to the supplementary capital in accordance with a resolution of the General Meeting of Shareholders.

Retained earnings include profits and losses for previous periods that were not settled on the basis of resolutions of General Meetings of Shareholders.

(g) Provisions for liabilities

Provisions for liabilities are measured at a reasonable and reliably estimated value.

Provisions are recognised for certain or likely future liabilities which can be estimated in a reliable manner, in particular for losses on business transactions in progress, including those in respect of guarantees granted, warranties granted, loans, or outcomes of litigation in progress.

Provisions are charged, respectively, to other operating expenses, financial costs or extraordinary losses, depending on circumstances to which future liabilities are related.

**Introduction to the financial statements
for the period from 1 April 2021 to 31 March 2022**

(h) Liabilities

Financial liabilities are measured no later than at the end of the reporting period, according to the adjusted purchase price. Liabilities other than financial ones are disclosed at the amount due, i.e. together with interest payable as at the balance sheet date. This interest is charged to finance costs.

(i) Settlements with foreign entities

As at the balance sheet date, assets, equity and liabilities denominated in foreign currencies are stated according to the average exchange rate determined for the particular currency by the National Bank of Poland as at that date.

During the financial year, the following transactions in foreign currencies are recorded in the accounting records:

- transactions regarding cash, repayment of receivables and payment of liabilities – at purchase or sale exchange rate of the Company's bank;
- transactions pertaining to receivables and liabilities — at the average exchange rate as at the day preceding the transaction date determined for a given currency by the President of the National Bank of Poland, unless a different exchange rate is determined in the customs clearance document.

Exchange differences resulting from payment and as at the balance sheet date are respectively classified to financial income or costs and in justified cases – to manufacturing cost of products or purchase cost of goods, as well as purchase cost or manufacturing cost of fixed assets, constructions in progress or intangible assets.

(j) Revenue from sales

Sales revenue is recognised at the time of goods delivery, if the entity has transferred a significant part of risk and benefits arising from the goods ownership rights, or service performance. Sales are recognised on a net basis, i.e. exclusive of tax on goods and services and any other discounts granted, and additionally without any costs of marketing services provided by the Company's clients (comprising promotional activities aimed at boosting sales) regardless of how they are calculated.

(k) Obligatory charges on the financial result

Statutory appropriations of the financial result include corporate income tax (in accordance with the Act on Corporate Income Tax) and other equivalent payments based on separate regulations.

Income tax is calculated based on profit before tax calculated in keeping with the accounting regulations, adjusted for non-taxable income, non-tax deductible expenses, deductible losses for previous years, investment allowances and donations.

The entity recognises deferred tax provisions and deferred tax assets in respect of temporary differences between the book value of assets and liabilities and their tax values, and the tax loss recoverable in the future.

Deferred tax assets are determined at the amount of corporate income tax recoverable in the future in respect of deductible temporary differences which will result in a lower tax base in the future, and the carryforward of tax losses, taking account of the prudence principle.

A deferred tax provision is recognised at the amount of income tax payable in the future in respect of taxable temporary differences, i.e. differences which result in an increase of the tax base in the future.

Deferred tax provisions and assets are measured using the tax rates applicable in the year in which the related tax obligation arises.

The difference between the balance of deferred tax provisions and assets at the end and the beginning of the reporting period affects the financial result, whereas the deferred tax provisions and assets concerning transactions credited or charged against the equity are also credited or charged against the equity.

4. Presentation changes in the financial statements

In the financial year ended 31 March 2022, the Company did not introduce any material changes to the accounting principles as regards the previous financial year, with significant impact on its material and financial situation and the financial result.

Balance sheet as at 31 March 2022

	Note	31.03.2022	31.03.2021
ASSETS			
Non-current assets		756 079,68	943 426,79
Intangible assets	1	-	-
Goodwill		-	-
Other intangible assets		-	-
Tangible fixed assets	2	-	24 363,16
Fixed assets		-	24 363,16
Buildings and structures		-	-
Plant and machinery		-	24 073,18
Other tangible fixed assets		-	289,98
Long-term receivables	3	56 744,83	73 744,83
From related entities		-	-
From other entities		56 744,83	73 744,83
Long-term prepayments		699 334,85	845 318,80
Deferred income tax assets	13	699 334,85	845 318,80
Other prepayments		-	-
Current assets		14 905 443,78	14 018 877,26
Inventories	4	1 917 049,62	1 373 290,98
Goods		1 917 049,62	1 373 290,98
Short-term receivables	5	12 908 081,41	12 569 082,77
Receivables from related entities	16	5 592 102,72	9 542 432,11
trade receivables, due within:		616 114,61	1 322 847,05
- up to 12 months		616 114,61	1 322 847,05
other		4 975 988,11	8 219 585,06
Receivables from other entities		7 315 978,69	3 026 650,66
trade receivables, due within:		7 095 049,32	2 522 982,74
- up to 12 months		7 095 049,32	2 522 982,74
in respect of taxes, customs duties, social insurance and health insurance as well as other public law receivables		216 497,37	498 325,92
other		4 432,00	5 342,00
Short-term investments	6	19 882,82	19 045,89
Short term financial assets		19 882,82	19 045,89
cash and other monetary assets:		19 882,82	19 045,89
- cash in hand and at bank		19 882,82	19 045,89
- other cash equivalents		-	-
Short-term prepayments	7	60 429,93	57 457,62
Total assets		15 661 523,46	14 962 304,05

Balance sheet as at 31 March 2022

	Note	31.03.2022	31.03.2021
LIABILITIES and EQUITY			
Equity		6 893 548,33	6 245 067,83
Share capital (fund)	8	73 859 400,00	73 859 400,00
Reserve capital		3 871,13	3 871,13
Accumulated losses		(67 618 203,30)	(68 065 405,42)
Net profit	9	648 480,50	447 202,12
Liabilities and provisions for liabilities		8 767 975,13	8 717 236,22
Provisions for liabilities	10	558 690,15	394 816,14
Deferred income tax provision	13	22 771,19	374,43
Provision for retirement pensions and similar benefits		535 918,96	394 441,71
- long-term		-	-
- short-term		535 918,96	394 441,71
Short-term liabilities	11	8 209 284,98	8 322 420,08
To related entities	16	4 077 974,63	4 966 689,08
trade liabilities, due within:		4 077 974,63	4 966 689,08
- up to 12 months		4 077 974,63	4 966 689,08
To other entities		4 114 066,93	3 327 461,09
trade liabilities, due within:		3 838 667,65	3 239 335,25
- up to 12 months		3 838 667,65	3 239 335,25
payments received on account		169 160,25	-
in respect of taxes, customs duties, social insurance and health insurance as well as other public law liabilities		39 179,74	42 503,32
other		67 059,29	45 622,52
Special funds		17 243,42	28 269,91
Total liabilities and equity		15 661 523,46	14 962 304,05

Profit and loss account

for the period from 1 April 2021 to 31 March 2022

	Note	31 March 2022	31 March 2021
Net revenue from sales and equivalents, including:	12	24 101 127,47	25 759 177,62
- from related parties	16	98 167,33	987 000,00
Net revenue from sales of products		286 934,86	992 362,56
Net revenue from sales of goods and materials		23 814 192,61	24 766 815,06
Operating expenses		23 470 828,44	25 269 348,94
Amortisation and depreciation		24 363,16	29 864,95
Materials and energy consumption		45 833,62	145 508,63
External services		2 504 126,83	3 192 060,88
Taxes and charges		656,41	14 742,27
- excise duty		-	-
Payroll		1 942 837,75	2 046 524,70
Social insurance and other benefits		295 340,42	314 667,56
Other expenses by nature		94 392,63	42 948,34
Value of goods and materials sold		18 563 277,62	19 483 031,61
Profit on sales		630 299,03	489 828,68
Other operating income		38 497,37	241 822,07
Gains on disposal of non-financial fixed assets		-	-
Subsidies received		-	-
Revaluation of non-financial assets		173,28	
Other operating revenue		38 324,09	241 822,07
Other operating expenses		9 427,59	68 697,32
Loss on disposal of non-financial fixed assets		-	-
Revaluation of non-financial assets			10 303,03
Other operating expenses		9 427,59	58 394,29
Operating profit		659 368,81	662 953,43
Financial income		157 632,64	119 701,84
Interest		6 208,93	-
- from related entities		-	-
Other		151 423,71	119 701,84
Financial costs		140,24	75,15
Interest, including:		140,24	75,15
- for related entities		-	-
Other		-	-
Gross profit		816 861,21	782 580,12
Income tax	13	168 380,71	335 378,00
Net profit		648 480,50	447 202,12

Statement of changes in equity
for the period from 1 April 2021 to 31 March 2022

	31 March 2022	31 March 2021
Equity as at the beginning of the period (OB)	6 245 067,83	5 797 865,71
Share capital at the beginning of period	73 859 400,00	73 859 400,00
Changes in share capital	-	-
increase (due to)	-	-
- issue of shares	-	-
Share capital at the end of period	73 859 400,00	73 859 400,00
Reserve capital as at the beginning of the period	3 871,13	3 871,13
Reserve capital as at the end of the period	3 871,13	3 871,13
Accumulated losses as at the beginning of the period	(68 065 405,42)	(69 362 789,43)
Accumulated losses as at the beginning of the period	(68 065 405,42)	(69 362 789,43)
increase (due to)	-	-
- loss brought forward for coverage in future periods	-	-
decrease (due to)	447 202,12	1 297 384,01
- profit allocated for coverage of accumulated losses	447 202,12	1 297 384,01
Accumulated losses as at the end of the period	(67 618 203,30)	(68 065 405,42)
Net result	648 480,50	447 202,12
net profit	648 480,50	447 202,12
net loss	-	-
Equity as at the end of the period (CB)	6 893 548,33	6 245 067,83
Equity, including proposed loss coverage	6 893 548,33	6 245 067,83

Cashflow statement

for the period from 1 April 2021 to 31 March 2022

	31 March 2022	31 March 2021
Cash flows from operating activities		
Net profit	648 480,50	447 202,12
Total adjustments:	4 328 344,54	7 759 084,14
Amortisation and depreciation	24 363,16	29 864,95
Foreign exchange gains (losses)	-	-
Interest and shares in profits (dividends)	-	-
Profit (loss) on investing activities	-	-
Change in provisions	163 874,01	(28 345,81)
Change in inventories	(543 758,64)	2 185 637,60
Changes in receivables	4 653 989,47	7 433 344,15
Change in short-term liabilities, except for loans and borrowings	(113 135,10)	(2 204 065,36)
Change in prepayments, accruals and deferred income	143 011,64	342 648,61
Other adjustments	-	-
Net operating cash flows	4 976 825,04	8 206 286,26
Cash flows from investing activities		
Inflows	-	40 696,67
Disposals of intangible and tangible fixed assets	-	40 696,67
Outflows	(4 975 988,11)	(8 260 281,73)
Purchase of intangible assets and tangible fixed assets	-	(40 696,67)
For financial assets, including:	(4 975 988,11)	(8 219 585,06)
assets in related entities	(4 975 988,11)	(8 219 585,06)
Net cash flow from investing activities	(4 975 988,11)	(8 219 585,06)
Cash flows from financing activities		
Inflows	-	-
Outflows	-	-
Net cash flows from financing activities	-	-
Total net cash flows	836,93	(13 298,80)
Balance sheet change in cash	836,93	(13 298,80)
- change in cash due to foreign exchange differences	0,83	(1 126,09)
Cash at the beginning of the period	19 045,89	32 344,69
Cash at the end of the period	19 882,82	19 045,89
- restricted cash	15 838,28	15 944,59

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

1	Intangible assets	31.03.2022	31.03.2021
(a)	<i>Structure of intangible assets</i>		
	Other intangible assets	-	-
	Total intangible assets	-	-

(b) *Movements in intangible assets*

	Goodwill	Other intangible assets	Total
Cost at the beginning of period	6 262 769,83	1 636 209,58	7 898 979,41
Additions - purchase	-		-
Additions - reclassification	-	-	-
Additions - revaluation	-	-	-
Disposals - sale	-	-	-
Disposals - liquidation	-	-	-
Disposals - reclassification	-	-	-
Cost at the end of period	6 262 769,83	1 636 209,58	7 898 979,41
Accumulated amortisation at the beginning of period	6 262 769,83	1 636 209,58	7 898 979,41
Additions - amortisation for the period	-	-	-
Accumulated amortisation at the end of period	6 262 769,83	1 636 209,58	7 898 979,41
Net book value at the beginning of period	-	-	-
Net book value at the end of period	-	-	-

2	Tangible fixed assets	31.03.2022	31.03.2021
(a)	<i>Structure of tangible fixed assets</i>		
	Fixed assets, including:	-	24 363,16
	plant and machinery	-	24 073,18
	vehicles	-	-
	other tangible fixed assets	-	289,98
	Total tangible fixed assets	-	24 363,16

(b) *Ownership structure of tangible fixed assets*

Own	-	24 363,16
Fixed assets used under finance lease agreements	-	-
Total tangible fixed assets in balance sheet records	-	24 363,16

The Company uses 3 company cars under an operating lease agreement and an office building located in Warsaw at ul. Puławska 303 under a property lease agreement. The Company does not state the value of those fixed assets.

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

(c) *Change in tangible fixed assets*

	Plant and machinery	Vehicles	Other tangible fixed assets	Fixed assets under construction	Total
Cost at the beginning of period	190 849,09	-	46 904,79	-	237 753,88
Additions - purchase	-				-
Disposals - sale		-			-
Disposals - liquidation	-		-		-
Cost at the end of period	190 849,09	-	46 904,79	-	237 753,88
Accumulated depreciation at the beginning of period	166 775,91	-	46 614,81	-	213 390,72
Additions - depreciation for the period	24 073,18		289,98		24 363,16
Disposals - sale					-
Disposals - liquidation					-
Accumulated depreciation at the end of period	190 849,09	-	46 904,79	-	237 753,88
Net book value at the beginning of period	24 073,18	-	289,98	-	24 363,16
Net book value at the end of period	-	-	-	-	-

No impairment losses on fixed assets were recognised during the financial year.

The Company is not planning to incur any significant expenditure on non-financial fixed assets in the next financial year.

The Company has not incurred any expenditure on environmental protection and is not planning to incur such expenditure

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

3	Long-term receivables	31.03.2022	31.03.2021
	Deposit for an office space lease agreement	48 744,83	48 744,83
	Deposit BP	8 000,00	25 000,00
	Razem	56 744,83	73 744,83

There were no write-offs of long-term receivables in the financial year.

4	Inventories	31.03.2022	31.03.2021
	Gross inventories as at the balance sheet date	1 917 049,62	1 373 290,98
	Revaluation write-downs as at the beginning of the period	-	229 260,82
	Recognised	-	-
	Used	-	(21 815,40)
	Reversed	-	(207 445,42)
	Revaluation write-downs as at the end of the period	-	-
	Net inventories	1 917 049,62	1 373 290,98

The inventory of goods shown relates mainly to goods in transit.

Aging of stocks	Goods	Provision	Goods net value
above 75%	1 917 049,62		1 917 049,62
66%-75%			0,00
50%-65%			0,00
below 50%			0,00
Total	1 917 049,62	0,00	1 917 049,62

5	Short-term receivables	31.03.2022	31.03.2021
	Gross receivables as at the balance sheet date	12 956 205,56	12 617 380,20
	Revaluation write-downs as at the beginning of the period	48 297,43	37 994,40
	Recognised	1 765,76	10 303,03
	Used	(1 939,04)	-
	Reversed	-	-
	Revaluation write-downs as at the end of the period	48 124,15	48 297,43
	Net short-term receivables	12 908 081,41	12 569 082,77

Lp.	Aging of receivables	Trade Debtors	Provisions	Net Trade debtors
1	not due yet, including:	11 777 500,71	-	11 777 500,71
a	from related parties	5 193 860,27	-	5 193 860,27
b	from other parties	6 362 711,07	-	6 362 711,07
c	others	220 929,37	-	220 929,37
2	overdue, including:	1 178 878,13	48 297,43	1 130 580,70
a	from related parties	401 282,95	3 040,50	398 242,45
	up to 90 days	191 837,05	-	191 837,05
	90 - 180 days	-	-	-
	above 180 days	209 445,90	3 040,50	206 405,40
b	from other parties	777 595,18	45 256,93	732 338,25
	up to 90 days	733 697,30	1 549,80	732 147,50
	90 - 180 days	190,75	-	190,75
	above 180 days	43 707,13	43 707,13	0,00
	Total	12 956 378,84	48 297,43	12 908 081,41

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

6	Short-term investments	31.03.2022	31.03.2021
	Cash in hand and on accounts	19 882,82	19 045,89
	- including those with limited availability:	15 838,28	15 944,59
	- cash funds accumulated on the Social Fund account	15 838,28	15 944,59
7	Short term prepayments	31.03.2022	31.03.2021
	Maintenance fees	16 283,14	9 930,79
	Contributions to the Company Social Benefits Fund	7 483,42	9 301,45
	iScala support service	31 764,98	30 503,82
	Other	4 898,39	7 721,56
	Total short-term prepayments	60 429,93	57 457,62

8 Share capital

	31.03.2022		31.03.2021	
	Number of shares	Nominal value	Number of shares	Nominal value
Shareholders				
Tata Consumer Products Overseas Holdings Limited	123 099	73 859 400,00	123 099	73 859 400,00
Total	123 099	73 859 400,00	123 099	73 859 400,00

The structure of share capital did not change during the financial year.

9 Net financial result of the financial year

As at the date of signing the financial statement the Management Board did not make a decision on the distribution of profit for the financial year 2021/22

10 Provisions for liabilities — changes during the financial year

	As at 1 April 2021	Increases	Utilisation	Decreases	As at 31 March 2022
Deferred income tax provision	374,43	22 771,19	-	(374,43)	22 771,19
Provision for employee holidays and bonuses	394 441,71	409 679,34	(268 202,09)	-	535 918,96
Total provisions	394 816,14	432 450,53	(268 202,09)	(374,43)	558 690,15

11 Short-term liabilities

(a) Liabilities from loans and borrowings

In the financial year, the company benefited from financing as part of group cash pooling.

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

(b) Liabilities secured with the Company's property

As at 31 March 2022, the following securities have been established for the loan agreement concluded by the entity with HSBC Bank Polska S.A. on 11 February 2010:

- corporate guarantee issued by Tata Tea (GB) Limited in the form of a Corporate Collateral Agreement

(c) Contingent liabilities

There were no contingent liabilities and no guarantees or sureties were issued during the reporting period.

(d) Trade payables

31 March 2022 31 March 2021

To related entities

invoiced	4 101 366,69	4 720 477,75
uninvoiced deliveries and services	(23 392,06)	246 211,33
Total	4 077 974,63	4 966 689,08

To other entities

invoiced	1 774 531,13	1 505 510,42
uninvoiced deliveries and services	2 064 136,52	1 733 824,83
Total	3 838 667,65	3 239 335,25

12 Revenue from sales

31 March 2022 31 March 2021

(a) Structure of sales by type

Sales of finished products	-	-
Sales of services	286 934,86	992 362,56
Sales of goods	28 050 710,72	31 721 188,36
Costs of promotional activities to boost sales	(4 236 518,11)	(6 954 373,30)
Total	24 101 127,47	25 759 177,62

(b) Structure of sales by territory

Domestic sales	26 271 888,69	29 956 902,81
Export sales	2 065 756,89	2 756 648,11
Costs of promotional activities to boost sales	(4 236 518,11)	(6 954 373,30)
Total	24 101 127,47	25 759 177,62

(c) % share of customers in sales

Novi Dystrybucja Sp. z o.o. Sp. K.	94%	86%
Pozostali	6%	14%
Total	100%	100%

13 Income tax

31 March 2022 31 March 2021

Current income tax	-	-
Deferred income tax	168 380,71	335 378,00
Total	168 380,71	335 378,00

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

<i>(a) Current income tax</i>	31 March 2022	31 March 2021
Gross profit / loss	816 861,21	782 580,12
Non-tax deductible expenses – recognised provisions and accruals	1 971 188,63	2 032 773,90
Non-tax deductible expenses – other	22 240,27	158 268,14
Tax deductible expenses in the financial year – due to invoices paid and tax depreciation	(2 781,67)	(2 847,50)
Tax deductible expenses in the financial year	540 996,89	
Non-taxable revenue – reversed provisions and accruals	(1 822 941,87)	(2 203 332,78)
Non-taxable revenue – other	(185 679,36)	-
Taxable revenue	-	-
Taxable income	1 339 884,10	767 441,88
Bad debts	(136 541,16)	
Tax base	1 476 425,00	767 442,00
Settlement of losses from previous years - part of the loss for 2016/2017	1 476 425,00	767 442,00
Tax base after adjustments	-	-
Income tax (19%)	-	-

Income tax on extraordinary operations amounted to PLN 0.

The company made an adjustment to the CIT calculation for the previous year after the approval of the financial statements. The adjustment concerns the use of created provisions for costs in the amount of PLN 540,996.89 and results from the received invoices and correcting invoices issued after the approval of the report, and relating to the financial year 2020/2021. non-tax became tax.

In addition, bad debts in the amount of PLN 56 328.67 were deducted

The tax base shown in CIT-8 for the previous year amounted to PLN 282,774.00 and was covered with a loss from previous years.

There were no audits carried out by the Tax Office or the Tax Control Office in the current financial year.

Tax authorities are entitled to audit accounting books and tax settlements within 5 years from the end of the year in which a tax return was submitted, and charge the Company with additional tax along with penalties and interest. In the opinion of the Management Board, there are no circumstances indicating the possibility of any significant liabilities arising in this respect.

<i>(b) Deferred income tax</i>	31.03.2022	31.03.2021
Taxable temporary differences between the carrying values of assets and their tax values, including:		
- cost accruals	96 450,23	-
- foreign exchange differences	23 398,11	1 970,67
Total taxable temporary differences	119 848,34	1 970,67
Deferred income tax provision (at 19% rate)	22 771,18	374,43

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

	31.03.2022	31.03.2021
Deductible temporary differences between the carrying values of assets and liabilities and their tax values, including:		
- fixed assets	6 490,55	9 272,22
- revaluation write-down on receivables	48 124,15	48 297,43
- revaluation write-down on inventories	-	-
- provisions for liabilities and accruals	2 600 055,48	2 331 793,15
- non-taxable cost due to unpaid invoices	-	-
- foreign exchange differences	92 039,50	279 683,48
Total deductible temporary differences	<u>2 746 709,68</u>	<u>2 669 046,28</u>
Tax loss carryforward	<u>7 170 206,00</u>	<u>17 307 013,01</u>
Deferred income tax assets (at 19% rate)	<u>1 884 213,98</u>	<u>3 795 451,27</u>
Revaluation write-down on net deferred income tax assets	(1 184 879,13)	(2 950 132,47)
Deferred income tax assets	699 334,85	845 318,80
Deferred income tax provision	22 771,18	374,43
Deferred income tax provision	22 771,18	374,43
Provision for deferred income tax shown in the balance sheet	699 334,85	845 318,80
Net change in the net assets / deferred tax provision	676 563,67	844 944,37
Deferred tax	168 380,71	335 378,00

The amount of the deferred tax asset recognized in the financial statements was estimated by the company's management to the best of their knowledge. The company's management board assessed and recognized the deferred tax to the amount that it believes will be realized. The deferred tax asset results mainly from provisions for costs created on March 31, 2022. Cost documents received in the following months will cause the provisions to be released and the assets to decrease. For the amount of the asset relating to losses from previous years, a write-down was made up to the amount of the planned profit. On the basis of an agreement with the Group, the Company adopted a limited-risk distributor model which ensures a constant level of profit before tax.

14	Average number of employees	31.03.2022	31.03.2021
	White-collar workers	6	11
	Total	6	11

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

15 Remuneration paid to members of the Management Board

For the financial year 2021/2022, the Company did not pay remuneration to members of the Management Board.

In the financial year, the Company did not carry out transactions with members of the Management Board and their spouses, relatives or relatives in a straight line up to the second degree or related to custody, adoption or guardianship with a person managing or being in the supervisory bodies of the entity or companies in which they are significant shareholders (shareholders or partners). The company did not grant any loans to the abovementioned persons.

The company does not have any pensions or similar obligations towards members of the Management Board.

16 Transactions with companies related in terms of equity	31.03.2022	31.03.2021
Trade receivables	616 114,61	1 322 847,05
Tata Consumer Products GB Ltd	616 114,61	1 322 015,70
Eight O'Clock Coffee	-	831,35
Tata Consumer Products Limited	-	-
Receivables due to borrowings	31.03.2022	31.03.2021
Tata Consumer Products Overseas Holdings Limited	4 975 988,11	8 219 585,06
Trade payables	4 077 974,63	4 966 689,08
Tata Consumer Products GB Ltd	539 307,62	367 378,64
Tata Consumer Products Limited	3 538 667,01	4 599 310,44
Liabilities due to borrowings	31.03.2022	31.03.2021
Tata Consumer Products Overseas Holdings Limited	-	-
	31.03.2022	31.03.2021
Re-invoicing of services	433 167,33	335 015,70
Tata Consumer Products GB Ltd	427 981,38	335 015,70
Tata Consumer Products Limited	5 185,95	-
LRD transactions	(335 000,00)	987 000,00
Tata Consumer Products GB Ltd	(335 000,00)	987 000,00
Purchase of tea	8 811 540,47	11 042 178,07
Tata Consumer Products GB Ltd	651 856,33	1 104 142,54
Tata Consumer Products Limited	8 159 684,14	9 938 035,53
TGB Czech Rep	0,00	0,00
Purchase of coffee	46 373,52	33 069,63
Eight O'Clock Coffee	46 373,52	33 069,63
Other expenses	-	47 773,50
Tata Consumer Products GB Ltd	-	47 773,50

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

In the financial year covered by the financial statements, the Company did not conclude any significant transactions with related parties other than on an arm's length basis.

The consolidated financial statements at the highest level of the capital group to which the Company belongs as a subsidiary entity are prepared by Tata Consumer Products Limited with its registered office in the United Kingdom. The consolidated financial statements at the ultimate level of the capital group are prepared by Tata Consumer Products Limited with its registered office in India.

17	Remuneration of the registered auditor	31.03.2022	31.03.2021
	Statutory audit of the annual financial statements	91 500,00	86 300,00
	Total	91 500,00	86 300,00

18	Exchange rates adopted for valuation of items denominated in foreign currencies	31.03.2022	31.03.2021
	USD/PLN exchange rate	4,1801	3,9676
	GBP/PLN exchange rate	5,4842	5,4679
	EUR/PLN exchange rate	4,6525	4,6603

19 Information on interest rate risk

The risk of interest rate fluctuations is associated with the fair value of loans. The Company does not hedge against the risk of interest rate fluctuations as the Management Board assesses the risk of interest rate fluctuations as insignificant for the financial statements.

20 Information on credit risk

The Management Board pursues a credit policy which requires continuous monitoring of the credit risk exposure. The evaluation of creditworthiness is carried out for all the clients requiring credit in excess of a specified amount. In addition, the Company hedges against credit risk by insuring receivables. The Management Board does not identify any other significant financial risks.

21 Information on liquidity risk

The Company monitors its liquidity situation on an ongoing basis. External liabilities are repaid on time. Financing is provided by the Group through a credit line guarantee.

In addition, after the capital increase by PLN 30 million, the risk of loss of liquidity significantly decreased.

22 Information on foreign currency risk

The Company is exposed to the risk of exchange rate fluctuations in connection with USD and GBP transactions with related entities and in connection with EUR and USD export transactions. The Company does not use any foreign currency risk hedging instruments.

23 Events after the balance sheet date, not included in the financial statements for the financial year

There were no events after the balance sheet date, not included in the financial statements of the financial year.

24 Agreements not disclosed in the balance sheet

In the financial year covered by the financial statements, the Company was not a party to any material agreements not disclosed in the balance sheet.

Tata Consumer Products Polska Sp. z o.o.

Notes to the financial statements

for the period from 1 April 2021 to 31 March 2022

25 Other information with material impact on the assessment of material and financial situation as well as the financial result of the Company

Despite the difficult situation in the country, for most companies, the Company did not experience any negative effects as a result of the pandemic, both in terms of sales revenues, as well as in terms of the supply chain or payment gridlocks. We are part of the food segment that, despite the difficult situation, is immune to the effects of COVID-19, because consumers spend more time at home and buy more food products.

The Russian aggression against Ukraine did not affect the property, financial situation and the financial result of the Company due to the fact that the Company does not cooperate with economic entities operating on the Ukrainian and Russian markets.

In the opinion of the Company, there will be no difficulties or inability to conduct business.

26 Continued operation

There are no circumstances indicating a threat to the continued operation of the Company.

In connection with the prerequisites set out in Article 233 para. 1 of the Commercial Companies Code, the General Meeting of Shareholders adopted a resolution regarding the continuation of the Company's operations. At the same time, the company's management believes that there is no risk of continuing operations. The company, based on an agreement with the Group, adopted a limited risk distributor model that ensures a constant level of profit before tax. The company received a letter of support from Tata Consumer Products UK Group Limited which provides support for at least 1 year and confirmation that there are no plans to liquidate the Company.

Manesh Thakrar

Member of the
Management
Board

Elżbieta Augustyniak

Person representing Accace
Sp.z o.o. the entity which is
responsible for maintaining the
books of account of Tata
Consumer Products Polska Sp.
z o.o.

18 May 2022
