

Good Earth Teas Inc.

Financial Statements

Year ended 31 March 2022

Good Earth Teas, Inc.

**Income statement and Comprehensive Income
For the year ended 31 March 2022**

	Note	2022 USD'000	2021 USD'000
Revenue		6,973	7,767
Operating Profit / (Loss) before exceptional items	4	(1,711)	(1,171)
Exceptional Items	5	-	(1,415)
Operating Profit/ (Loss)	4	(1,711)	(2,586)
Finance costs	6	(380)	(302)
Profit/(Loss) before taxation		(2,091)	(2,888)
Income tax expense		-	-
Profit/(Loss) for the financial year		(2,091)	(2,888)
Other comprehensive (expense) / income for the financial year, net of tax		-	-
Total comprehensive (expense) / income for the financial year		(2,091)	(2,888)

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Good Earth Teas, Inc.

Statement of financial position

As at 31 March 2022

	Note	2022 USD'000	2021 USD'000
Non-current assets			
Property, plant and equipment	7	29	42
Investment in Joint Venture	8	-	-
Total Non-Current Assets		29	42
Current assets			
Inventories	9	1,418	1,006
Trade and other receivables	10	4,409	4,077
Current Tax Assets		21	21
Total Current Assets		5,848	5,104
Current liabilities			
Borrowings	11	17,366	14,635
Creditors - amounts falling due within one year	12	1,345	1,254
Total Current Liabilities		18,711	15,889
Net Current Assets		(12,863)	(10,785)
Total assets less current liabilities		(12,834)	(10,743)
Stockholder's Equity			
Additional paid-in capital		18,090	18,090
Retained earnings		(30,924)	(28,833)
Total Equity		(12,834)	(10,743)

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Good Earth Teas, Inc.

**Statement of changes in equity
For the year ended 31 March 2022**

	Additional Paid-in- Capital	Retained Earnings	USD'000 Total Stockholder's Equity
Balance as at April 1, 2020	18,090	(25,945)	(7,855)
Loss for the financial year	-	(2,888)	(2,888)
Other Comprehensive income	-	-	-
Balance as at March 31, 2021	18,090	(28,833)	(10743)
Loss for the financial year	-	(2,091)	(2,091)
Other Comprehensive income	-	-	-
Balance as at March 31, 2022	18,090	(30,924)	(12,834)

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Good Earth Teas, Inc.**Statement of Cash Flow
For the year ended 31 March 2022**

	2022	2021
	USD'000	USD'000
Net Income/(Loss) before Tax	(2,091)	(2,888)
Adjustment to reconcile net income to cash provided by operating activities		
Depreciation and Amortisation	22	12
Finance Cost	380	302
Loss on sale of long-term investment	-	1,415
Debts and advances written off	20	13
Operating Cash Flow before working capital changes	(1,669)	(1,146)
Adjustment for:		
Changes in Working Capital		
(Increase) / Decrease in Inventory	(412)	295
(Increase) / Decrease in Debtors	(314)	(2,180)
(Increase) / Decrease in Other operating loans and Advances	(39)	186
Increase / (Decrease) in Other operating liability and provisions	91	555
Cash flow from changes in Working capital	(674)	(1,144)
Operating Cash Flow after working capital changes	(2,343)	(2,290)
Tax Paid	-	-
Net Cash from Operating activities	(2,343)	(2,290)
Investing Activities		
Payment for Property, Plant and Equipment	(9)	(54)
Investment in Joint Ventures	-	(1,000)
Proceeds from sale of Long-term Investment	-	1,898
Cash flow from Investing Activities	(9)	844
Financing Activities		
Working Capital Loans	2,732	1,748
Interest Paid	(380)	(302)
Cash flow from Financing Activities	2,352	1,446
Net Change in Cash	-	-
Cash and Cash Equivalent		
Opening Balance	-	-
Closing Balance	-	-

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

1. General Information

Good Earth Tea, Inc is engaged in the sale of tea to the grocery, mass, club, dollar, military and convenience channels primarily within the United States. Good Earth Teas, Inc. (“Good Earth”) was incorporated on February 26, 1979, pursuant to the laws of the State of California.

2. Summary of significant accounting policies

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

a. Function and presentation currency

The company’s functional and presentation currency is the United States Dollars (USD).

b. Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

c. Finance income

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loan and receivables is recognised using the original effective interest rate.

d. Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

e. Property, plant and equipment

i) Recognition and measurement: Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the item. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation: Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives on a straight line basis. Land is not depreciated.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Plant and Machinery	3-20 years

f. Royalty Income

Royalty income includes fees generated by licensing the Company's trademark. Licensing fees are recognized when earned, which is generally upon sale of the underlying products by the licensees and are recorded in net sales.

g. Inventories

Inventories are stated at the lower of cost, or net realizable value, as determined by using the first-in, first-out method. In evaluating whether inventories are stated at the lower of cost or net

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

realizable value, the Company considers factors such as the amount of inventory on hand; estimated time required to sell such inventory, remaining shelf life and market conditions.

h. Current and deferred income tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

i. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

j. Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in IFRS 9, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

k. Other receivables

Other receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

l. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Creditors are classified as current liabilities if payment is 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 liabilities.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

n. Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are re-translated at the rate of exchange rate ruling at the balance sheet date. All exchange differences are recognised in the income statement.

o. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no 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 .

Judgements

There are no judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

4. Operating profit

	2022	2021
	USD'000	USD'000
Revenue	6,973	7,767
Cost of sales	(4,996)	(5,168)
Selling and distribution costs	(2,522)	(2,753)
Administrative expenses	(1,166)	(1,017)
Operating Profit/(Loss) before exceptional items	(1,711)	(1,171)
Exceptional Items (Note 5)	-	(1,415)
Operating profit	(1,711)	(2,586)

Operating profit is stated after charging:

	2022	2021
	USD'000	USD'000
Wages and salaries	-	29
Staff costs:	-	29
Depreciation (note 7)	22	12
Bad Debts Written Off	20	13

5. Exceptional items

	2022	2021
	US'000	US'000
Loss on Disposal of Long-term Investments	-	1,415
Total exceptional items	-	1,415

6. Finance costs

	2022	2021
	USD'000	USD'000
Interest on Bank Borrowings	380	302
Total interest expense	380	302

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

7. Property, plant and equipment

	USD'000
	Plant and Machinery
Cost	
As at April 1, 2020	42
Additions	54
As at March 31, 2021	96
Additions	9
As at March 31, 2022	105
Accumulated Depreciation	
As at April 1, 2020	42
Depreciation for the year	12
As at March 31, 2021	54
Depreciation for the year	22
As at March 31, 2022	76
Net Carrying Value	
As at March 31, 2021	42
As at March 31, 2022	29

8. Investment in Joint Venture

	USD'000
As at April 1, 2020	2,263
Add: Addition during the year	1,000
Less: Disposal of investment	(3,263)
As at March 31, 2021	-
As at March 31, 2022	-

9. Inventories

	2022 USD'000	2021 USD'000
Packing Material	24	6
Finished goods	1,394	1,000
Total	1,418	1,006

Good Earth Teas, Inc.

Notes to financial statements for the year ended 31 March 2022

10. Trade and other receivables

	2022	2021
	USD'000	USD'000
Trade receivables	4,221	3,927
Prepayments and accrued income	32	39
Other Current Assets (Non-Financial)	156	111
Total	4,409	4,077

Trade Receivable include amount due from Group Companies of USD 3,239k (2021: USD 3,315k)

11. Borrowings

	2022	2021
	USD'000	USD'000
Bank Overdraft	17,366	14,635
Total	17,366	14,635

Bank overdraft is a part of a Group's cash-pooling arrangement. Interest is charged at a margin over I.C.E. benchmark administration settlement rate.

12. Creditors - amounts falling due within one year

	2022	2021
	USD'000	USD'000
Trade creditors	568	1,015
Accruals and deferred income	777	239
Total	1,345	1,254

Trade Creditors include USD 132k being amounts due to group undertakings (2021: USD 429k).

13. Parent company

The immediate parent undertaking of Good Earth Teas, Inc. is Tata Consumer Products US Holdings Inc. The smallest parent to include the company's results in its consolidated financial statements is Tata Consumer Products UK Group Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking is Tata Consumer Products Limited, a company registered in India.

14. Events after the end of the reporting period

As at the date of this report, no matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

15. Previous year's figures have been regrouped / rearranged, to the extent necessary, to conform to current year's classifications.