



TATA COFFEE VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2022



TATA COFFEE VIETNAM COMPANY LIMITED

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

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TATA COFFEE VIETNAM COMPANY LIMITED

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

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Tata Coffee Vietnam Company Limited (the "Company") presents this report together with the Company's financial statements for the year ended 31 March 2022.

THE MEMBERS' COUNCIL AND THE BOARD OF DIRECTORS

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

Members' Council

Mr. Chacko Purackal Thomas	Chairman
Mr. Raghu Narayanam	Member
Mr. Venkataramanan Krishnamoorthy	Member
Mr. Amit Pant	Member
Mr. Santhanakrishnan Sankaran	Member (resigned on 12 October 2021)
Mr. Siraj Azmat Chaudry	Member (appointed on 18 October 2021)

Board of Directors

Mr. Raghu Narayanam	General Director
Mr. Venkataramanan Krishnamoorthy	Deputy General Director
Mr. Sudhakar Pathy Jawaharlal	Deputy General Director (resigned on 18 February 2022)
Mr. Biswajit Roy	Deputy General Manager (appointed on 1 March 2022)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors is required to:

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

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

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

For and on behalf of the Board of Directors,



Raghu Narayanam
General Director
31 May 2022

No.: 0008 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tata Coffee Vietnam Company Limited (the "Company"), prepared on 31 May 2022 as set out from page 3 to page 19, which comprise the balance sheet as at 31 March 2022, and the statement of income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

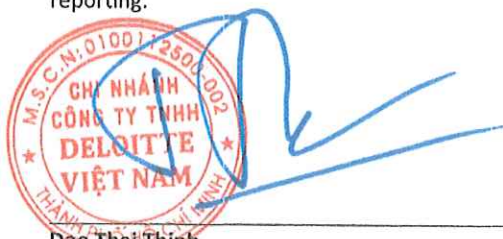
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Đào Thái Thịnh

Audit Partner

Audit Practising Registration Certificate

No. 1867-2018-001-1

BRANCH OF DELOITTE VIETNAM COMPANY LIMITED

31 May 2022

Ho Chi Minh City, Vietnam



Nguyen Hoang Quoc Tri

Auditor

Audit Practising Registration Certificate

No. 4773-2019-001-1

TATA COFFEE VIETNAM COMPANY LIMITED

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

Vietnam - Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen District

Binh Duong Province, Vietnam

FORM B 01-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**BALANCE SHEET**
As at 31 March 2022

Unit: USD

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		15,536,751	13,001,378
I. Cash and cash equivalents	110	4	242,956	530,007
1. Cash	111		242,956	6,007
2. Cash equivalents	112		-	524,000
II. Short-term financial investments	120		708,155	2,070,046
1. Held-to-maturity investments	123	5	708,155	2,070,046
III. Short-term receivables	130		7,039,699	4,107,368
1. Short-term trade receivables	131	6	6,526,094	4,023,334
2. Short-term advances to suppliers	132		422,180	38,543
3. Short-term loan receivables	135		6,000	-
4. Other short-term receivables	136		85,425	45,491
IV. Inventories	140	7	7,479,292	6,225,022
1. Inventories	141		7,479,292	6,225,022
V. Other short-term assets	150		66,649	68,935
1. Short-term prepayments	151		66,649	68,935
B. NON-CURRENT ASSETS	200		55,447,023	58,436,819
I. Long-term receivables	210		31,302	58,785
1. Long-term loans receivable	215		12,979	-
2. Other long-term receivables	216		18,323	58,785
II. Fixed assets	220		49,035,417	51,570,611
1. Tangible fixed assets	221	8	48,945,285	51,437,062
- Cost	222		57,969,657	57,371,349
- Accumulated depreciation	223		(9,024,372)	(5,934,287)
2. Intangible assets	227	9	90,132	133,549
- Cost	228		216,880	216,880
- Accumulated amortisation	229		(126,748)	(83,331)
III. Long-term assets in progress	240		107,273	-
1. Long-term construction in progress	242		107,273	-
IV. Other long-term assets	260		6,273,031	6,807,423
1. Long-term prepayments	261	10	6,273,031	6,807,423
TOTAL ASSETS (270=100+200)	270		70,983,774	71,438,197

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)
As at 31 March 2022

Unit: USD

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		58,409,998	62,639,324
I. Current liabilities	310		25,396,249	21,824,386
1. Short-term trade payables	311	11	396,062	697,315
2. Short-term advances from customers	312		322,560	2,880
3. Taxes and amounts payable to the State budget	313	12	9,260	9,172
4. Short-term accrued expenses	315	13	1,211,925	796,265
5. Other current payables	319		5,142	17,516
6. Short-term loans	320	14	23,451,300	20,301,238
II. Long-term liabilities	330		33,013,749	40,814,938
1. Long-term loans	338	15	32,964,442	40,783,518
2. Long-term provisions	342		49,307	31,420
D. EQUITY	400		12,573,776	8,798,873
I. Owner's equity	410	16	12,573,776	8,798,873
1. Owner's contributed capital	411		15,400,000	12,500,000
2. Accumulated losses	421		(2,826,224)	(3,701,127)
- Accumulated losses to the prior year end	421a		(3,701,127)	(3,768,554)
- Retained earnings of the current year	421b		874,903	67,427
TOTAL RESOURCES (440=300+400)	440		70,983,774	71,438,197

Ung Thanh Hanh
Preparer/Chief Accountant

Biswajit Roy
Deputy General Manager

Raghu Narayanam
General Director
31 May 2022

INCOME STATEMENT
 For the year ended 31 March 2022

Unit: USD

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold	01		35,159,803	30,652,915
2. Deductions	02		414,581	-
3. Net revenue from goods sold (10=01-02)	10	18	34,745,222	30,652,915
4. Cost of sales	11	18	28,623,997	26,261,326
5. Gross profit from goods sold (20=10-11)	20		6,121,225	4,391,589
6. Financial income	21	20	98,686	124,170
7. Financial expenses	22	21	1,970,497	2,379,493
- In which: Interest expense	23		1,474,778	1,824,095
8. Selling expenses	25	22	2,527,905	1,292,734
9. General and administration expenses	26	22	846,606	776,105
10. Operating profit (30=20+(21-22)-(25+26))	30		874,903	67,427
11. Accounting profit before tax (50=30)	50		874,903	67,427
12. Current corporate income tax expense	51	23	-	-
13. Net profit after corporate income tax (60=50-51)	60		874,903	67,427



Ung Thanh Hanh
 Preparer/Chief Accountant



Biswajit Roy
 Deputy General Manager




Raghu Narayanam
 General Director
 31 May 2022

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TATA COFFEE VIETNAM COMPANY LIMITED

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Vietnam - Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen District

Binh Duong Province, Vietnam

FORM B 03-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**CASH FLOW STATEMENT**
For the year ended 31 March 2022

Unit: USD

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	874,903	67,427
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	3,133,502	3,123,516
Provisions	03	17,887	31,420
Foreign exchange loss arising from translating foreign currency items	04	21,622	11,336
Gain from investing activities	05	(47,458)	(30,912)
Interest expense	06	1,474,778	1,824,095
3. <i>Operating profit before movements in working capital</i>	08	5,475,234	5,026,882
Changes in receivables	09	(2,554,596)	(601,904)
Changes in inventories	10	(1,254,270)	(597,831)
Changes in payables	11	449,074	317,268
Changes in prepaid expenses	12	536,678	504,818
Interest paid	14	(1,521,136)	(1,985,479)
<i>Net cash generated by operating activities</i>	20	1,130,984	2,663,754
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(1,029,646)	(182,604)
2. Cash outflow for term deposits	23	(8,816,206)	(7,083,956)
3. Cash recovered from withdrawal of term deposits	24	10,159,118	5,393,988
4. Interest received	27	48,476	26,413
<i>Net cash generated by/(used in) investing activities</i>	30	361,742	(1,846,159)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	2,900,000	-
2. Proceeds from borrowings	33	27,645,267	25,413,299
3. Repayment of borrowings	34	(32,314,281)	(25,735,991)
<i>Net cash used in financing activities</i>	40	(1,769,014)	(322,692)
Net (decrease)/increase in cash (50=20+30+40)	50	(276,288)	494,903
Cash and cash equivalents at the beginning of the year	60	530,007	46,357
Effects of changes in foreign exchange rates	61	(10,763)	(11,253)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	242,956	530,007


Ung Thanh Hanh
Preparer/Chief Accountant



Biswajit Roy
Deputy General ManagerRaghu Narayanam
General Director
31 May 2022*The accompanying notes are an integral part of these financial statements*

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

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

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

The number of the Company's employees as at 31 March 2022 was 61 (as at 31 March 2021 was 67).

Principal activities

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

Normal production and business cycle

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

Significant event in the year

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

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 March 2021.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

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

Held-to-maturity investments

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

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

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

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

Receivables

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

Intangible assets and amortisation

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

Long-term prepayments

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

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

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

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

Revenue recognition

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

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

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

Foreign currencies

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

Payable provisions

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

Severance allowance payable

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

Borrowing costs

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

Taxation

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

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

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	USD	USD
Bank demand deposits	242,956	6,007
Cash equivalents	-	524,000
	242,956	530,007

5. HELD – TO – MATURITY INVESTMENTS

Held-to-maturity investments represent bank deposits in VND with the maturity term of more than 3 months and earn an interest rate of 3.6% per annum (as at 31 March 2021: 3.4% to 3.5% per annum).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	USD	USD
a. Receivables from third parties		
Productos Soluble SA	2,578,637	902,707
Instanta SP. Z O.O.	392,764	507,813
Orimi Limited Liability Company	1,304,875	693,875
Strauss Coffee B.V.	1,578,571	1,578,720
Others	387,387	118,949
	6,242,234	3,802,064
b. Receivables from related parties (Details stated in Note 24)		
	283,860	221,270
	283,860	221,270
	6,526,094	4,023,334

7. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Goods in transit	-	-	150,408	-
Raw materials	4,012,526	-	2,995,713	-
Tools and supplies	107,159	-	-	-
Work in progress	775,437	-	322,664	-
Finished goods	2,584,170	-	2,756,237	-
	7,479,292	-	6,225,022	-

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8. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
	USD	USD	USD	USD	USD
COST					
Opening balance	6,679,090	50,274,989	4,683	412,587	57,371,349
Additions	-	564,464	-	33,844	598,308
Closing balance	6,679,090	50,839,453	4,683	446,431	57,969,657
ACCUMULATED DEPRECIATION					
Opening balance	575,321	5,310,477	9	48,480	5,934,287
Charge for the year	280,789	2,781,104	468	27,724	3,090,085
Closing balance	856,110	8,091,581	477	76,204	9,024,372
NET BOOK VALUE					
Opening balance	6,103,769	44,964,512	4,674	364,107	51,437,062
Closing balance	5,822,980	42,747,872	4,206	370,227	48,945,285

9. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Computer software
	USD
COST	
Opening balance and closing balance	216,880
ACCUMULATED AMORTISATION	
Opening balance	83,331
Charge for the year	43,417
Closing balance	126,748
NET BOOK VALUE	
Opening balance	133,549
Closing balance	90,132

10. LONG-TERM PREPAYMENTS

	Closing balance	Opening balance
	USD	USD
Land rentals (*)	3,968,780	4,079,024
Upfront fee (**)	2,216,178	2,563,023
Others	88,073	165,376
	6,273,031	6,807,423

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

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

11. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	USD	USD
a. Trade payables to third parties		
Trau Viet Co. Ltd	96,481	82,652
HR.S Co., Ltd	49,933	37,194
Cargologs Viet Nam Co., Ltd	42,890	-
Others	206,208	577,469
	395,512	697,315
b. Trade payables to related parties (Details stated in Note 24)		
	550	-
	550	-
	396,062	697,315

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Payable	Paid	Closing balance
	USD	during the year	during the year	USD
		USD	USD	
Personal income tax	8,212	144,339	143,291	9,260
Foreign withholding tax	960	36,905	37,865	-
	9,172	181,244	181,156	9,260

13. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	USD	USD
Loan interest	335,929	382,287
Bonus for employees	123,505	91,967
Boiler steam fee	90,763	83,412
Professional fee	25,921	15,670
Electricity expense	24,906	23,399
Sales rebate	93,784	-
Transportation expense	211,511	21,757
Outsourced labour	114,154	33,318
Others	191,452	144,455
	1,211,925	796,265

14. SHORT-TERM LOANS

	Opening balance	Addition during the year	Reclassified	Payment during the year	Closing balance
	USD	USD	USD	USD	USD
Short-term loans					
Mizuho Bank, Ltd.	3,335,765	-	-	(3,335,765)	-
Standard Chartered Bank (Vietnam) Limited	734,148	-	-	(734,148)	-
Citibank, N.A. (*)	5,853,756	12,715,059	-	(11,437,533)	7,131,282
DBS Bank Ltd. (**)	2,558,493	17,125,780	-	(11,183,331)	8,500,942
Current portion of long-term loan (Note 15)					
Standard Chartered Bank (Hong Kong) Limited	7,819,076	-	7,819,076	(7,819,076)	7,819,076
	<u>20,301,238</u>	<u>29,840,839</u>	<u>7,819,076</u>	<u>(34,509,853)</u>	<u>23,451,300</u>

(*) The credit facility obtained from Citibank, N.A. - Hanoi Branch with total credit limit of USD 8,500,000 which includes USD 7,500,000 to finance the working capital and USD 1,000,000 for hedging forex exposure. The working capital facility has been available for drawdown starting from the facility letter date of 9 December 2020. The facility is valid for a period of 1 year from the effective date of the facility agreement and shall be renewed for additional one-year period at the end of the initial one-year term. The facility bears interest at the rate of bank's cost of funds plus applicable spread or as mutually agreed between the bank and the Company, whichever is lower. The total outstanding loan balance as at 31 March 2022 is USD 7,131,282.

(**) The credit facility obtained from DBS Bank Ltd. - Ho Chi Minh Branch with total credit limit of USD 15,000,000 to finance the working capital. The facility has been available for drawdown starting from the facility letter date of 26 January 2021. The facility is valid for a period of 1 year from the date of entering into the facility agreement and shall be renewed annually at the discretion of the bank. The facility bears interest at the rate of bank's cost of funds plus applicable spread or as mutually agreed between the bank and the Company. The total outstanding loan balance as at 31 March 2022 is USD 8,500,942.

15. LONG-TERM LOANS

	Opening balance	Addition during the year	Reclassified	Payment during the year	Closing balance
	USD	USD	USD	USD	USD
Standard Chartered Bank (Hong Kong) Limited	40,783,518	-	(7,819,076)	-	32,964,442
	<u>40,783,518</u>	<u>-</u>	<u>(7,819,076)</u>	<u>-</u>	<u>32,964,442</u>

On 28 June 2017, the Company entered into a secured long-term loan with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 12,400,000 to finance its factory construction and acquisition of machinery and equipment. This loan has been withdrawn in installments starting from October 2017 to January 2019 and shall be repayable in eight equal semi-annual installments since December 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest has been fixed, accrued and paid on semi-annual basis. The loan is secured by Corporate Guarantee issued by Tata Coffee Limited - the owner. The Company had fully withdrawn with total of USD 12,400,000 as of 31 March 2022. Since 13 May 2019, the loan has been transferred and owned by Standard Chartered Bank (Hong Kong) Limited. The total outstanding loan balance as at 31 March 2022 is USD 7,750,000.

On 9 January 2018, the Company entered into a secured long-term with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 42,471,670 to finance its acquisition of machinery and equipment. This loan has been withdrawn in installments starting from March 2018 to December 2018 and shall be repayable in eighteen equal semi-annual installments since June 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest has been fixed, accrued and paid on semi-annual basis. The loan is secured by Corporate Guarantee issued by Tata Coffee Limited - the owner and the guarantee of EKF Denmark's Export Credit Agency. The Company had fully withdrawn total of USD 42,471,670 as of 31 March 2022. Since 14 August 2019, the loan has been transferred and owned by Standard Chartered Bank (Hong Kong) Limited. The total outstanding loan balance as at 31 March 2022 is USD 33,033,518.

Long-term loans are repayable as follow:

	Closing balance USD	Opening balance USD
On demand or within one year	7,819,076	7,819,076
In the second year	7,819,076	7,819,076
In the third to fifth year inclusive	15,707,228	18,807,228
After five years	9,438,138	14,157,214
	40,783,518	48,602,594
Less: Amount due for settlement within 12 months (shown under current liabilities)	(7,819,076)	(7,819,076)
Amount due for settlement after 12 months	32,964,442	40,783,518

16. OWNER'S EQUITY

Movement of owner's equity

	Owner's contributed capital USD	Accumulated losses USD	Total USD
Prior year's opening balance	12,500,000	(3,768,554)	8,731,446
Profit for the year	-	67,427	67,427
Current year's opening balance	12,500,000	(3,701,127)	8,798,873
Capital contribution	2,900,000	-	2,900,000
Profit for the year	-	874,903	874,903
Current year's closing balance	15,400,000	(2,826,224)	12,573,776

Contributed capital

According to the eighth amended Business Registration Certificate No. 3702547670 dated 17 March 2022 issued by Department of Planning and Investment of Binh Duong Province, the Company's contributed capital are VND 347,678,000,000 (equivalent to USD 15,400,000).

The charter capital contributions by the owner as at 31 March 2022 and 31 March 2021 had been fully made as follows:

	Closing balance		Opening balance	
	VND	USD equivalent	VND	USD equivalent
Tata Coffee Limited	352,708,919,400	15,400,000	286,509,419,400	12,500,000

17. OFF-BALANCE SHEET ITEM

Foreign currency

	Closing balance	Opening balance
Vietnam Dong ("VND")	69,872,165	55,327,349

18. REVENUE AND COST OF GOODS SOLD

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

19. PRODUCTION COST BY NATURE

	Current year	Prior year
	USD	USD
Raw materials and consumables	19,008,028	16,665,938
Labour cost	2,387,994	2,332,818
Depreciation and amortisation	3,133,502	3,123,516
Out-sourced services	4,373,424	5,538,880
Other monetary expenses	260,272	120,199
	29,163,220	27,781,351

20. FINANCIAL INCOME

	Current year	Prior year
	USD	USD
Bank interest	47,458	30,912
Foreign exchange gain	51,228	93,258
	98,686	124,170

21. FINANCIAL EXPENSES

	Current year	Prior year
	USD	USD
Loan interest expenses	1,474,778	1,824,095
Foreign exchange loss	73,952	117,383
Others	421,767	438,015
	1,970,497	2,379,493

22. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	USD	USD
Selling expenses		
Commission fees	235,806	64,332
Transportation fees	2,263,984	1,213,394
Others	28,115	15,008
	2,527,905	1,292,734
General and administration expenses		
Salary expenses	381,815	271,580
Rental fees	1,865	110,244
Professional fees	103,789	75,639
Depreciation and amortisation	103,704	103,704
Others	255,433	214,938
	846,606	776,105

23. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year USD	Prior year USD
Profit before tax	874,903	67,427
Adjustments for taxable profit:		
- Unrealized foreign exchange loss	10,286	12,546
- Non-deductible expenses	47,364	374,891
- Other adjustments to decrease taxable profit (*)	(155,939)	-
Loss carried forward (**)	(721,687)	(454,864)
Tax exemption	(54,927)	-
Assessable income	-	-
Current corporate income tax expense	-	-

According to Official Dispatch No. 18468/CT-TT&HT dated 30 October 2017 of the Binh Duong Provincial Taxation Department, the Company is obliged to pay corporate income tax at the rate of 15% of its taxable income from processing of agricultural products for the entire project duration. The Company is entitled to a corporate income tax exemption for two years from the first profit-making year and a reduction of 50% for the following four years. If the Company does not have taxable income for the first three years from the first year arising turnover of the investment project, the duration of tax exemption and reduction shall be calculated since the fourth year.

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

(*) Other adjustments to decrease taxable profit represented the prior years' non-deductible interest expense according to Decree No. 132/2020/NĐ-CP dated 5 November 2020 by the Government that has been utilized in current year.

(**) The Company's taxable losses for the fiscal year ended 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021 which will be due in the year ended 31 March 2023, 31 March 2024, 31 March 2025 and 31 March 2026 respectively has been adjusted according to the result of the tax audit dated 1 July 2021 for the periods from 2017-2018 to 2019-2020 by the tax authority of Binh Duong Province as follows:

Year incurred	Reported amount VND	Adjusted amount VND	Restated amount	
			VND	USD equivalent
2017-2018	9,853,883,496	(2,651,533,160)	7,202,350,336	316,893
2018-2019	26,515,650,913	(11,012,949,208)	15,502,701,705	665,447
2019-2020	51,141,161,383	(46,630,422,101)	4,510,739,282	194,211
2020-2021	23,991,385,554	(34,534,223,346)	(10,542,837,792)	(454,864)
	111,502,081,346	(94,829,127,815)	16,672,953,531	721,687

As at 31 March 2022, the Company has no unused tax losses (as at 31 March 2021: USD 721,687).

24. RELATED PARTY TRANSACTIONS AND BALANCES

<u>Related party</u>	<u>Relationship</u>
Tata Coffee Limited	The owner
Tata Consultancy Services Limited	Company within Tata Group
Tata International Vietnam Company Limited	Company within Tata Group
Tata Consumer Products Ltd	Company within Tata Group
Tata Uganda Limited	Company within Tata Group
Tata Tea Extractions, Inc	Company within Tata Group

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

	<u>Current year</u>	<u>Prior year</u>
	<u>USD</u>	<u>USD</u>
Revenue from goods sold		
Tata Coffee Limited	668,079	221,270
Tata Tea Extractions, Inc	91,458	-
	<u>759,537</u>	<u>221,270</u>
Purchase of goods and services		
Tata Consultancy Services Limited	4,211	4,211
Tata International Vietnam Company Limited	27,637	33,212
Tata Consumer Products Ltd	13,808	10,733
Tata Uganda Limited	109,665	109,800
Tata Coffee Limited	182,358	-
	<u>337,679</u>	<u>157,956</u>
Fees/Charges paid on behalf of		
Tata Consumer Products Ltd	-	22,814
	<u>-</u>	<u>22,814</u>
Capital contribution		
Tata Coffee Limited	2,900,000	-
	<u>2,900,000</u>	<u>-</u>

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

	<u>Current year</u>	<u>Prior year</u>
	<u>USD</u>	<u>USD</u>
Salary and benefits in kind	286,466	330,436
	<u>286,466</u>	<u>330,436</u>

Significant related party balances as at the balance sheet date were as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>USD</u>	<u>USD</u>
Short-term trade receivables		
Tata Coffee Limited	283,860	221,270
	<u>283,860</u>	<u>221,270</u>
Other short-term receivables		
Tata Consumer Products Ltd	-	22,814
Tata International Vietnam Company Limited	-	4,109
	<u>-</u>	<u>26,923</u>
Short-term trade payables		
Tata Coffee Limited	550	-
	<u>550</u>	<u>-</u>

25. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for purchases of fixed assets during the year excluded an amount of USD 30,232 (Prior year: USD 11,147), representing an addition of fixed assets during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for purchases of fixed assets during the year included an amount of USD 343,150 (Prior year: nil), representing an advance payment for purchases of fixed assets during the year. Consequently, changes in receivables have been adjusted by the same amount.

Cash outflows of interest paid during the year excluded an amount of USD 335,929 (Prior year: USD 382,287), representing the interest expenses during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash inflows of interest received during the year excluded an amount of USD 4,747 (Prior year: USD 5,765), representing the interest income during the year that has not yet been received. Consequently, changes in receivables have been adjusted by the same amount.

Proceeds from borrowings represent net amount between loan withdrawal and repayment amount of short-term loans with the payment term of less than 3 months. Accordingly, items "Proceeds from borrowings" and "Repayment of borrowings" have been respectively adjusted as decrease by the same amount of USD 2,195,572 (Prior year: USD 626,603).



Ung Thanh Hanh
Preparer/Chief Accountant



Biswajit Roy
Deputy General Manager

Raghu Narayanam
General Director
31 May 2022

