

**Good Earth Teas Inc.**  
**Financial Statements**  
**Year ended March 31, 2023**

**Good Earth Teas Inc.**

**Income Statement and Other Comprehensive income  
For the year ended March 31, 2023**

	Note	2023 USD'000	2022 USD'000
<b>Revenue</b>		<b>6,317</b>	6,973
<b>Operating Profit/ ( Loss)</b>	4	<b>(1,315)</b>	(1,711)
Finance costs	5	<b>(855)</b>	(380)
<b>Profit/(Loss) before taxation</b>		<b>(2,170)</b>	(2,091)
Income tax expense		-	-
<b>Profit/(Loss) for the financial year</b>		<b>(2,170)</b>	(2,091)
Other comprehensive income for the financial year, net of tax		-	-
<b>Total comprehensive income / (expense) for the financial year</b>		<b>(2,170)</b>	(2,091)

*The notes are an integral part of these financial statements.*

/s/ SUSAN DONDERO

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Susan Dondero

VP Finance

Date: May 02, 2023

**Good Earth Teas Inc.****Statement of financial position  
As at March 31, 2023**

	Note	2023 USD'000	2022 USD'000
<b>Non-current Assets</b>			
Property, plant and equipment	6	7	29
<b>Total Non-Current Assets</b>		<b>7</b>	<b>29</b>
<b>Current assets</b>			
Inventories	7	1,445	1,418
Trade and other receivables	8	3,761	4,409
Cash and cash equivalents		1	-
Current Tax Assets		21	21
<b>Total Current Assets</b>		<b>5,228</b>	<b>5,848</b>
<b>Current Liabilities</b>			
Borrowings	9	18,834	17,366
Creditors - amounts falling due within one year	10	1,405	1,345
<b>Total Current Liabilities</b>		<b>20,239</b>	<b>18,711</b>
<b>Net Current Assets</b>		<b>(15,011)</b>	<b>(12,863)</b>
<b>Total Assets less Current Liabilities</b>		<b>(15,004)</b>	<b>(12,834)</b>
<b>Stockholder's Equity</b>			
Additional paid-in capital		18,090	18,090
Retained earnings		(33,094)	(30,924)
<b>Total Equity</b>		<b>(15,004)</b>	<b>(12,834)</b>

*The notes are an integral part of these financial statements.*

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

**Good Earth Teas Inc.**

**Statement of changes in equity  
For the year ended March 31, 2023**

			USD'000
	Additional Paid- in-Capital	Retained Earnings	Total Stockholder's Equity
<b>Balance as at April 1, 2021</b>	<b>18,090</b>	<b>(28,833)</b>	<b>(10,743)</b>
Loss for the financial year	-	(2,091)	(2,091)
Other Comprehensive income	-	-	-
<b>Balance as at March 31, 2022</b>	<b>18,090</b>	<b>(30,924)</b>	<b>(12,834)</b>
Loss for the financial year	-	(2,170)	(2,091)
Other Comprehensive income	-	-	-
<b>Balance as at March 31, 2023</b>	<b>18,090</b>	<b>(33,094)</b>	<b>(15,004)</b>

*The notes are an integral part of these financial statements.*

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

**Good Earth Teas Inc.****Statement of Cash Flow****For the year ended March 31, 2023**

	2023	2022
	USD'000	USD'000
<b>Net Income/(Loss) before Tax</b>	<b>(2,170)</b>	<b>(2,091)</b>
Adjustment to reconcile net income to cash provided by operating activities		
Depreciation and Amortisation	22	22
Finance Cost	855	380
Debts and advances written off	6	20
<b>Operating Cash Flow before working capital changes</b>	<b>(1,287)</b>	<b>(1,669)</b>
<b>Adjustment for:</b>		
<b>Changes in Working Capital</b>		
(Increase) / Decrease in Inventory	(27)	(412)
(Increase) / Decrease in Debtors	469	(314)
(Increase) / Decrease in Other operating loans and Advances	173	(39)
Increase / (Decrease) in Other operating liability and provisions	60	91
<b>Cash flow from changes in Working capital</b>	<b>675</b>	<b>(674)</b>
<b>Operating Cash Flow after working capital changes</b>	<b>(612)</b>	<b>(2,343)</b>
Tax Paid	-	-
<b>Net Cash from Operating activities</b>	<b>(612)</b>	<b>(2,343)</b>
<b>Investing Activities</b>		
Payment for Property, Plant and Equipment	-	(9)
<b>Cash flow from Investing Activities</b>	<b>-</b>	<b>(9)</b>
<b>Financing Activities</b>		
Working Capital Loans	1,468	2,732
Interest Paid	(855)	(380)
<b>Cash flow from Financing Activities</b>	<b>613</b>	<b>2,352</b>
<b>Net Change in Cash</b>	<b>1</b>	<b>-</b>
<b>Cash and Cash Equivalent</b>		
Opening Balance	-	-
<b>Closing Balance</b>	<b>1</b>	<b>-</b>

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

## **Good Earth Teas Inc.**

### **Notes to financial statements for the year ended March 31, 2023**

#### **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 (net of variable consideration) allocated to that performance obligation. The transaction price of the goods and services to a customer is based on the price specified in the contract and is net of variable consideration on account of estimated sales incentives / discounts offered by the Company. 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.

##### **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

**Good Earth Teas Inc.****Notes to financial statements for the year ended March 31, 2023**

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:

<b>Category</b>	<b>Useful life</b>
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 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.

**Good Earth Teas Inc.****Notes to financial statements for the year ended March 31, 2023****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 that do not contain a significant financing component are initially measured at transaction price 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.

**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.



## **Good Earth Teas Inc.**

### **Notes to financial statements for the year ended March 31, 2023**

#### **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.

#### **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.

**Good Earth Teas Inc.****Notes to financial statements for the year ended March 31, 2023****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.

**4. Operating profit**

	2023	2022
	USD'000	USD'000
<b>Revenue</b>	<b>6,317</b>	6,973
Cost of sales	<b>(4,656)</b>	(4,996)
Selling, marketing and distribution costs	<b>(1,887)</b>	(2,382)
Administrative expenses	<b>(1,089)</b>	(1,306)
<b>Operating profit before exceptional items</b>	<b>(1,315)</b>	(1,711)
Exceptional items	-	-
<b>Operating profit</b>	<b>(1,315)</b>	(1,711)

Operating profit is stated after charging:

	2023	2022
	USD'000	USD'000
Depreciation (note 6)	<b>22</b>	22
Bad Debts Written Off	<b>6</b>	20

**5. Finance costs**

	2023	2022
	USD'000	USD'000
Interest on Bank Borrowings	<b>855</b>	380
<b>Total Finance cost</b>	<b>855</b>	380

**Good Earth Teas Inc.****Notes to financial statements for the year ended March 31, 2023****6. Property, Plant and Equipment**

	<b>USD'000</b>
	<b>Plant and Machinery</b>
<b>Cost</b>	
<b>As at April 1, 2021</b>	<b>96</b>
Additions	9
<b>As at March 31, 2022</b>	<b>105</b>
Additions	-
<b>As at March 31, 2023</b>	<b>105</b>
<b>Accumulated Depreciation</b>	
<b>As at April 1, 2021</b>	<b>54</b>
Depreciation for the year	22
<b>As at March 31, 2022</b>	<b>76</b>
Depreciation for the year	22
<b>As at March 31, 2023</b>	<b>98</b>
<b>Net Carrying Value</b>	
As at March 31, 2022	29
<b>As at March 31, 2023</b>	<b>7</b>

**7. Inventories**

	<b>2023</b>	2022
	<b>USD'000</b>	USD'000
Finished goods	<b>1,421</b>	1,394
Packing Material	<b>24</b>	24
<b>Total</b>	<b>1,445</b>	1,418

**8. Trade and other receivables**

	<b>2023</b>	2022
	<b>USD'000</b>	USD'000
Trade receivables	<b>3,746</b>	4,221
Prepayments and accrued income	<b>6</b>	32
Other Current Assets (Non-Financial)	<b>9</b>	156
<b>Total</b>	<b>3,761</b>	4,409

Trade Receivable include amount due from Group Companies of USD 3,257k (2022: USD 3,239k)

**Good Earth Teas Inc.****Notes to financial statements for the year ended March 31, 2023****9. Borrowings**

	<b>2023</b>	2022
	<b>USD'000</b>	USD'000
Bank Overdraft	<b>18,834</b>	17,366
<b>Total</b>	<b>18,834</b>	17,366

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.

**10. Creditors - amounts falling due within one year**

	<b>2023</b>	2022
	<b>USD'000</b>	USD'000
Trade creditors	<b>1,405</b>	1,345
<b>Total</b>	<b>1,405</b>	1,345

Trade Creditors include amount due to group undertakings USD 168k (2022: USD 132k).

**11. 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.

**12. Events after the end of the reporting period**

As at the date of this report, no matter or circumstance has arisen since March 31, 2023 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

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