

TATA COFFEE VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1
INDEPENDENT AUDITORS' REPORT	2
BALANCE SHEET	3 - 4
INCOME STATEMENT	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 19

15.5.2017

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 2023.

THE MEMBERS' COUNCIL AND THE BOARD OF DIRECTORS

The members of Members' Council and Board of Directors of the Company 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. Siraj Azmat Chaudry	Member

Board of Directors

Mr. Raghu Narayanam	General Director
Mr. Venkataramanan Krishnamoorthy	Deputy General Director
Mr. Biswajit Roy	Deputy General Manager

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 2023, 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
18 May 2023



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 18 May 2023 as set out from page 3 to page 19, which comprise the balance sheet as at 31 March 2023, 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 2023, 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.



Bui Van Trinh
Audit Partner

Audit Practising Registration Certificate
No. 1144-2023-001-1

BRANCH OF DELOITTE VIETNAM AUDIT
COMPANY LIMITED

18 May 2023

Ho Chi Minh City, Vietnam



Doan Thi Thao Ha
Auditor

Audit Practising Registration Certificate
No. 5461-2021-001-1

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 2023

Unit: USD

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		13,585,208	15,536,751
I. Cash	110	4	205,322	242,956
1. Cash	111		205,322	242,956
II. Short-term financial investments	120		400,016	708,155
1. Held-to-maturity investments	123	5	400,016	708,155
III. Short-term receivables	130		5,625,414	7,039,699
1. Short-term trade receivables	131	6	5,564,473	6,526,094
2. Short-term advances to suppliers	132		56,476	422,180
3. Short-term loan receivables	135		6,000	6,000
4. Other short-term receivables	136		4,643	85,425
5. Provision for short-term doubtful debts	137		(6,178)	-
IV. Inventories	140	7	7,296,971	7,479,292
1. Inventories	141		7,298,764	7,479,292
2. Provision for devaluation of inventories	149		(1,793)	-
V. Other short-term assets	150		57,485	66,649
1. Short-term prepayments	151		57,485	66,649
B. NON-CURRENT ASSETS	200		52,999,281	55,447,023
I. Long-term receivables	210		30,719	31,302
1. Long-term loans receivable	215		6,988	12,979
2. Other long-term receivables	216		23,731	18,323
II. Fixed assets	220		47,039,186	49,035,417
1. Tangible fixed assets	221	8	46,992,470	48,945,285
- Cost	222		59,153,728	57,969,657
- Accumulated depreciation	223		(12,161,258)	(9,024,372)
2. Intangible assets	227	9	46,716	90,132
- Cost	228		216,880	216,880
- Accumulated amortisation	229		(170,164)	(126,748)
III. Long-term assets in progress	240		108,924	107,273
1. Long-term construction in progress	242		108,924	107,273
IV. Other long-term assets	260		5,820,452	6,273,031
1. Long-term prepayments	261	10	5,804,244	6,273,031
2. Deferred tax assets	262		16,208	-
TOTAL ASSETS (270=100+200)	270		66,584,489	70,983,774

The accompanying notes are an integral part of these financial statements

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-DN

Issued under Circular No. 200/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance

BALANCE SHEET (Continued)

As at 31 March 2023

Unit: USD

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		50,530,499	58,409,998
I. Current liabilities	310		25,321,689	25,396,249
1. Short-term trade payables	311	11	1,429,236	396,062
2. Short-term advances from customers	312		138,063	322,560
3. Taxes and amounts payable to the State budget	313	12	165,893	9,260
4. Short-term accrued expenses	315	13	1,501,093	1,211,925
5. Other current payables	319		2,751	5,142
6. Short-term loans	320	14	22,084,653	23,451,300
II. Long-term liabilities	330		25,208,810	33,013,749
1. Long-term loans	338	15	25,145,366	32,964,442
2. Long-term provisions	342		63,444	49,307
D. EQUITY	400		16,053,990	12,573,776
I. Owner's equity	410	16	16,053,990	12,573,776
1. Owner's contributed capital	411		16,900,000	15,400,000
2. Accumulated losses	421		(846,010)	(2,826,224)
- Accumulated losses to the prior year end	421a		(2,826,224)	(3,701,127)
- Profits of the current year	421b		1,980,214	874,903
TOTAL RESOURCES (440=300+400)	440		66,584,489	70,983,774


Trinh Thuy Trang
Preparer/Chief Accountant

Biswajit Roy
Deputy General ManagerRaghu Narayanam
General Director
18 May 2023

The accompanying notes are an integral part of these financial statements

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 02-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**INCOME STATEMENT**

For the year ended 31 March 2023

Unit: USD

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold	01		42,839,906	35,159,803
2. Deductions	02		92,544	414,581
3. Net revenue from goods sold (10=01-02)	10	18	42,747,362	34,745,222
4. Cost of sales	11	18	34,965,178	28,623,997
5. Gross profit from goods sold (20=10-11)	20		7,782,184	6,121,225
6. Financial income	21	20	197,208	98,686
7. Financial expenses	22	21	2,861,981	1,970,497
- In which: Interest expense	23		2,224,042	1,474,778
8. Selling expenses	25	22	2,007,676	2,527,905
9. General and administration expenses	26	22	795,420	846,606
10. Operating profit (30=20+(21-22)-(25+26))	30		2,314,315	874,903
11. Accounting profit before tax (50=30)	50		2,314,315	874,903
12. Current corporate income tax expense	51	23	350,309	-
13. Deferred corporate tax income	52	23	(16,208)	-
14. Net profit after corporate income tax (60=50-51-52)	60		1,980,214	874,903


Trinh Thuy Thuy Trang
Preparer/Chief Accountant

Biswajit Roy
Deputy General ManagerRaghu Narayanam
General Director
18 May 2023

The accompanying notes are an integral part of these financial statements

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 03-DN

Issued 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 2023

Unit: USD

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	2,314,315	874,903
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	3,180,302	3,133,502
Provisions	03	22,108	17,887
Foreign exchange losses arising from translating foreign currency items	04	30,451	21,622
Gain from investing activities	05	(37,826)	(47,458)
Interest expense	06	2,224,042	1,474,778
3. Operating profit before movements in working capital	08	7,733,392	5,475,234
Changes in receivables	09	1,056,195	(2,554,596)
Changes in inventories	10	180,528	(1,254,270)
Changes in payables	11	787,364	449,074
Changes in prepaid expenses	12	477,951	536,678
Interest paid	14	(1,942,634)	(1,521,136)
Corporate income tax paid	15	(205,133)	-
Net cash generated by operating activities	20	8,087,663	1,130,984
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(763,880)	(1,029,646)
2. Cash outflow for term deposits	23	(5,855,539)	(8,816,206)
3. Cash recovered from withdrawal of term deposits	24	6,169,669	10,159,118
4. Interest received	27	41,180	48,476
Net cash (used in)/generated by investing activities	30	(408,570)	361,742
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	1,500,000	2,900,000
2. Proceeds from borrowings	33	29,092,109	27,645,267
3. Repayment of borrowings	34	(38,277,832)	(32,314,281)
Net cash used in financing activities	40	(7,685,723)	(1,769,014)
Net decreases in cash (50=20+30+40)	50	(6,630)	(276,288)
Cash at the beginning of the year	60	242,956	530,007
Effects of changes in foreign exchange rates	61	(31,004)	(10,763)
Cash at the end of the year (70=50+60+61)	70	205,322	242,956


Trinh Thuy Thuy Trang
Preparer/Chief Accountant


Biswajit Roy
Deputy General Manager


Raghu Narayanam
General Director
18 May 2023



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 2023 was 115 (as at 31 March 2022 was 61).

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.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 March 2022.

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

Cash comprise demand deposits, 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 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. The Company applies periodic method to account for inventories. 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 softwares that are stated at cost less accumulated amortisation. Computer softwares are amortized using the straight-line method over their expected useful lives of 5 years.

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 of commercial bank where the Company usually transacts 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

	Closing balance	Opening balance
	USD	USD
Bank demand deposits	205,322	242,956

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent bank deposits in Vietnam Dong with the maturity term of more than 3 months and earn an interest rate of 6.0% per annum (as at 31 March 2022: 3.6% per annum).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	USD	USD
a. Receivables from third parties		
Productos Soluble SA	2,836,116	2,578,637
Instanta SP. Z O.O.	807,332	392,764
Strauss Coffee B.V.	582,750	1,578,571
Orimi Limited Liability Company	554,710	1,304,875
Others	783,565	387,387
	5,564,473	6,242,234
b. Receivables from related parties		
(Details stated in Note 24)	-	283,860
	-	283,860
	5,564,473	6,526,094

7. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Goods in transit	397,533	-	-	-
Raw materials	3,584,813	(1,793)	4,012,526	-
Tools and supplies	1,583,641	-	107,159	-
Work in progress	1,126,982	-	775,437	-
Finished goods	183,295	-	2,584,170	-
Goods on consignment	422,500	-	-	-
	7,298,764	(1,793)	7,479,292	-

8. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures USD	Machinery and equipment USD	Motor vehicles USD	Office equipment USD	Total USD
COST					
Opening balance	6,679,090	50,839,453	4,683	446,431	57,969,657
Additions	-	211,598	57,136	2,866	271,600
Transfer from construction in progress	-	912,471	-	-	912,471
Closing balance	6,679,090	51,963,522	61,819	449,297	59,153,728
ACCUMULATED DEPRECIATION					
Opening balance	856,110	8,091,581	477	76,204	9,024,372
Charge for the year	280,789	2,822,311	3,585	30,201	3,136,886
Closing balance	1,136,899	10,913,892	4,062	106,405	12,161,258
NET BOOK VALUE					
Opening balance	5,822,980	42,747,872	4,206	370,227	48,945,285
Closing balance	5,542,191	41,049,630	57,757	342,892	46,992,470

9. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Computer software USD
COST	
Opening balance and closing balance	216,880
ACCUMULATED AMORTISATION	
Opening balance	126,748
Charge for the year	43,416
Closing balance	170,164
NET BOOK VALUE	
Opening balance	90,132
Closing balance	46,716

10. LONG-TERM PREPAYMENTS

	Closing balance USD	Opening balance USD
Land rentals (*)	3,858,536	3,968,780
Upfront fee (**)	1,869,332	2,216,178
Others	76,376	88,073
	5,804,244	6,273,031

(*) 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.

(**) 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 USD	Opening balance USD
a. Trade payables to third parties		
Trau Viet Co. Ltd	135,477	96,481
Hiang Kie Industries Co., Ltd	530,905	-
Volcafe Pte Ltd	223,107	-
Others	523,523	299,031
	1,413,012	395,512
b) Trade payables to related parties (Details stated in Note 24)		
	16,224	550
	16,224	550
	1,429,236	396,062

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance USD	Payable during the year USD	Paid during the year USD	Closing balance USD
Corporation income tax	-	350,309	205,133	145,176
Personal income tax	9,260	148,242	144,925	12,577
Foreign withholding tax	-	91,084	82,944	8,140
	9,260	589,635	433,002	165,893

13. SHORT-TERM ACCRUED EXPENSES

	Closing balance USD	Opening balance USD
Loan interest	617,337	335,929
Bonus for employees	142,556	123,505
Boiler steam fee	128,493	90,763
Professional fee	73,643	25,921
Electricity expense	38,116	24,906
Sales rebate	39,534	93,784
Transportation expense	8,496	211,511
Outsourced labour	48,339	114,154
Others	404,579	191,452
	1,501,093	1,211,925

TATA COFFEE VIETNAM COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

14. SHORT-TERM LOANS

	Opening balance	Increases	Reclassified	Decreases	Closing balance
	USD	USD	USD	USD	USD
Short-term loans					
Mizuho Bank, Ltd. (*)	-	3,992,671	-	(469,183)	3,523,488
Citibank, N.A. (**)	7,131,282	13,833,425	-	(14,538,631)	6,426,076
DBS Bank Ltd. (***)	8,500,942	15,407,464	-	(19,592,393)	4,316,013
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
	23,451,300	33,233,560	7,819,076	(42,419,283)	22,084,653

(*) The credit facility obtained from Mizuho Bank, Ltd. with the total credit limit of USD 7,500,000 to finance for the working capital. The working capital facility has been available for drawdown starting from the facility letter date of 24 January 2022. 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 loan is secured by Corporate Guarantee issued by Tata Coffee Limited - the owner. The facility bears interest at the rate of bank's cost of funds plus applicable spread.

(**) The credit facility obtained from Citibank, N.A. - Hanoi Branch with the 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 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.

15. LONG-TERM LOANS

	Opening balance	Increases	Reclassified	Decreases	Closing balance
	USD	USD	USD	USD	USD
Standard Chartered Bank (Hong Kong) Limited	32,964,442	-	(7,819,076)	-	25,145,366
	32,964,442	-	(7,819,076)	-	25,145,366

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 2023 is USD 4,650,000.

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 2023 is USD 28,314,442.

Long-term loans are repayable as follow:

	Closing balance	Opening balance
	USD	USD
On demand or within one year	7,819,076	7,819,076
In the second year	6,269,076	7,819,076
In the third to fifth year inclusive	14,157,228	15,707,228
After five years	4,719,062	9,438,138
	32,964,442	40,783,518
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	25,145,366	32,964,442

16. OWNER'S EQUITY

Movement of owner's equity

	Owner's contributed capital	Accumulated loss	Total
	USD	USD	USD
Prior year's opening balance	12,500,000	(3,701,127)	8,798,873
Capital contribution	2,900,000	-	2,900,000
Loss for the year	-	874,903	874,903
Current year's opening balance	15,400,000	(2,826,224)	12,573,776
Capital contribution	1,500,000	-	1,500,000
Profit for the year	-	1,980,214	1,980,214
Current year's closing balance	16,900,000	(846,010)	16,053,990

Contributed capital

According to the tenth amended Business Registration Certificate No. 3702547670 dated 21 June 2022 issued by Department of Planning and Investment of Binh Duong Province, the Company's contributed capital is VND 382,253,000,000 (equivalent to USD 16,900,000).

The charter capital contributions by the owner as at 31 March 2023 and 31 March 2022 had been fully made as follows:

	Closing balance		Opening balance	
	VND	USD equivalent	VND	USD equivalent
Tata Coffee Limited	382,253,000,000	16,900,000	352,708,919,400	15,400,000

17. OFF-BALANCE SHEET ITEM

Foreign currency

	Closing balance	Opening balance
	VND	USD equivalent
Vietnam Dong ("VND")	210,751,093	69,872,165

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	22,742,005	19,008,028
Labour	2,251,607	2,387,994
Depreciation and amortisation	3,180,302	3,133,502
Out-sourced services	4,686,475	4,373,424
Other monetary expenses	159,891	260,272
	33,020,280	29,163,220

20. FINANCIAL INCOME

	Current year	Prior year
	USD	USD
Bank interest	37,826	47,458
Foreign exchange gain	159,382	51,228
	197,208	98,686

21. FINANCIAL EXPENSES

	Current year	Prior year
	USD	USD
Loan interest expenses	2,224,042	1,474,778
Foreign exchange loss	240,249	73,952
Others	397,690	421,767
	2,861,981	1,970,497



22. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	Current year USD	Prior year USD
Selling expenses		
Commission fees	128,819	235,806
Transportation fees	1,871,804	2,263,984
Others	7,053	28,115
	2,007,676	2,527,905
General and administration expenses		
Salary expenses	174,272	381,815
Rental fees	2,786	1,865
Professional fees	192,126	103,789
Depreciation and amortisation	93,755	103,704
Others	332,481	255,433
	795,420	846,606

23. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year USD	Prior year USD
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	349,225	-
Adjustments for corporate income tax expense in previous years to the current year	1,084	-
Total current corporate income tax expense	350,309	-
	Current year USD	Prior year USD
Profit before tax	2,314,315	874,903
Adjustments for taxable profit:		
- <i>Unrealized foreign exchange loss</i>	9,383	10,286
- <i>Non-deductible expenses</i>	122,501	47,364
- <i>Other adjustments to decrease taxable profit (*)</i>	(118,034)	(155,939)
<i>Loss carried forward</i>	-	(721,687)
<i>Tax exemption</i>	-	(54,927)
Taxable profit	2,328,165	-
<i>Tax rate</i>	15%	15%
Corporate Income tax expense	349,225	-

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.

(*) 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.

As at 31 March 2023 and as at 31 March 2022, the Company has no unused tax losses.

	Current year	Prior year
	USD	USD
Deferred corporate income tax income		
Deductible temporary differences	16,208	-
Total deferred corporate income tax income	16,208	-

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
TaTa Sons Private Limited	Company within Tata Group

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

	Current year	Prior year
	USD	USD
Revenue from of goods sold		
Tata Coffee Limited	485,784	668,079
Tata Tea Extractions, Inc	46,313	91,458
	532,097	759,537
Purchase of goods and services		
Tata Consultancy Services Limited	4,212	4,211
Tata International Vietnam Company Limited	-	27,637
Tata Consumer Products Ltd	27,252	13,808
Tata Uganda Limited	-	109,665
Tata Coffee Limited	-	182,358
TaTa Sons Private Limited	112,074	-
	143,538	337,679
Fees/Charges paid on behalf of		
Tata Consumer Products Ltd	24,639	-
TaTa Coffee Limited	740	-
	25,379	-
Capital contribution		
Tata Coffee Limited	1,500,000	2,900,000

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

	Current year	Prior year
	USD	USD
Salary and benefits in kind	329,887	286,466

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

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Short-term trade receivables		
Tata Coffee Limited	-	283,860
Short-term trade payables		
Tata Consumer Products Ltd	14,972	-
Tata Coffee Limited	550	550
Tata Consultancy Services Limited	702	-
	<u>16,224</u>	<u>550</u>

25. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for purchases of fixed assets during the year excluded an amount of USD 108,924 (Prior year: USD 30,232), 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 of interest paid during the year excluded an amount of USD 617,337 (Prior year: USD 335,929), representing the interest expenses during the year that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.



Trinh Thuy Thuy Trang
Preparer/Chief Accountant



Blswajit Roy
Deputy General Manager



Raghu Narayanam
General Director
18 May 2023



