

Tata Consumer Products US Holdings, Inc.

Financial Statements

Year ended March 31, 2023

Tata Consumer Products US Holdings, Inc.

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

	Note	2023 USD'000	2022 USD'000
Revenue		4	-
Operating Profit / (Loss) before exceptional items	4	4	-
Exceptional Items	5	-	(75,198)
Operating Profit/(Loss)		4	(75,198)
Finance Costs		(851)	(367)
Profit/ (Loss) before taxation		(847)	(75,565)
Income tax expense		-	-
Profit / (Loss) for the financial year		(847)	(75,565)
Other comprehensive Income / (expense) for the financial year, net of tax		-	-
Total comprehensive Income / (Expense) for the financial year		(847)	(75,565)

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

Tata Consumer Products US Holdings, Inc.

**Statement of financial position
As at March 31, 2023**

	Note	2023 USD'000	2022 USD'000
Non-Current Assets			
Goodwill	6	636	636
Investment in Subsidiaries	7	26,210	26,210
Total Non-Current Assets		26,846	26,846
Current Assets			
Trade and Other Receivables	8	653	255
Total Current Assets		653	255
Current Liabilities			
Borrowings	9	17,746	16,895
Creditors - amounts falling due within one year	10	16,926	16,532
Total Current Liabilities		34,672	33,427
Net Current Assets		(34,019)	(33,172)
Total Assets less Current Liabilities		(7,173)	(6,326)
Non-Current Liabilities			
Long Term Provisions	11	11,136	11,136
Total Non-Current Liabilities		11,136	11,136
Net Assets		(18,309)	(17,462)
Stockholders' Equity			
Common Stock, par value USD 0.01; 201 issued and outstanding		-	-
Additional paid-in capital		67,003	67,003
Retained earnings		(85,312)	(84,465)
Total Equity		(18,309)	(17,462)

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

Tata Consumer Products US Holdings, Inc.

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

	Additional Paid in Capital	Retained Earnings	USD'000 Total Stockholder's Equity
Balance as at April 1, 2021	67,003	(8,900)	(58,103)
Loss for the financial year	-	(75,565)	(75,565)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2022	67,003	(84,465)	(17,462)
Loss for the financial year	-	(847)	(847)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2023	67,003	(85,312)	(18,309)

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

Tata Consumer Products US Holdings, Inc.

Statement of Cash Flow

For the year ended March 31, 2023

	2023	2022
	USD'000	USD'000
Net Income/(Loss) before Tax	(847)	(75,565)
Adjustment to reconcile net income to cash provided by operating activities		
Finance Cost	851	367
Other exceptional expense/(income)	-	75,198
Operating Cash Flow before working capital changes	4	-
Adjustment for:		
Changes in Working Capital		
(Increase) / Decrease in Trade Debtors	(398)	-
Increase / (Decrease) in Other operating liability and provisions	394	-
Cash flow from changes in Working capital	(4)	-
Operating Cash Flow after working capital changes	-	-
Tax Paid	-	-
Net Cash from Operating activities	-	-
Cash flow from Investing Activities	-	-
Cash flow from Financing Activities	-	-
Net Change in Cash	-	-
Cash and Cash Equivalent		
Opening Balance	-	-
Closing Balance	-	-

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 02, 2023

Tata Consumer Products US Holdings, Inc.

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

1. General Information

Tata Consumer Products US Holdings Inc is the holding company for the Tetley USA Inc., Good Earth Corporation Inc., Good Earth Teas Inc. and Tata Water LLC.

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. Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

c. 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.

d. Intangible Assets

Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Tata Consumer Products US Holdings, Inc.

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

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as “Asset held for sale” and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

e. Investments

Investments are shown at cost less provision for accumulated impairment losses. At each reporting date investments are reviewed to determine whether there is any indication of impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

f. Current and deferred income tax

i) Current Income Tax:

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

ii) Deferred Tax:

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

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

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

Tata Consumer Products US Holdings, Inc.

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

g. 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.

h. 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.

i. 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.

j. 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.

Tata Consumer Products US Holdings, Inc.

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

k. Events after the reporting period

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

3. Critical accounting judgements and key sources of estimation uncertainty

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

Estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are addressed below.

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.

Tata Consumer Products US Holdings, Inc.**Notes to the financial statements for the year ended March 31, 2023****4. Operating profit**

	2023	2022
	USD'000	USD'000
Operating profit before exceptional items	4	-
Exceptional items (note 5)	-	(75,198)
Operating profit	4	(75,198)

Operating profit is stated after charging:

	2023	2022
	USD'000	USD'000
Wages and salaries	394	-
Service fee received	(394)	-

Service fee relates to service provided to Tata Tea Extractions Inc. USA, a fellow subsidiary.

5. Exceptional items

	2023	2022
	USD'000	USD'000
Impairment of investments	-	(64,062)
Provision for obligation relating to a subsidiary	-	(11,136)
Total exceptional items	-	(75,198)

6. Goodwill

	USD'000
Net carrying amount	
At March 31, 2022	636
At March 31, 2023	636

Tata Consumer Products US Holdings, Inc.**Notes to the financial statements for the year ended March 31, 2023****7. Investment in Subsidiaries**

	USD'000
At April 1, 2021	90,272
Impairments	(64,062)
At March 31, 2022	26,210
At April 1, 2022	26,210
Impairments	-
At March 31, 2023	26,210

Name of subsidiary	Proportion of equity and voting rights held
Tetley USA Inc.	100%
Good Earth Corporation Inc.	100%
Good Earth Teas Inc.	100%
Tata Waters LLC	100%

8. Trade and Other receivables

	2023	2022
	USD'000	USD'000
Trade receivables	653	255
Total	653	255

Trade receivables represents amount due from Group Companies

9. Borrowings

	2023	2022
	USD'000	USD'000
Loan from Related party	17,746	16,895
Total	17,746	16,895

10. Creditors - amounts falling due within one year

	2023	2022
	USD'000	USD'000
Trade creditors and accrued liabilities	16,926	16,532
Total	16,926	16,532

Trade Creditors includes amount due to Group Companies of USD 16,848k (2022: 16,532k)

Tata Consumer Products US Holdings, Inc.

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

11. Long term provisions

	USD'000
At April 1, 2021	-
Additions	11,136
Utilised during the year	-
At March 31, 2022	11,136
Additions	-
Utilised during the year	-
At March 31, 2023	11,136

11. Parent company

The immediate parent undertaking is Tata Consumer Products Overseas Holdings Limited. 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.