



TATA COFFEE VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2024

TATA COFFEE VIETNAM COMPANY LIMITED

No. 12 VSIP II-A, Street No. 32, Vietnam - Singapore Industrial Park II-A
Tan Binh Townlet, 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



TATA COFFEE VIETNAM COMPANY LIMITED

No. 12 VSIP II-A, Street No. 32, Vietnam - Singapore Industrial Park II-A
Tan Binh Townlet, 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 2024.

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. Amit Pant	Chairman (appointed from 1 January 2024) Member (resigned from 1 January 2024)
Mr. Chacko Purackal Thomas	Chairman (resigned from 1 January 2024)
Mr. Sarath Chandar Palani	Member (appointed from 4 July 2023)
Mr. Raghu Narayanam	Member (resigned from 3 July 2023)
Mr. Venkataramanan Krishnamoorthy	Member
Mr. Siraj Azmat Chaudry	Member

Board of Directors

Mr. Sarath Chandar Palani	General Director (appointed from 4 July 2023)
Mr. Raghu Narayanam	General Director (resigned from 3 July 2023)
Mr. Sudhanshu Jain	Head-Finance (appointed from 24 November 2023)
Mr. Biswajit Roy	Deputy General Manager (resigned from 17 November 2023)

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 2024, 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,


Sarath Chandar Palani
General Director
29 April 2024

No.: 0764 /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 29 April 2024 as set out from page 3 to page 19, which comprise the balance sheet as at 31 March 2024, 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 2024, 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.



Dao Thai Hung
Audit Partner
Audit Practising Registration Certificate
No. 1867-2023-001-1
BRANCH OF DELOITTE VIETNAM AUDIT
COMPANY LIMITED
29 April 2024
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 Townlet

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 2024

Unit: USD

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		19,266,007	13,585,208
I. Cash	110	4	327,887	205,322
1. Cash	111		327,887	205,322
II. Short-term financial investments	120		1,000,000	400,016
1. Held-to-maturity investments	123	5	1,000,000	400,016
III. Short-term receivables	130		7,938,047	5,625,414
1. Short-term trade receivables	131	6	7,615,210	5,564,473
2. Short-term advances to suppliers	132		324,561	56,476
3. Short-term loan receivables	135		-	6,000
4. Other short-term receivables	136		4,454	4,643
5. Provision for short-term doubtful debts	137		(6,178)	(6,178)
IV. Inventories	140	7	9,962,508	7,296,971
1. Inventories	141		9,965,593	7,298,764
2. Provision for devaluation of inventories	149		(3,085)	(1,793)
V. Other short-term assets	150		37,565	57,485
1. Short-term prepayments	151		29,191	57,485
2. Value added tax deductibles	152		8,374	-
B. NON-CURRENT ASSETS	200		50,071,408	52,999,281
I. Long-term receivables	210		20,399	30,719
1. Long-term loans receivable	215		-	6,988
2. Other long-term receivables	216		20,399	23,731
II. Fixed assets	220		44,481,596	47,039,186
1. Tangible fixed assets	221	8	44,470,752	46,992,470
- Cost	222		59,841,562	59,153,728
- Accumulated depreciation	223		(15,370,810)	(12,161,258)
2. Intangible assets	227	9	10,844	46,716
- Cost	228		216,880	216,880
- Accumulated amortisation	229		(206,036)	(170,164)
III. Long-term assets in progress	240		246,894	108,924
1. Long-term construction in progress	242		246,894	108,924
IV. Other long-term assets	260		5,322,519	5,820,452
1. Long-term prepayments	261	10	5,307,158	5,804,244
2. Deferred tax assets	262		15,361	16,208
TOTAL ASSETS (270=100+200)	270		69,337,415	66,584,489

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 Townlet

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 2024

Unit: USD

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		43,009,601	50,530,499
I. Current liabilities	310		24,076,963	25,321,689
1. Short-term trade payables	311	11	2,047,909	1,429,236
2. Short-term advances from customers	312		51,912	138,063
3. Taxes and amounts payable to the State budget	313	12	312,316	165,893
4. Short-term accrued expenses	315	13	1,182,404	1,501,093
5. Other current payables	319		5,166	2,751
6. Short-term loans	320	14	20,477,256	22,084,653
II. Long-term liabilities	330		18,932,638	25,208,810
1. Long-term loans	338	15	18,876,290	25,145,366
2. Long-term provisions	342		56,348	63,444
D. EQUITY	400		26,327,814	16,053,990
I. Owner's equity	410	16	26,327,814	16,053,990
1. Owner's contributed capital	411		20,000,000	16,900,000
2. Retain earnings/(accumulated loss)	421		6,327,814	(846,010)
- Accumulated losses to the prior year end	421a		(846,010)	(2,826,224)
- Retain earnings of the current year	421b		7,173,824	1,980,214
TOTAL RESOURCES (440=300+400)	440		69,337,415	66,584,489


Trinh Thuy Trang
Preparer/Chief Accountant


Sudhanshu Jain
Head-Finance


Sarath Chandar Palani
General Director
29 April 2024


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 Townlet

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 2024

Unit: USD

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold	01		47,702,936	42,839,906
2. Deductions	02		480,569	92,544
3. Net revenue from goods sold (10=01-02)	10	18	47,222,367	42,747,362
4. Cost of sales	11	18	34,104,565	34,965,178
5. Gross profit from goods sold (20=10-11)	20		13,117,802	7,782,184
6. Financial income	21	20	118,120	197,208
7. Financial expenses	22	21	3,124,767	2,861,981
- In which: Interest expense	23		2,550,024	2,224,042
8. Selling expenses	25	22	941,785	2,007,676
9. General and administration expenses	26	22	946,344	795,420
10. Operating profit (30=20+(21-22)-(25+26))	30		8,223,026	2,314,315
11. Other income	31		13,336	-
12. Profit from other activities (40=31)	40		13,336	-
13. Accounting profit before tax (50=30+40)	50		8,236,362	2,314,315
14. Current corporate income tax expense	51	23	1,061,691	350,309
15. Deferred corporate tax income	52	23	847	(16,208)
16. Net profit after corporate income tax (60=50-51-52)	60		7,173,824	1,980,214



Trinh Thuy Thuy Trang
Preparer/Chief Accountant



Sudhanshu Jain
Head-Finance



Sarath Chandar Palani
General Director
29 April 2024

01121
CHI
ÔNG
KIẾ
ĐE
VII
11-

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 Townlet

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 2024

Unit: USD

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	8,236,362	2,314,315
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	3,245,424	3,180,302
Provisions	03	(5,804)	22,108
Foreign exchange loss arising from translating foreign currency items	04	25,211	30,451
Gain from investing activities	05	(59,815)	(37,826)
Interest expense	06	2,550,024	2,224,042
3. Operating profit before movements in working capital	08	13,991,402	7,733,392
Changes in receivables	09	(2,148,275)	1,056,195
Changes in inventories	10	(2,666,829)	180,528
Changes in payables	11	442,938	787,364
Changes in prepaid expenses	12	525,380	477,951
Interest paid	14	(2,714,251)	(1,942,634)
Corporate income tax paid	15	(902,306)	(205,133)
Net cash generated by operating activities	20	6,528,059	8,087,663
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(1,055,401)	(763,880)
2. Cash outflow for term deposits	23	(1,000,000)	(5,855,539)
3. Cash recovered from withdrawal of term deposits	24	413,004	6,169,669
4. Interest received	27	60,350	41,180
Net cash (used in)/generated by investing activities	30	(1,582,047)	(408,570)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	3,100,000	1,500,000
2. Proceeds from borrowings	33	37,915,901	29,092,109
3. Repayment of borrowings	34	(45,792,374)	(38,277,832)
Net cash used in financing activities	40	(4,776,473)	(7,685,723)
Net increase/(decreases) in cash (50=20+30+40)	50	169,539	(6,630)
Cash at the beginning of the year	60	205,322	242,956
Effects of changes in foreign exchange rates	61	(46,974)	(31,004)
Cash at the end of the year (70=50+60+61)	70	327,887	205,322


Trinh Thuy Thuy Trang
Preparer/Chief Accountant

Sudhanshu Jain
Head-FinanceSarath Chandar Palani
General Director
29 April 2024

The accompanying notes are an integral part of these financial statements

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 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 software that are stated at cost less accumulated amortisation. Computer software 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 been already paid but related 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	327,887	205,322

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 2.4% per annum (as at 31 March 2023: 6.0% per annum).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	USD	USD
Productos Soluble SA	3,487,693	2,836,116
Koninklijke Douwe Egberts B.V.	3,466,684	-
Others	660,833	2,728,357
	<u>7,615,210</u>	<u>5,564,473</u>

7. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	USD	USD	USD	USD
Goods in transit	191,520	-	397,533	-
Raw materials	4,637,320	(3,085)	3,584,813	(1,793)
Tools and supplies	1,682,079	-	1,583,641	-
Work in progress	124,748	-	1,126,982	-
Finished goods	2,959,687	-	183,295	-
Goods on consignment	370,239	-	422,500	-
	<u>9,965,593</u>	<u>(3,085)</u>	<u>7,298,764</u>	<u>(1,793)</u>

During the year, USD 1,292 was made as a provision for devaluation of inventories (prior year: USD 1,793 was provided for devaluation of inventories).

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	51,963,522	61,819	449,297	59,153,728
Additions	-	508,927	-	67,156	576,083
Transfer from construction in progress	-	111,751	-	-	111,751
Closing balance	<u>6,679,090</u>	<u>52,584,200</u>	<u>61,819</u>	<u>516,453</u>	<u>59,841,562</u>
ACCUMULATED DEPRECIATION					
Opening balance	1,136,899	10,913,892	4,062	106,405	12,161,258
Charge for the year	279,932	2,889,368	6,182	34,070	3,209,552
Closing balance	<u>1,416,831</u>	<u>13,803,260</u>	<u>10,244</u>	<u>140,475</u>	<u>15,370,810</u>
NET BOOK VALUE					
Opening balance	<u>5,542,191</u>	<u>41,049,630</u>	<u>57,757</u>	<u>342,892</u>	<u>46,992,470</u>
Closing balance	<u>5,262,259</u>	<u>38,780,941</u>	<u>51,575</u>	<u>375,978</u>	<u>44,470,752</u>

9. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Computer software USD
COST	
Opening balance and closing balance	216,880
ACCUMULATED AMORTISATION	
Opening balance	170,164
Charge for the year	35,872
Closing balance	206,036
NET BOOK VALUE	
Opening balance	46,716
Closing balance	10,844

10. LONG-TERM PREPAYMENTS

	Closing balance USD	Opening balance USD
Land rentals (*)	3,748,292	3,858,536
Upfront fee (**)	1,501,225	1,869,332
Others	57,641	76,376
	5,307,158	5,804,244

(*) Represent the land rental 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.	195,422	135,477
Hiang Kie Industries Co., Ltd.	1,146,262	530,905
Others	649,117	746,630
	1,990,801	1,413,012
b. Trade payables to related parties (Details stated in Note 24)		
	57,108	16,224
	57,108	16,224
	2,047,909	1,429,236

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	145,176	1,061,691	902,306	304,561
Personal income tax	12,577	171,935	176,934	7,578
Foreign withholding tax	8,140	160,163	168,126	177
	165,893	1,393,789	1,247,366	312,316

13. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	USD	USD
Loan interest	453,110	617,337
Bonus for employees	116,318	142,556
Boiler steam fee	96,478	128,493
Professional fee	40,295	73,643
Electricity expense	44,198	38,116
Sales rebate	62,882	39,534
Transportation expense	2,170	8,496
Outsourced labour	34,761	48,339
Others	332,192	404,579
	<u>1,182,404</u>	<u>1,501,093</u>



14. SHORT-TERM LOANS

	Opening balance USD	Increases USD	Reclassified USD	Decreases USD	Closing balance USD
Short-term loans					
Mizuho Bank, Ltd.	3,523,488	-	-	(3,523,488)	-
Citibank, N.A. - Hanoi Branch (*)	6,426,076	22,139,728	-	(20,491,948)	8,073,856
DBS Bank Ltd. - Ho Chi Minh Branch (**)	4,316,013	14,461,031	-	(13,900,371)	4,876,673
Vietcombank - Binh Duong Branch (***)	-	5,648,410	-	(2,840,759)	2,807,651
Current portion of long-term loan (Note 15)					
Standard Chartered Bank (Hong Kong) Limited	7,819,076	-	4,719,076	(7,819,076)	4,719,076
	<u>22,084,653</u>	<u>42,249,169</u>	<u>4,719,076</u>	<u>(48,575,642)</u>	<u>20,477,256</u>

(*) The credit facility obtained from Citibank, N.A. - Hanoi Branch with the total credit limit of USD 10,000,000 to finance the working capital. The working capital facility has been available for drawdown starting from the facility letter date of 8 November 2022. 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 latest notification of the validity of facilities is 9 December 2023. 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 automatically renewed annually. 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 credit facility obtained from Vietcombank - Binh Duong Branch with the total credit limit of USD 2,822,125 (equivalent to VND 70,000,000,000) to finance the working capital. The facility has been available for drawdown starting from the facility letter date of 8 August 2023. The facility is valid for a period of 01 year from the date of entering into the facility agreement and shall be automatically renewed annually. 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 USD	Increases USD	Reclassified USD	Decreases USD	Closing balance USD
Standard Chartered Bank (Hong Kong) Limited	25,145,366	-	(4,719,076)	(1,550,000)	18,876,290
	<u>25,145,366</u>	<u>-</u>	<u>(4,719,076)</u>	<u>(1,550,000)</u>	<u>18,876,290</u>

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 2024. 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 2024 is USD 23,595,366.

Long-term loans are repayable as follow:

	Closing balance USD	Opening balance USD
On demand or within one year	4,719,076	7,819,076
In the second year	4,719,076	6,269,076
In the third to fifth year inclusive	14,157,214	14,157,228
After five years	-	4,719,062
	23,595,366	32,964,442
Less: Amount due for settlement within 12 months (shown under current liabilities)	(4,719,076)	(7,819,076)
Amount due for settlement after 12 months	18,876,290	25,145,366

16. OWNER'S EQUITY

Movement of owner's equity

	Owner's contributed capital USD	(Accumulated loss)/Retain earnings USD	Total USD
Prior 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 opening balance	16,900,000	(846,010)	16,053,990
Capital contribution	3,100,000	-	3,100,000
Profit for the year	-	7,173,824	7,173,824
Current year's closing balance	20,000,000	6,327,814	26,327,814

Contributed capital

According to the 13th amended Business Registration Certificate No. 3702547670 dated 30 June 2023 issued by Department of Planning and Investment of Binh Duong Province, the Company's contributed capital is VND 455,416,100,000 (equivalent to USD 20,000,000).

The charter capital contributions by the owner as at 31 March 2024 and 31 March 2023 had been fully made as follows:

	Closing balance VND	USD equivalent	Opening balance VND	USD equivalent
Tata Coffee Limited	455,416,100,000	20,000,000	382,253,000,000	16,900,000

17. OFF-BALANCE SHEET ITEMS

Foreign currency

	Closing balance	Opening balance
Vietnam Dong ("VND")	1,943,609,415	210,751,093

18. REVENUE AND COST OF SALES

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

19. PRODUCTION COST BY NATURE

	Current year USD	Prior year USD
Raw materials and consumables	24,552,994	22,742,005
Labour	2,152,599	2,251,607
Depreciation and amortisation	3,245,424	3,180,302
Out-sourced services	5,519,127	4,686,475
Other monetary expenses	110,428	159,891
	<u>35,580,572</u>	<u>33,020,280</u>

20. FINANCIAL INCOME

	Current year USD	Prior year USD
Bank interest	59,815	37,826
Foreign exchange gain	58,305	159,382
	<u>118,120</u>	<u>197,208</u>

21. FINANCIAL EXPENSES

	Current year USD	Prior year USD
Loan interest expenses	2,550,024	2,224,042
Foreign exchange loss	189,960	240,249
Others	384,783	397,690
	<u>3,124,767</u>	<u>2,861,981</u>

22. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	Current year USD	Prior year USD
Selling expenses		
Commission fees	63,707	128,819
Transportation fees	659,783	1,871,804
Others	218,295	7,053
	<u>941,785</u>	<u>2,007,676</u>
General and administration expenses		
Salary expenses	327,650	174,272
Rental fees	14,565	2,786
Professional fees	143,957	192,126
Depreciation and amortisation	104,729	93,755
Others	355,443	332,481
	<u>946,344</u>	<u>795,420</u>

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	1,015,718	349,225
Adjustments for corporate income tax expense in previous years to the current year (*)	45,973	1,084
Total current corporate income tax expense	1,061,691	350,309

The current corporate income tax expense for the year was computed as follows:

	Current year USD	Prior year USD
Profit before tax	8,236,362	2,314,315
Adjustments for taxable profit:		
- Unrealized foreign exchange loss	(16,120)	9,383
- Non-deductible expenses	186,876	122,501
- Temporary differences	(1,636,923)	(118,034)
Taxable profit	6,770,195	2,328,165
Taxable profit at tax rate of 15%	6,766,420	2,328,165
Taxable profit at tax rate of 20%	3,775	-
Corporate income tax expense	1,015,718	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% and 20% of its taxable income from processing of agricultural products for the entire project duration.

(*) According to The Tax Inspection Report dated 11 December 2023, issued by the Tax Department of Binh Duong Province, following Decision No. 4940/QD-CTBDU stipulates that the Company is obligated to pay additional corporate income tax for previous years.

As at 31 March 2024 and as at 31 March 2023, the Company has no unused tax losses.

	Current year USD	Prior year USD
Deferred corporate income tax (expense)/income		
Deductible temporary differences	(847)	16,208
Total deferred corporate income tax (expense)/income	(847)	16,208

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related party	Relationship
Tata Coffee Limited	The owner
Tata Consumer Products Ltd	Company within Tata Group
Tata Consultancy Services 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 USD	Prior year USD
Revenue from of goods sold		
Tata Coffee Limited	223,992	485,784
Tata Tea Extractions, Inc	-	46,313
	<u>223,992</u>	<u>532,097</u>
Purchase of goods and services		
Tata Coffee Limited	413,185	-
TaTa Sons Private Limited	88,542	112,074
Tata Consumer Products Ltd	29,374	27,252
Tata Consultancy Services Limited	4,212	4,212
	<u>535,313</u>	<u>143,538</u>
Fees/Charges paid on behalf of		
Tata Consumer Products Ltd	-	24,639
TaTa Coffee Limited	-	740
	<u>-</u>	<u>25,379</u>
Capital contribution		
Tata Coffee Limited	<u>3,100,000</u>	<u>1,500,000</u>

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

	Current year USD	Prior year USD
Salary and benefits in kind	<u>334,541</u>	<u>329,887</u>

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

	Closing balance USD	Opening balance USD
Advance from customer		
Tata Tea Extractions, Inc	<u>14,472</u>	<u>-</u>
Short-term trade payables		
Tata Consumer Products Ltd	56,406	14,972
Tata Coffee Limited	-	550
Tata Consultancy Services Limited	702	702
	<u>57,108</u>	<u>16,224</u>

25. CAPITAL COMMITMENTS

On 28 March 2024, the Board of Directors approved total investment cost of construction of Industrial Plant at USD 33,186,000 including construction, installation and equipment procurement that have been signed but not yet implemented.



26. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for purchases of fixed assets during the year excluded an amount of USD 246,894 (Prior year: USD 108,924), 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 453,110 (Prior year: USD 617,337), 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 from borrowings and cash outflows from repayment of borrowings are presented on net basis, not include cash inflow from borrowings and repayment of borrowings within 3 months. Consequently, "Cash inflows from borrowings" and "Cash outflows from repayment of borrowings" are adjusted respectively for an amount of USD 4,333,268.



Trinh Thuy Thuy Trang
Preparer/Chief Accountant



Sudhanshu Jain
Head-Finance



Sarath Chandar Palani
General Director
29 April 2024

