

Privi Organics USA Corporation

Balance Sheet & Profit & Loss Account

March-2021

(Containing Balance Sheet and P & L A/c. with schedules only)

Privi Organics USA Corporation

Balance Sheet

as at March 31, 2021

(Currency: Indian Rupees in lakhs)

| | Note | As at March 31, 2021 | As at March 31, 2020 |
|--|---------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 5.56 | 0.76 |
| Financial assets | | | |
| Loans | 4 | 50.77 | 9.55 |
| Total non-current assets | | 56.33 | 10.31 |
| Current assets | | | |
| Inventories | | | |
| Finished goods | 7 | 3,268.94 | 2,425.04 |
| Financial assets | | | |
| Loans | 4 | - | - |
| Trade receivables | 5 | 4,698.17 | 3,738.40 |
| Cash and cash equivalents | 6 | 407.00 | 260.38 |
| Other current assets | 8 | 78.06 | 142.92 |
| Total current assets | | 8,452.17 | 6,566.74 |
| Total assets | | 8,508.50 | 6,577.05 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 9 | 33.90 | 33.90 |
| Other equity | 10 | 1,907.46 | 1,604.82 |
| Total equity | | 1,941.36 | 1,638.72 |
| Liabilities | | | |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 12 | 2,205.14 | 1,884.65 |
| Trade payables | 13 | 4,191.08 | 2,983.75 |
| Other financial liabilities | 14 | - | - |
| Other current liabilities | 15 | 113.00 | 59.75 |
| Current tax liabilities (net) | 16 | 57.92 | 10.18 |
| | | 6,567.14 | 4,938.33 |
| Total equity and liabilities | | 8,508.50 | 6,577.05 |
| Notes to the financial statements | 3 to 29 | | |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For M/S. E.E Sitabkhan & Co.
Chartered Accountants



(E.E. Sitabkhan)
Proprietor, M.No 30721

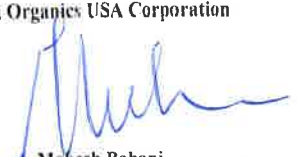
Mumbai
Date: May 03, 2021



For and on behalf of the Board of Directors of
Privi Organics USA Corporation



D. B. Rao
Director
DIN: 00356218



Mahesh Babani
Director
DIN: 00051162



Privi Organics USA Corporation

Statement of Profit and Loss

for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

| | Note | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---------|------------------------------|------------------------------|
| Revenue from operations | 17 | 30,989.22 | 30,263.40 |
| Other income | 18 | 5.66 | - |
| Total income | | 30,994.88 | 30,263.40 |
| Expenses | | | |
| Cost of materials | 19 | 29,926.35 | 28,908.94 |
| Purchase of stock in trade | 20 | 303.68 | 270.37 |
| Changes in inventories of finished goods and stock in trade | 21 | (843.90) | (62.37) |
| Employee benefits expense | 22 | 516.78 | 409.11 |
| Finance cost | 23 | 29.13 | 90.16 |
| Depreciation and amortisation expenses | 24 | 1.45 | 2.42 |
| Other expenses | 25 | 578.66 | 479.07 |
| Total expenses | | 30,512.15 | 30,097.70 |
| Profit before tax | | 482.73 | 165.70 |
| Tax expenses | | | |
| Current tax | 11 | 135.79 | 45.58 |
| Deferred tax credit/(charge) | | - | - |
| Total Tax expense | | 135.79 | 45.58 |
| Net Profit for the year (A) | | 346.94 | 120.12 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Foreign currency translation reserve | | (44.30) | 132.06 |
| Other comprehensive income for the year, net of tax (B) | | (44.30) | 132.06 |
| Total comprehensive income for the year (A+B) | | 302.64 | 252.18 |
| Earnings per equity share : nominal value of share Rs.10/- each (March 31, 2020: Rs. 10/-) | | | |
| Basic and diluted (Rs.) | 27 | 678.94 | 235.07 |
| Notes to the financial statements | | | |
| Significant accounting policies | 3 to 29 | | |
| | 2 | | |

The notes referred to above form an integral part of the financial statements.

For M/S. E.E Sitabkhan & Co.
Chartered Accountants



(E.E. Sitabkhan)
Proprietor, M.No.30721



Mumbai
Date : May 03, 2021

For and on behalf of the Board of Directors of
Privi Organics USA Corporation



D. B. Rao
Director
DIN: 00356218



Mahesh Babani
Director
DIN: 00051162



Privi Organics USA Corporation

Statement of Cash Flow

for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| A Cash flow from operating activities | | |
| Profit before tax | 482.73 | 165.70 |
| Adjustment for: | | |
| Depreciation and amortisation | 1.45 | 2.42 |
| Finance costs | 29.13 | 90.16 |
| Provision for doubtful debts | - | 15.58 |
| Operating cash flow before working capital changes | <u>513.31</u> | <u>273.86</u> |
| Movements in Working Capital | | |
| (Increase) Decrease in Trade receivables | (959.77) | 1,070.43 |
| (Increase) in Inventories | (843.90) | (62.37) |
| Decrease/ (Increase) in Other assets | 23.64 | (113.71) |
| Increase / (Decrease) in Trade payables | 1,207.33 | (1,217.34) |
| Increase in Other current liabilities and Provisions | 8.95 | 150.95 |
| Cash (used in) / generation from operation | <u>(50.44)</u> | <u>101.81</u> |
| Income taxes paid | (88.05) | (137.51) |
| Net Cash (used in) from operating activities [A] | <u>(138.49)</u> | <u>(35.70)</u> |
| B Cash flow from investing activities | | |
| Purchase of Property, Plant & Equipment | (6.25) | - |
| Net Cash (used in) investing activities [B] | <u>(6.25)</u> | <u>-</u> |
| C Cash flow from financing activities | | |
| Proceeds / (Repayment) of short term Borrowings (net) | 320.49 | (190.49) |
| Interest paid | (29.13) | (83.89) |
| Net cash generated / (used in) from financing activities [C] | <u>291.36</u> | <u>(274.38)</u> |
| Net increase/ (decrease) in cash and cash equivalents [A+B+C] | <u>146.62</u> | <u>(310.08)</u> |
| Cash and cash equivalents at the beginning of the year | 260.38 | 570.46 |
| Cash and cash equivalents at end of the year (refer Note 6) | <u>407.00</u> | <u>260.38</u> |

Note A : The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Standard of Cash Flows'.

For M/S. E.E Sitabkhan & Co.
Chartered Accountants



(E.E. Sitabkhan)
Proprietor, M.No.30721



Mumbai
Date : May 03, 2021

For and on behalf of the Board of Directors of



D. B. Rao
Director
DIN: 00356218



Mahesh Babani
Director
DIN: 00051162



Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

1 Corporate Information

Privi Organics USA Corporation a New Jersey Corporation is an importer and wholesale distributor of aroma chemicals. The Corporation was incorporated on April 24, 2013. Its purpose is the bulk sale of aroma chemicals in the United States and other North and South American countries to be used as an ingredient in the manufacturing process of products

The financial statements are prepared on the Historical Cost basis and on the principles of a going concern.

Accounting Policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted Accounting Principles.

The previous year figures have also undergone a major reclassification to comply with the requirements of the schedule III.

2 Significant accounting policies

i. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements under Ind AS for the year ended 31 March 2021 are authorized for issue by the Company's Board of Directors on May 03, 2021.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). These financial statements are presented in Lakhs of Indian rupees and rounded off to two decimal values unless otherwise stated.

The Financial statements have been Translated to Indian Rupees from US dollar and are prepared solely for the purpose of consolidation of accounts by the holding Company M/s. Privi Specialty Chemicals Limited on the following basis: -

i) All Profit & Loss statement items are translated into Indian rupees from US dollar at the average rate of exchange prevailing during the year ended March 31, 2021.

ii) Monetary Assets and Liabilities are translated into Indian rupees from US dollar at the closing exchange rate prevailing as on March 31, 2021.

iii) Non -- Monetary assets and liabilities and share capital is translated into Indian rupees from US dollar at historical rates.

iv) The resulting exchange difference is accounted in Exchange Difference translation account and is charged / credited to the "Reserve and Surplus".



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Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

i. Basis of preparation (Continued)

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

ii. Use of estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations for any actuarial assumption
- (b) Recognition of deferred tax assets

iii. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale in, the company's normal operating cycle.
- (b) it is held primarily for the purpose of being traded.
- (c) it is expected to be realized within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.



Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

iii. Current and non-current classification (Continued)

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

iv. Property, Plant and Equipment ("PPE") and depreciation

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortization and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed of.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).



Privi Organics USA Corporation

Notes to standalone financial statements (*Continued*)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (*Continued*)

v. *Foreign currency transactions*

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The Financial Statements are presented in Indian Rupees 'INR', which is the presentation currency of the group. The functional currency within the group includes United States Dollar (USD) and Indian Rupee (INR).

The assets and liabilities are translated from USD at the rate of exchange prevailing at the reporting date and their statement of profit and loss is translated at the average exchange rates prevailing for the year. The exchange differences arising on translation for consolidation are recognized in OCI under Foreign Currency Translation Reserve. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

vi. *Financial Instruments*

a. **Financial assets**

Initial recognition and initial measurement

All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortized cost

A financial asset is classified as subsequently measured at the amortised cost if both the following conditions are met:

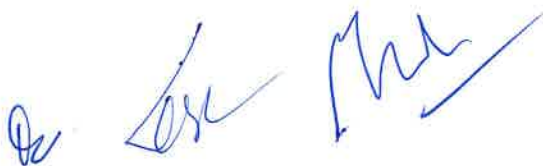
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

vi. Financial Instruments (Continued)

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit and Loss. The company did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at fair value through Profit and loss ("FVTPL")

Financial assets at FVTPL are a residual category for financial assets. Any financial assets which do not meet the criteria of categorizing it at amortized cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



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Privi Organics USA Corporation
Notes to standalone financial statements (Continued)
for the year ended March 31, 2021
(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

vi. Financial Instruments (Continued)

Impairment of Financial Assets

In view of its experience of having no bad debts / write-offs during the past two years and based on management's estimate that this trend would continue for the foreseeable future, the Company has determined that no impairment of Financial assets is required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative instruments, the Company has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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Privi Organics USA Corporation

Notes to standalone financial statements (*Continued*)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (*Continued*)

vii. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Inventories

Inventories are stated at the lower of cost or market value, using the average cost method. It is the policy of management to review the age of the inventories periodically and establish an allowance for obsolescence, if necessary.

ix. Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, recovery of consideration is probable, the associates costs and possible return of goods can be estimated reliably, and there is no continuing effective control over or managerial involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company does not provide any warranties or maintenance contracts to its customers.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortized cost.

x. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

xi. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

xi. Taxation (Continued)

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xii. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xiii. Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.



Privi Organics USA Corporation

Notes to standalone financial statements (Continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies (Continued)

xiii. Provision and contingent liabilities (Continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.



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Privi Organics USA Corporation
Notes to the financial statements (continued)

as at March 31, 2021

(Currency: Indian Rupees in lakhs)

3 Property, plant and equipment

| Description | Gross Block | | | Depreciation | | Net Block |
|------------------------|----------------------|--------------------------|--------------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2020 | Addition during the year | Deletion during the year | As at March 31, 2021 | As at April 01, 2020 | As at March 31, 2021 |
| Furniture and fixtures | 11.13 | 6.25 | - | 17.38 | 10.37 | 5.56 |
| | 11.13 | 6.25 | - | 17.38 | 10.37 | 5.56 |

| Description | Gross Block | | | Depreciation | | Net Block |
|------------------------|----------------------|--------------------------|--------------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2019 | Addition during the year | Deletion during the year | As at March 31, 2020 | As at April 01, 2019 | As at March 31, 2020 |
| Furniture and fixtures | 11.13 | - | - | 11.13 | 7.95 | 0.76 |
| | 11.13 | - | - | 11.13 | 7.95 | 0.76 |



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Privi Organics USA Corporation

Notes to the financial statements (continued)

As at March 31, 2021

(Currency: Indian Rupees in lakhs)

| | As At March 31, 2021 | As At March 31, 2020 |
|---|-------------------------|-------------------------|
| 4 Financial assets (Unsecured, considered good unless otherwise stated) | | |
| Non-current | | |
| Customs duty deposit | 6.67 | 6.84 |
| Deposit-office rent | 44.10 | 2.71 |
| Total (A) | <u>50.77</u> | <u>9.55</u> |
| Current | | |
| Loans and advances to employees | - | - |
| Total (B) | <u>-</u> | <u>-</u> |
| Total (A + B) | <u>50.77</u> | <u>9.55</u> |
| 5 Trade receivables (Unsecured unless otherwise stated) | | |
| Considered good- Secured | | |
| Dues from related party (refer note no. 26) | 1,591.78 | 1,588.85 |
| Dues from others | 3,106.39 | 2,149.55 |
| Credit impaired | 16.57 | 16.57 |
| Less: Allowance for expected credit loss and credit impairment | (16.57) | (16.57) |
| | <u>4,698.17</u> | <u>3,738.40</u> |
| 6 Cash and cash equivalent | | |
| Cash on hand | 7.98 | 6.73 |
| Balances with Banks In current accounts | 399.02 | 253.65 |
| | <u>407.00</u> | <u>260.38</u> |
| 7 Inventories (valued at lower of cost and net realisable value) | | |
| Finished goods | 3,268.94 | 2,425.04 |
| | <u>3,268.94</u> | <u>2,425.04</u> |
| 8 Other current assets (Unsecured, considered good) | | |
| Advance to suppliers | 8.86 | - |
| Prepaid expenses | 57.07 | 142.92 |
| Loans and advances to employees | 12.13 | - |
| | <u>78.06</u> | <u>142.92</u> |



Privi Organics USA Corporation

Statement of changes in equity

as at March 31, 2021

(Currency: Indian Rupees in lakhs)

A. Equity share capital

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 33.90 | 33.90 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year | 33.90 | 33.90 |

B. Other equity

| | Foreign currency translation reserve | Retained earnings | Total |
|---|---|-------------------|-----------------|
| Total comprehensive income for the year ended March 31, 2020 | | | |
| Opening balance | 46.45 | 1,306.19 | 1,352.64 |
| Profit for the year | - | 120.12 | 120.12 |
| Effect of foreign exchange fluctuation | 132.06 | - | 132.06 |
| Total comprehensive income for the year | 178.51 | 1,426.31 | 1,604.82 |
| Balance as at 31 March 2020 | 178.51 | 1,426.31 | 1,604.82 |
| Total comprehensive income for the year ended March 31, 2021 | | | |
| Profit for the year | - | 346.94 | 346.94 |
| Effect of foreign exchange fluctuation | (44.30) | - | (44.30) |
| Total comprehensive income for the year | (44.30) | 346.94 | 302.64 |
| Balance as at March 31, 2021 | 134.21 | 1,773.25 | 1,907.46 |

As per our report of even date attached

For M/S. E.E Sitabkhan & Co.
Chartered Accountants



(E.E. Sitabkhan)
Proprietor, M.No.30721

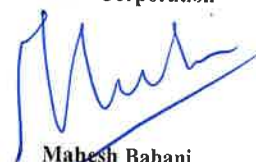


Mumbai
Date : May 03, 2021

For and on behalf of the Board of Directors of
Privi Organics USA Corporation



D. B. Rao
Director
DIN: 00356218



Mahesh Babani
Director
DIN: 00051162



Privi Organics USA Corporation
Notes to the financial statements (continued)

as at March 31, 2021
(Currency Indian Rupees in lakhs)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 11 Income tax | | |
| Amounts recognised in profit or loss | | |
| The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are: | | |
| Current income tax: | | |
| Current income | 135.79 | 45.58 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | | |
| Income tax expense reported in the statement of profit or loss | <u>135.79</u> | <u>45.58</u> |
| Income tax recognised in other comprehensive income | | |
| Tax expense related to items recognised in OCI during the year: | | |
| Actuarial loss on defined benefit plan | - | - |
| Income tax charged to OCI | <u>-</u> | <u>-</u> |
| Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020: | | |
| Accounting profit before income tax | 482.73 | 165.70 |
| At US's statutory income tax rate of 28.13% (March 31, 2020 27.51%) | 135.79 | 45.58 |
| | <u>135.79</u> | <u>45.58</u> |
| Income tax expense reported in the statement of profit and loss | <u>135.79</u> | <u>45.58</u> |
| 12 Borrowings | | |
| Working capital demand loan | 2,205.14 | 1,884.65 |
| | <u>2,205.14</u> | <u>1,884.65</u> |
| 13 Trade payables | | |
| Payable to related parties (refer note no. 26) | 3,807.40 | 2,154.71 |
| Payables other than micro and small enterprises | 372.16 | 819.36 |
| Other payable | 11.52 | 9.68 |
| | <u>4,191.08</u> | <u>2,983.75</u> |
| 14 Other financial liabilities | | |
| Payable for Expenses | - | - |
| | <u>-</u> | <u>-</u> |
| 15 Other current liabilities | | |
| Statutory dues (including provident fund, tax deducted at source and others) | 57.74 | 36.68 |
| Advance from customers | 55.26 | 23.07 |
| | <u>113.00</u> | <u>59.75</u> |
| 16 Current tax liabilities (net) | | |
| Current tax payable net | 57.92 | 10.18 |
| | <u>57.92</u> | <u>10.18</u> |



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