

# **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
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5.56	0.76
Financial assets			
Loans	4	50.77	9.55
<b>Total non-current assets</b>		<b>56.33</b>	<b>10.31</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>8,452.17</b>	<b>6,566.74</b>
<b>Total assets</b>		<b>8,508.50</b>	<b>6,577.05</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	33.90	33.90
Other equity	10	1,907.46	1,604.82
<b>Total equity</b>		<b>1,941.36</b>	<b>1,638.72</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
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
<b>Total equity and liabilities</b>		<b>8,508.50</b>	<b>6,577.05</b>
<b>Notes to the financial statements</b>	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

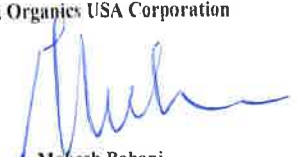
Mumbai  
Date: May 03, 2021



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	-
<b>Total income</b>		<b>30,994.88</b>	<b>30,263.40</b>
<b>Expenses</b>			
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
<b>Total expenses</b>		<b>30,512.15</b>	<b>30,097.70</b>
<b>Profit before tax</b>		<b>482.73</b>	<b>165.70</b>
<b>Tax expenses</b>			
Current tax	11	135.79	45.58
Deferred tax credit/(charge)		-	-
<b>Total Tax expense</b>		<b>135.79</b>	<b>45.58</b>
<b>Net Profit for the year (A)</b>		<b>346.94</b>	<b>120.12</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Foreign currency translation reserve		(44.30)	132.06
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(44.30)</b>	<b>132.06</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>302.64</b>	<b>252.18</b>
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
<b>Notes to the financial statements</b>	3 to 29		
Significant accounting policies	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
<b>A Cash flow from operating activities</b>		
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
<b>Operating cash flow before working capital changes</b>	<u>513.31</u>	<u>273.86</u>
<b>Movements in Working Capital</b>		
(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
<b>Cash (used in) / generation from operation</b>	<u>(50.44)</u>	<u>101.81</u>
Income taxes paid	(88.05)	(137.51)
<b>Net Cash (used in) from operating activities [A]</b>	<u>(138.49)</u>	<u>(35.70)</u>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant & Equipment	(6.25)	-
<b>Net Cash (used in) investing activities [B]</b>	<u>(6.25)</u>	<u>-</u>
<b>C Cash flow from financing activities</b>		
Proceeds / (Repayment) of short term Borrowings (net)	320.49	(190.49)
Interest paid	(29.13)	(83.89)
<b>Net cash generated / (used in) from financing activities [C]</b>	<u>291.36</u>	<u>(274.38)</u>
<b>Net increase/ (decrease) in cash and cash equivalents [A+B+C]</b>	<u>146.62</u>	<u>(310.08)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	260.38	570.46
<b>Cash and cash equivalents at end of the year (refer Note 6)</b>	<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:

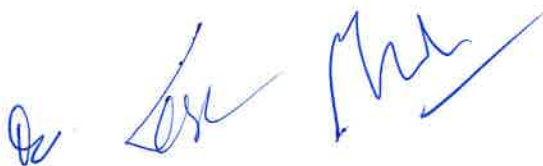
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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



Signature of the Chartered Accountant



# 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
<b>4 Financial assets</b> (Unsecured, considered good unless otherwise stated)		
<b>Non-current</b>		
Customs duty deposit	6.67	6.84
Deposit-office rent	44.10	2.71
<b>Total (A)</b>	<u>50.77</u>	<u>9.55</u>
<b>Current</b>		
Loans and advances to employees	-	-
<b>Total (B)</b>	<u>-</u>	<u>-</u>
<b>Total (A + B)</b>	<u>50.77</u>	<u>9.55</u>
<b>5 Trade receivables</b> (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>
<b>6 Cash and cash equivalent</b>		
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>
<b>7 Inventories</b> (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>
<b>8 Other current assets</b> (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

## 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
<b>9 Share capital</b>		
<b>Authorised:</b>		
51,100 (as at March 31 2020 : 51,100) equity shares of Rs. 65.04 each	33.90	33.90
<b>Issued, Subscribed and Paid up:</b>		
51,100 (as at March 31 2020 : 51,100) equity shares of Rs. 65.04 each	33.90	33.90
	<u>33.90</u>	<u>33.90</u>

a) Reconciliation of the number of shares

Description	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	51,100	33.90	51,100	33.90
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>51,100</u>	<u>33.90</u>	<u>51,100</u>	<u>33.90</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding company

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Privi Speciality Chemicals Limited	51,100	33.90	51,100	33.90

d) Details of shareholders holding more than 5% of shares

	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Privi Speciality Chemicals Limited	51,100	100%	51,100	100%

10 Other equity

	As at March 31, 2021	As at March 31, 2020
Foreign currency translation	134.21	178.51
Retained earnings	1773.25	1,426.31
	<u>1907.46</u>	<u>1,604.82</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	-	-
<b>Balance at the end of the year</b>	<b>33.90</b>	<b>33.90</b>

### B. Other equity

	Foreign currency translation reserve	Retained earnings	Total
<b>Total comprehensive income for the year ended March 31, 2020</b>			
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
<b>Total comprehensive income for the year</b>	<b>178.51</b>	<b>1,426.31</b>	<b>1,604.82</b>
<b>Balance as at 31 March 2020</b>	<b>178.51</b>	<b>1,426.31</b>	<b>1,604.82</b>
<b>Total comprehensive income for the year ended March 31, 2021</b>			
Profit for the year	-	346.94	346.94
Effect of foreign exchange fluctuation	(44.30)	-	(44.30)
<b>Total comprehensive income for the year</b>	<b>(44.30)</b>	<b>346.94</b>	<b>302.64</b>
<b>Balance as at March 31, 2021</b>	<b>134.21</b>	<b>1,773.25</b>	<b>1,907.46</b>

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
<b>11 Income tax</b>		
<b>Amounts recognised in profit or loss</b>		
The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:		
<b>Current income tax:</b>		
Current income	135.79	45.58
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences		
<b>Income tax expense reported in the statement of profit or loss</b>	<u>135.79</u>	<u>45.58</u>
<b>Income tax recognised in other comprehensive income</b>		
Tax expense related to items recognised in OCI during the year:		
Actuarial loss on defined benefit plan	-	-
<b>Income tax charged to OCI</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:</b>		
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>
<b>Income tax expense reported in the statement of profit and loss</b>	<u>135.79</u>	<u>45.58</u>
<b>12 Borrowings</b>		
Working capital demand loan	2,205.14	1,884.65
	<u>2,205.14</u>	<u>1,884.65</u>
<b>13 Trade payables</b>		
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>
<b>14 Other financial liabilities</b>		
Payable for Expenses	-	-
	<u>-</u>	<u>-</u>
<b>15 Other current liabilities</b>		
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>
<b>16 Current tax liabilities (net)</b>		
Current tax payable net	57.92	10.18
	<u>57.92</u>	<u>10.18</u>



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Privi Organics USA Corporation  
**Notes to the financial statements (continued)**  
for the year ended March 31, 2021  
(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>17 Revenue from operations</b>		
<b>Sale of products</b>		
Sales	30,989.22	30,263.40
	<u>30,989.22</u>	<u>30,263.40</u>
<b>18 Other Income</b>		
Commission received from related parties (refer note no. 26)	5.66	-
	<u>5.66</u>	<u>-</u>
<b>19 Cost of Material</b>		
Purchase of Goods	29,926.35	28,908.94
<b>Total</b>	<u>29,926.35</u>	<u>28,908.94</u>
<b>20 Purchase of stock in trade</b>		
Purchase of goods	303.68	270.37
	<u>303.68</u>	<u>270.37</u>
<b>21 Changes in inventories of finished goods</b>		
<b>Closing Stock:</b>		
Finished goods	3,268.94	2,425.04
	<u>3,268.94</u>	<u>2,425.04</u>
<b>Opening Stock:</b>		
Finished goods	2,425.04	2,362.67
	<u>2,425.04</u>	<u>2,362.67</u>
<b>Increase in inventory</b>	<u>(843.90)</u>	<u>(62.37)</u>



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# Privi Organics USA Corporation

## Notes to the financial statements (continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	474.34	380.39
Contribution to provident and other funds	20.70	26.05
Staff welfare expenses	21.74	2.67
	<u>516.78</u>	<u>409.11</u>
<b>23 Finance Cost</b>		
Interest on working capital loan	29.13	90.16
	<u>29.13</u>	<u>90.16</u>
<b>24 Depreciation and amortisation</b>		
Depreciation on tangible assets	1.45	2.42
	<u>1.45</u>	<u>2.42</u>
<b>25 Other expenses</b>		
Repairs and maintenance others	30.02	15.22
Postage and telephone	18.57	20.31
Rates and taxes	31.60	45.54
Printing and stationery	5.45	4.29
Legal and professional fees	353.35	196.21
Travelling and conveyance	32.49	96.75
Bank charges	41.82	41.41
Miscellaneous expenses (net)	65.36	43.76
Allowance for expected credit loss and credit impairment	-	15.58
	<u>578.66</u>	<u>479.07</u>



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# Privi Organics USA Corporation

## Notes to the financial statements (continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

### 26 Related party disclosures

#### a) List of Related Parties

##### Holding Company

Privi Speciality Chemicals Limited (Formerly known as Privi Organics India Limited)

##### Key Management Personnel (KMP)

Mr. Mahesh P. Babani (Director)

Mr. D. B. Rao (Director)

#### b) During the year, following transactions were carried out with the related parties :

	Holding Company		Key Management Personnel and their relatives	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Transactions</b>				
<b>Purchase of raw materials</b>				
Privi Speciality Chemicals Limited	18,906.25	16,552.82	-	-
<b>Sale of finished goods</b>				
Privi Speciality Chemicals Limited	9,945.26	10,758.12	-	-
<b>Commission Received</b>				
Privi Speciality Chemicals Limited	5.58	-	-	-
<b>Corporate guarantee commission paid</b>				
Privi Speciality Chemicals Limited	33.02	31.00	-	-

Particulars	Holding Company		Key Management Personnel	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Trade Receivables</b>				
Privi Speciality Chemicals Limited	1,591.78	1,588.85	-	-
<b>Trade Payables</b>				
Privi Speciality Chemicals Limited	3,807.40	2,154.71	-	-
<b>Other Liabilities</b>				
Privi Speciality Chemicals Limited	975.82	1,201.16	-	-



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# Privi Organics USA Corporation

## Notes to the financial statements (continued)

for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>27 Earnings per share</b>		
Profit after tax attributable to equity shareholders [A]	346.94	120.12
Number of equity shares at the beginning of the year [B]	51,100	51,100
Number of equity shares outstanding at the end of the year [C]	51,100	51,100
Weighted average number of equity shares outstanding during the year [D]	51,100	51,100
Basic & Diluted earnings (in rupees) per share of face value Rs. 10 [A]/[D]	678.94	235.07

## 28 Previous year comparative

Figures of the previous year have been reclassified and regrouped wherever considered necessary to confirm the current year presentation.

- 29 Information with regard to other additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

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

