

**Privi Speciality Chemicals USA Corporation**

**Balance Sheet &  
Profit & Loss Account**

**MARCH-2024**

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

# E. E. SITABKHAN & CO.

## CHARTERED ACCOUNTANTS

E. E. Sitabkhan B.Com., F.C.A.

Office #17, Ground Floor, Mubarak CHSL, Church Road, Marol, Andheri East, Mumbai - 400059.

Tel. : 9967315153 / 9322530507 • Email : e.e.sitabkhan@hotmail.com



### INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Privi Speciality Chemicals USA Corporation

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the standalone financial statements of Privi Speciality Chemicals USA Corporation ('the Company'), which comprise the standalone balancesheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements').

These Financial statements have been prepared only to facilitate the preparation of Consolidated Financial Statements of the Privi Speciality Chemicals Limited, India in terms of Section 129(3) of the Indian Companies Act, 2013 ('the Act') and they are prepared in accordance with requirements of Schedule III to the Act.

The Audited standalone financial Results has been prepared solely to enable the Privi Speciality Chemicals Limited (Holding Company) to prepare consolidated financial results and not to report on the Company as a separate entity

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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### INDEPENDENT AUDITORS' REPORT (Continued)

#### Privi Speciality Chemicals USA Corporation

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





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### INDEPENDENT AUDITORS' REPORT (Continued)

#### Privi Speciality Chemicals USA Corporation

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance Sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this report agree with the books of account.



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## INDEPENDENT AUDITORS' REPORT (Continued)

Privi Speciality Chemicals USA Corporation

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer our separate Report in 'Annexure A'.

FOR M/S.E.E SITABKHAN & CO.  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI

DATE : 25/04/2024

E.E. SITABKHAN

PROPRIETOR

M.No: 0-30721

UDIN: 24030721BKAOVW3124



# E. E. SITABKHAN & CO.

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### Privi Speciality Chemicals USA Corporation

#### Annexure A to the Independent Auditors' report - 31 March 2024

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Privi Speciality Chemicals USA Corporation ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as 'the Act').

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



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### Privi Speciality Chemicals USA Corporation

#### Annexure A to the Independent Auditors 'report - 31 March 2024

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial controls with Reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial controls with Reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**FOR M/S.E.E SITABKHAN & CO.  
CHARTERED ACCOUNTANTS**

**PLACE : MUMBAI**

**DATE : 25/04/2024**

**E.E. SITABKHAN  
PROPRIETOR**

**M.No: 0-30721**

**UDIN: 24030721BKAOVW3124**







**Privi Speciality Chemicals USA Corporation**  
**645, Howard AVE, Somerset NJ 08873**  
**Audited Standalone Statement of Assets and Liabilities**

(Rs. in Lakhs)

Particular	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	-	-
Financial assets		
Other financial assets	57.59	68.64
Income tax assets (net)	-	41.10
<b>Total non-current assets (A)</b>	<b>57.59</b>	<b>109.74</b>
<b>Current assets</b>		
Inventories	6,427.27	6,250.72
Financial assets		
Trade receivables	8,392.69	7,303.70
Cash and cash equivalents	665.94	1,006.29
Other current assets	326.31	263.12
<b>Total current assets (B)</b>	<b>15,812.21</b>	<b>14,823.83</b>
<b>Total assets</b>	<b>15,869.80</b>	<b>14,933.57</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	33.90	33.90
Other equity	2,164.22	2,494.70
<b>Total equity (C)</b>	<b>2,198.12</b>	<b>2,528.60</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	3,168.21	3,124.24
Trade payables	10,234.76	9,180.08
Other current liabilities	251.37	100.65
Current Tax liabilities (net)	17.34	-
<b>Total current liabilities (D)</b>	<b>13,671.68</b>	<b>12,404.97</b>
<b>Total equity and liabilities</b>	<b>15,869.80</b>	<b>14,933.57</b>

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

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


Place :- Mumbai  
Date : April 25,2024



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

**Mahesh Babani**      **D.B. Rao**  
Director                      Director  
DIN: 00051162          DIN: 00356218



<div>  <div> <b>Privi Speciality Chemicals USA Corporation</b>  <b>645, Howard AVE, Somerset NJ 08873</b>  <b>Statement of Audited Standalone financial results for quarter and year ended March 31, 2024</b> </div> <div>(Rs. In Lakhs)</div> </div>						
Sr no	Particulars	Quarter ended			Year ended	
		March 31, 2024 (Audited)	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from Operations	11,578.50	10,128.48	10,648.28	46,915.59	41,930.14
2	Other income	-	-	-	-	-
3	<b>Total Income (1+2)</b>	<b>11,578.50</b>	<b>10,128.48</b>	<b>10,648.28</b>	<b>46,915.59</b>	<b>41,930.14</b>
4	<b>Expenses</b>					
	(a) Cost of materials	10,984.74	10,910.41	8,802.67	45,151.30	39,885.11
	(b) Purchase of stock in trade	-	213.38	-	225.53	-
	(c) Changes in inventories of finished goods, stock in trade	458.54	(1,455.76)	1,342.24	(152.58)	352.69
	(d) Employee benefits expense	208.77	182.88	179.60	728.39	705.31
	(e) Finance costs	55.40	56.61	40.55	220.05	134.92
	(f) Depreciation and amortisation expense	-	-	-	-	-
	(g) Other expenses	314.06	259.73	230.84	1,106.38	848.83
	<b>Total Expenses (4)</b>	<b>12,021.51</b>	<b>10,167.25</b>	<b>10,595.90</b>	<b>47,279.07</b>	<b>41,926.06</b>
5	<b>Profit/(Loss) before exceptional items and tax (3-4)</b>	<b>(443.01)</b>	<b>(38.77)</b>	<b>52.38</b>	<b>(363.48)</b>	<b>3.28</b>
6	<b>Exceptional Income/(Expenses)</b>	-	-	-	-	-
7	<b>Profit/(Loss) before tax (5+6)</b>	<b>(443.01)</b>	<b>(38.77)</b>	<b>52.38</b>	<b>(363.48)</b>	<b>3.28</b>
8	<b>Tax Expenses</b>					
	Current tax	(22.31)	(10.88)	14.69	-	0.92
	Tax adjustment of earlier years	-	-	-	-	-
	Deferred tax	-	-	-	-	-
9	<b>Net Profit/(Loss) for the period (7-8)</b>	<b>(420.70)</b>	<b>(27.89)</b>	<b>37.69</b>	<b>(363.48)</b>	<b>2.36</b>
10	<b>Other Comprehensive Income</b>					
	(i) Items that will not be reclassified to profit or loss					
	Remeasurements of the net defined benefit plans	-	-	-	-	-
	Income tax related to above	-	-	-	-	-
	(ii) Items that will be reclassified to profit or loss					
	Exchange differences in translating financial statements of foreign operations	1.65	4.82	42.57	33.00	196.92
	<b>Other Comprehensive Income for the period (10)</b>	<b>1.65</b>	<b>4.82</b>	<b>42.57</b>	<b>33.00</b>	<b>196.92</b>
11	<b>Total Comprehensive Income/(Loss) for the period (9+10)</b>	<b>(419.05)</b>	<b>(23.07)</b>	<b>80.26</b>	<b>(330.48)</b>	<b>199.28</b>

**Notes:**

- The Audited standalone financial results for the quarter and year ended March 31, 2024 were reviewed by the audit committee and approved by the Board of Directors of Privi Speciality Chemicals USA Corporation ("the Company") at its meeting held on April 25, 2024. The above results have been subjected to limited review by the statutory auditors of the Company. The statutory auditors have expressed an unqualified review opinion.
- The Audited Standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 5, 2016.
- As the Company's business activity falls within a single segment viz. 'Aroma Chemical', the disclosure requirements of the Ind AS 108 'Operating Segments' notified under Section 133 of the Companies Act, 2013 are not applicable.
- The Audited standalone financial Results has been prepared solely to enable the Privi Speciality Chemicals Limited (Holding Company) to prepare consolidated financial results and not to report on the Company as a separate entity.
- The statement of Profit and Loss are translated into Indian rupees from US Dollar at the average rate of exchange prevailing during the period for the quarter and year ended March 31, 2024 and Balance sheet items monetary assets and liability items are translated into INR Rupees from US Dollar at the closing exchange rate prevailing as on March 31, 2024 and all the rest Non monetary items including share capital are translated at Historical cost.
- The figures for the quarter ended March 31, 2024 and March 31, 2023 are arrived at as difference between audited figures in respect of the full financial year and the unaudited figures upto nine months of the relevant financial year.
- Previous periods figures have been regrouped /reclassified wherever necessary.

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

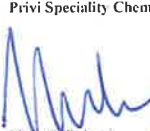



(E.E. Sitabkhan)  
Proprietor, AI No 30721

Place - Mumbai  
Date - April 25, 2024



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

  
Mahesh Babani  
Director  
DIN 00051162

  
D.R. Rao  
Director  
DIN 00356218



**Privi Speciality Chemicals USA Corporation**  
**645, Howard AVE, Somerset NJ 08873**  
**Audited Standalone statement of cash flow**

(Rs. In Lakhs)

Sr no	Particular	Year ended March 31, 2024 (Audited)	Year ended March 31, 2023 (Audited)
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	(363.48)	3.28
	Adjustment for:		
	Depreciation and amortisation	-	-
	Finance costs	220.05	134.92
	<b>Operating cash flow before working capital changes</b>	<b>(143.43)</b>	<b>138.20</b>
	<b>Movements in Working Capital</b>		
	(Increase)/ Decrease in Trade receivables	(1,088.99)	(996.73)
	(Increase) / Decrease in Inventories	(176.55)	352.69
	(Increase)/ Decrease in Other assets	(11.04)	(157.96)
	Increase / (Decrease) in Trade payables	1,054.68	958.87
	Increase / (Decrease) in Other current liabilities and Provisions	183.72	232.41
	<b>Cash (used in)/ generated from operation</b>	<b>(181.61)</b>	<b>527.48</b>
	Income taxes paid	17.34	(68.89)
	<b>Net cash (used in)/generated from operating activities [A]</b>	<b>(164.27)</b>	<b>458.59</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of Property, Plant & Equipment	-	-
	<b>Net cash (used in)/ generated investing activities [B]</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds / (Repayment) of short term Borrowings (net)	43.97	91.96
	Interest paid	(220.05)	(134.92)
	<b>Net cash generated / (used in) from financing activities [C]</b>	<b>(176.08)</b>	<b>(42.96)</b>
	<b>Net increase/ (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(340.35)</b>	<b>415.63</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,006.29</b>	<b>590.66</b>
	<b>Cash and cash equivalents at end of the year</b>	<b>665.94</b>	<b>1,006.29</b>

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

*(Signature of E.E. Sitabkhan)*

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

Place - Mumbai  
Date : April 25,2024



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

*(Signature of Mahesh Babani)*  
Mahesh Babani  
Director  
DIN: 00051162

*(Signature of D.B Rao)*  
D.B Rao  
Director  
DIN: 00356218

# Privi Speciality Chemicals USA Corporation

## Balance Sheet

as at March 31, 2024

(Currency: Indian Rupees in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
Non-current assets			
Property, plant and equipment	3	-	-
Financial assets			
Other Financial assets	4	57.59	68.64
Income tax assets (net)	9	-	41.10
<b>Total non-current assets</b>		<b>57.59</b>	<b>109.74</b>
<b>Current assets</b>			
Inventories			
Finished goods	7	6,427.27	6,250.72
Financial assets			
Trade receivables	5	8,392.69	7,303.70
Cash and cash equivalents	6	665.94	1,006.29
Other current assets	8	326.31	263.12
<b>Total current assets</b>		<b>15,812.21</b>	<b>14,823.83</b>
<b>Total assets</b>		<b>15,869.80</b>	<b>14,933.57</b>
<b>Equity and liabilities</b>			
Equity			
Equity share capital	10	33.90	33.90
Other equity	11	2,164.22	2,494.70
<b>Total equity</b>		<b>2,198.12</b>	<b>2,528.60</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	3,168.21	3,124.24
Trade payables	14	10,234.76	9,180.08
Other financial liabilities	15	-	-
<b>Total financial liabilities</b>		<b>251.37</b>	<b>100.65</b>
Other current liabilities	15	17.34	-
Current tax liabilities (net)	16	-	-
<b>Total current liabilities</b>		<b>13,671.68</b>	<b>12,404.97</b>
<b>Total equity and liabilities</b>		<b>15,869.80</b>	<b>14,933.57</b>
<b>Notes to the financial statements</b>	3 to 28		
<b>Significant accounting policies</b>	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*

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



Mumbai  
Date : April 25, 2024

For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

*Mahesh Babani*  
Director  
DIN: 00051162

*D. B. Rao*  
Director  
DIN: 00356218

# Privi Speciality Chemicals USA Corporation

## Statement of Profit and Loss

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	17	46,915.59	41,930.14
Other income	18	-	-
<b>Total income</b>		<b>46,915.59</b>	<b>41,930.14</b>
<b>Expenses</b>			
Cost of materials	19	45,151.30	39,885.11
Purchase of stock in trade	20	225.53	-
Changes in inventories of finished goods and stock in trade	21	(152.58)	352.69
Employee benefits expense	22	728.39	705.31
Finance cost	23	220.05	134.92
Depreciation and amortisation expenses	24	-	-
Other expenses	25	1,106.38	848.83
<b>Total expenses</b>		<b>47,279.07</b>	<b>41,926.86</b>
<b>Profit before tax</b>		<b>(363.48)</b>	<b>3.28</b>
<b>Tax expenses</b>			
Current tax	12	-	0.92
Deferred tax credit/(charge)		-	0.92
<b>Total Tax expense</b>		<b>-</b>	<b>0.92</b>
<b>Net Profit for the year (A)</b>		<b>(363.48)</b>	<b>2.36</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Foreign currency translation reserve		33.00	196.92
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>33.00</b>	<b>196.92</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(330.48)</b>	<b>199.28</b>
Earnings per equity share : nominal value of share Rs.10/- each (March 31, 2020: Rs. 10/-)			
Basic and diluted (Rs )	27	(712.71)	4.63
<b>Notes to the financial statements</b>	3 to 28		
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*

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



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

*Mahesh Babani*  
Director  
DIN: 00051162

*D. B. Rao*  
Director  
DIN: 00356218

Mumbai  
Date : April 25, 2024



Privi Speciality Chemicals USA Corporation

**Statement of Cash Flow**

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	(363.48)	3.28
Adjustment for:		
Depreciation and amortisation	0	0
Finance costs	220.05	134.92
<b>Operating cash flow before working capital changes</b>	<b>(143.43)</b>	<b>138.20</b>
<b>Movements in working capital</b>		
(Increase)/ Decrease in Trade receivables	(1,088.99)	(996.73)
(Increase) / Decrease in Inventories	(176.55)	352.69
(Increase)/ Decrease in Other assets	(11.04)	(157.96)
Increase / (Decrease) in Trade payables	1,054.68	958.87
Increase / (Decrease) in Other current liabilities and	183.72	232.41
<b>Cash (used in)/ generated from operation</b>	<b>(181.61)</b>	<b>527.48</b>
Income taxes paid	17.34	(68.89)
<b>Net cash (used in)/generated from operating activities [A]</b>	<b>(164.27)</b>	<b>458.59</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant & Equipment	-	-
<b>Net cash (used in)/ generated investing activities [B]</b>	<b>-</b>	<b>-</b>
<b>C Cash flow from financing activities</b>		
Proceeds / (Repayment) of short term Borrowings (net)	43.97	91.96
Interest paid	(220.05)	(134.92)
<b>Net cash generated / (used in) from financing activities [C]</b>	<b>(176.08)</b>	<b>(42.96)</b>
<b>Net increase/ (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(340.35)</b>	<b>415.63</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1006.29</b>	<b>590.66</b>
<b>Cash and cash equivalents at end of the year (refer Note 6)</b>	<b>665.94</b>	<b>1006.29</b>

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*

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



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation

*Mahesh Babani*  
Director  
DIN: 00051162

*D. B. Rao*  
Director  
DIN: 00356218

Mumbai  
Date : April 25, 2024

# Privi Speciality Chemicals USA Corporation

## Statement of changes in equity

as at March 31, 2024

(Currency: Indian Rupees in lakhs)

### A. Equity share capital

	As at March 31, 2024	As at March 31, 2023
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 April 01, 2022</b>			
Opening balance	200.08	2,095.34	2,295.42
Profit for the year	-	2.36	2.36
Effect of foreign exchange fluctuation	196.92	-	196.92
<b>Total comprehensive income for the year</b>	<b>397.00</b>	<b>2,097.70</b>	<b>2,494.70</b>
<b>Balance as at 31 March 2023</b>	<b>397.00</b>	<b>2,097.70</b>	<b>2,494.70</b>
<b>Total comprehensive income for the year ended April 01, 2023</b>			
Profit for the year	-	(363.48)	(363.48)
Effect of foreign exchange fluctuation	33.00	-	33.00
<b>Total comprehensive income for the year</b>	<b>33.00</b>	<b>(363.48)</b>	<b>(330.48)</b>
<b>Balance as at March 31, 2024</b>	<b>430.00</b>	<b>1,734.22</b>	<b>2,164.22</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



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation



**Mahesh Babani**  
Director  
DIN: 00051162



**D. B. Rao**  
Director  
DIN: 00356218

Mumbai  
Date April 25, 2024

# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (*Continued*)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

### 1 Corporate Information

Privi Speciality Chemicals 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. It also sells certain U.S. made chemicals to its parent Company in India.

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 2024 are authorized for issue by the Company's Board of Directors on April 25, 2024.

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 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, 2024.

ii) Monetary Assets and Liabilities are translated into Indian rupees from US dollar at the closing exchange rate prevailing as on March 31, 2024.

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".

The Financial Statements have been prepared for the purpose of consolidation of accounts by the holding Company M/s. Privi Specialty Chemicals Limited and also to



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

enable the Holding Company M/s Privi Specialty Chemicals Limited to file its Annual Performance Report as per FEMA Regulation of Reserve Bank Of India

### 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;





# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

- (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.

## 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.



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (*Continued*)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

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

## 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 prepared with generally accepted accounting principles in the United States of America (US GAAP) and then 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



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

- 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.

## 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.



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(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.





# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (*Continued*)

for the year ended March 31, 2024

(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 weighted average 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 recognition Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially

All of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined according to Ind AS 115 "Revenue from contracts with customers".

Sale of Goods: Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

#### *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



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

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.

## **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



# Privi Speciality Chemicals USA Corporation

## Notes to standalone financial statements (Continued)

for the year ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

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.

## **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.



## Privi Speciality Chemicals USA Corporation

### Notes to the financial statements (continued)

as at March 31, 2024

(Currency: Indian Rupees in lakhs)

### 3 Property, plant and equipment

Description	Gross Block			Depreciation			Net Block	
	As at April 01, 2023	Addition during the year	Deletion during the year	As at March 31, 2024	For the year	Deletion during the year	As at March 31, 2024	As at March 31, 2023
<u>At Cost:</u>								
Furniture and fixtures		-	-			-		
Description	Gross Block			Depreciation			Net Block	
	As at April 01, 2022	Addition during the year	Deletion during the year	As at March 31, 2023	For the year	Deletion during the year	As at March 31, 2023	As at March 31, 2023
<u>At Cost:</u>								
Furniture and fixtures	17.38	-	-	17.38		-	17.38	
	17.38			17.38			17.38	





# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued) as at March 31, 2024 (Currency: Indian Rupees in lakhs)

### 4 Financial assets

(Unsecured, considered good unless otherwise stated)

	As At March 31, 2024	As At March 31, 2023
Non-current		
Customs duty deposit	7.57	19.31
Deposit-office rent	50.02	49.33
Total (A)	<u>57.59</u>	<u>68.64</u>
Current		
Loans and advances to employees	-	-
Total (B)	<u>-</u>	<u>-</u>
Total (A + B)	<u>57.59</u>	<u>68.64</u>

### 5 Trade receivables

(Unsecured unless otherwise stated)

Considered good- Secured

Dues from related party (refer note no. 26)	709.49	1,723.62
Dues from others	7,683.20	5,580.08
Credit impaired	16.57	16.57
Less: Allowance for expected credit loss and credit impairment	(16.57)	(16.57)

8,392.69 7,303.70

Trade receivables ageing as on 31-March-2024 based on due date

Particulars	Less than 6 months	6 months- 1 Years	1-2 Years	2-3 Years	than 3	Total
(i) Undisputed Trade receivable-consider good	8,392.69	-	-	-	-	8,392.69
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivable-consider good	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-
	<u>8,392.69</u>	-	-	-	-	<u>8,392.69</u>

Trade receivables ageing as on 31-Mar-2023 based on due date

Particulars	Less than 6 months	6 months- 1 Years	1-2 Years	2-3 Years	than 3	Total
(i) Undisputed Trade receivable-consider good	7,303.70	-	-	-	-	7,303.70
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivable-consider good	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-
	<u>7,303.70</u>	-	-	-	-	<u>7,303.70</u>

### 6 Cash and cash equivalent

Cash on hand	3.91	4.00
Balances with Banks		
In current accounts	662.03	1,002.29
	<u>665.94</u>	<u>1,006.29</u>

### 7 Inventories

(valued at lower of cost and net realisable value)

Finished goods	6,403.30	6,250.72
Stock in Trade	23.97	-
	<u>6,427.27</u>	<u>6,250.72</u>

### 8 Other current assets

(Unsecured, considered good)

Advance to suppliers	121.83	122.49
Prepaid expenses	129.03	135.29
Loans and advances to employees	75.45	5.34
	<u>326.31</u>	<u>263.12</u>

### 9 Income tax assets (net)

Advance Tax	-	41.10
	<u>-</u>	<u>41.10</u>



# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

as at March 31, 2024

(Currency: Indian Rupees in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>10 Share capital</b>		
<b>Authorised:</b>		
51,000 (as at March 31 2024 : 51,000) equity shares of Rs. 66.47 each	33.90	33.90
<b>Issued, Subscribed and Paid up:</b>		
51,000 (as at March 31 2024 : 51,000) equity shares of Rs. 66.47 each	33.90	33.90
	<b>33.90</b>	<b>33.90</b>

**a) Reconciliation of the number of shares**

Description	March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	51,000	33.90	51,000	33.90
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>51,000</b>	<b>33.90</b>	<b>51,000</b>	<b>33.90</b>

**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**

	March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Privi Speciality Chemicals Limited	51,000	33.90	51,000	33.90

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

	March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Privi Speciality Chemicals Limited	51,000	100%	51,000	100%

**11 Other equity**

	As at March 31, 2024	As at March 31, 2023
Foreign currency translation	430.00	397.00
Retained earnings	1734.22	2097.70
	<b>2164.22</b>	<b>2494.70</b>



# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

as at March 31, 2024

(Currency: Indian Rupees in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>12 Income tax</b>		
<b>Amounts recognised in profit or loss</b>		
The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:		
Current income tax:		
Current tax	-	0.92
Deferred tax:		
Relating to origination and reversal of temporary differences		
Income tax expense reported in the statement of profit or loss	-	0.92
<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	-	-
Income tax charged to OCI	-	-
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:</b>		
Accounting profit before income tax	(363.48)	3.28
At US's statutory income tax rate of 28.05% (March 31, 2023: 28.05%)	-	0.92
Non-deductible expenses for tax purposes	-	0.92
Income tax expense reported in the statement of profit and loss	-	0.92

## 13 Borrowings

Working capital demand loan	3,168.21	3,124.24
(The Loan is unsecured and interest sofer + 1.75%)		
	<u>3,168.21</u>	<u>3,124.24</u>

## 14 Trade payables

Payable to related parties (refer note no. 26)	9,027.28	7,470.27
Payables other than micro and small enterprises	1,193.14	1,695.98
Other payable	14.34	13.83
	<u>10,234.76</u>	<u>9,180.08</u>

Trade payables ageing as on 31-Mar-2024 based on due date

Particulars	Less Than 1 years	1-2 years	2-3 years	More than 3 years	Total
i) MSME					
ii) Others	10,234.76				10,234.76
iii) Disputed dues - MSME					
iv) Disputed dues-Others					
	<u>10,234.76</u>				<u>10,234.76</u>

Trade payables ageing as on 31-Mar-2023 based on due date

Particulars	Less Than 1 years	1-2 years	2-3 years	More than 3 years	Total
i) MSME					
ii) Others	9,180.08				9,180.08
iii) Disputed dues - MSME					
iv) Disputed dues-Others					
	<u>9,180.08</u>				<u>9,180.08</u>

## 15 Other current liabilities

Statutory dues (including provident fund, tax deducted at source and others)	57.99	68.41
Advance from customers	0.63	32.24
Customer Deposit	192.75	
	<u>251.37</u>	<u>100.65</u>

## Current tax liabilities (net)

Current tax payable net	17.34	-
	<u>17.34</u>	<u>-</u>



# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
<b>17</b>	<b>Revenue from operations</b>		
	<b>Sale of products</b>		
	Sales	46,915.59	41,930.14
	Traded Goods	-	-
		<u>46,915.59</u>	<u>41,930.14</u>
<b>18</b>	<b>Other Income</b>		
	Commission received form related parties (refer note no. 26)	-	-
		<u>-</u>	<u>-</u>
<b>19</b>	<b>Cost of Material</b>		
	Purchase of Goods	45,151.30	39,885.11
	<b>Total</b>	<u>45,151.30</u>	<u>39,885.11</u>
<b>20</b>	<b>Purchase of stock in trade</b>		
	Purchase of goods	225.53	-
		<u>225.53</u>	<u>-</u>
<b>21</b>	<b>Changes in inventories of finished goods</b>		
	<b>Closing Stock:</b>		
	Finished goods	6,403.30	6,250.72
		<u>6,403.30</u>	<u>6,250.72</u>
	<b>Opening Stock:</b>		
	Finished goods	6,250.72	6,603.41
		<u>6,250.72</u>	<u>6,603.41</u>
	<b>Increase in inventory</b>	<u>(152.58)</u>	<u>352.69</u>





# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	629.04	647.64
Contribution to provident and other funds	70.63	40.61
Staff welfare expenses	28.72	17.06
	<u>728.39</u>	<u>705.31</u>
<b>23 Finance Cost</b>		
Interest on working capital loan	220.05	134.92
	<u>220.05</u>	<u>134.92</u>
<b>24 Depreciation and amortisation</b>		
Depreciation on tangible assets	-	-
	<u>-</u>	<u>-</u>
<b>25 Other expenses</b>		
Repairs and maintenance others	19.98	17.21
Postage and telephone	27.40	26.01
Rates and taxes	102.52	40.26
Printing and stationery	4.17	3.57
Legal and professional fees	340.63	343.30
Travelling and conveyance	92.72	92.73
Bank charges	199.15	71.22
Selling and Distribution	246.58	190.68
Miscellaneous expenses (net)	73.23	63.85
	<u>1,106.38</u>	<u>848.83</u>



# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

### 26 Related party disclosures

#### a) List of Related Parties

##### Holding Company

Privi Speciality Chemicals 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 2024	31 March 2023	31 March 2024	31 March 2023
<b>Transactions</b>				
<b>Purchase of raw materials</b>				
Privi Speciality Chemicals Limited	33,312.75	26,864.30	-	-
Privi Organics Ltd ( Amalgamated with Privi Fine Sciences Pvt. Ltd w.e.f. 01-04-2023)		45.17		
Privi Fine Sciences Pvt. Ltd.	383.38			
<b>Sale of finished goods</b>				
Privi Speciality Chemicals Limited	9,842.44	12,452.93	-	-
<b>Commission Received</b>				
Privi Speciality Chemicals Limited	21.49	29.17	-	-
<b>Corporate guarantee commission paid</b>				
Privi Speciality Chemicals Limited	52.99	52.92	-	-

Particulars	Holding Company		Key Management Personnel	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Trade Receivables/Other assets</b>				
Privi Speciality Chemicals Limited	709.49	1,723.61	-	-
Privi Life Science Pvt Ltd				
<b>Trade Payables</b>				
Privi Speciality Chemicals Limited	9,027.28	7,470.27	-	-
Privi Organics Ltd(Amalgamated with Privi Fine Sciences Pvt. Ltd w.e.f 01-04-2023)		14.25		
Privi Fine Sciences Pvt. Ltd	215.64			
<b>Other Liabilities</b>				
Privi Speciality Chemicals Limited	-	163.21	-	-



# Privi Speciality Chemicals USA Corporation

## Notes to the financial statements (continued)

for the quarter ended March 31, 2024

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>27 Earnings per share</b>		
Profit after tax attributable to equity shareholders [A]	(363.48)	2.36
Number of equity shares at the beginning of the year [B]	51,000	51,000
Number of equity shares outstanding at the end of the year [C]	51,000	51,000
Weighted average number of equity shares outstanding during the year [D]	51,000	51,000
Basic & Diluted earnings (in rupees) per share of face value Rs. 10 [A]/[D]	(712.71)	4.63

## 28 Previous year comparative

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

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

Chartered Accountants



(E.E. Sitabkhan)


Proprietor, M.No.30721



For and on behalf of the Board of Directors of  
Privi Speciality Chemicals USA Corporation



Mahesh Babani  
Director  
DIN: 00054162



D. B. Rao  
Director  
DIN: 00356218

Mumbai

Date : April 25, 2024