

Privi Organics India Limited

**Consolidated Ind AS Financial statements
together with the
Independent Auditors' Report
for the year ended 31 March 2019**

Privi Organics India Limited

Consolidated Ind AS financial statements together with the Independent Auditors' Report

for the year ended 31 March 2019

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Privi Organics India Limited

Report on the Audit of consolidated financial statements

Opinion

We have audited the consolidated financial statements of Privi Organics India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated 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 consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 39 of the consolidated financial statements, which describes the effect of fire in the Holding Company. Our opinion is not modified in respect of this matter.

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 Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.



Independent Auditors' Report (Continued)

Privi Organics India Limited

Other Information (Continued)

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit reports of other auditors, 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.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group 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.

The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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Independent Auditors' Report (*Continued*)

Privi Organics India Limited

Auditor's Responsibilities for the Audit of the consolidated financial statements (*Continued*)

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 consolidated 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.
- 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 the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 in preparing consolidated financial statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions in preparing consolidated financial statements that may cast significant doubt on the appropriateness of the assumption. 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 consolidated 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 auditor's report. However, future events or conditions may cause the company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors as noted in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.



Independent Auditors' Report (*Continued*)

Privi Organics India Limited

Auditor's Responsibilities for the Audit of the consolidated financial statements (*Continued*)

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.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 11,239.92 lakhs as at 31 March 2019, total revenues of Rs. 22,754.16 lakhs and net cash flows amounting to Rs. 342.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.



Independent Auditors' Report (Continued)

Privi Organics India Limited

Report on Other Legal and Regulatory Requirements (Continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, on long-term contracts, if any, including derivative contracts.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its subsidiary company incorporated in India during the year ended 31 March 2019.
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of a subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates
Chartered Accountants

Firm's Registration No: 116231W/W-100024

A. S. Morwekar
Adwait Morwekar
Partner

Mumbai
9 May 2019

Membership No: 110223

Privi Organics India Limited

Annexure A to the Independent Auditors' report - 31 March 2019

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as if end for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Privi Organics India Limited (hereinafter referred to as ('the Holding Company')) and its subsidiary company incorporated in India under the Companies Act, 2013, (together referred to as "the Group") as if on that date.

In our opinion, the Holding company and its subsidiary company incorporated in India, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on our financial reporting criteria of respective 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 the respective 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').



Independent Auditors' Report (Continued)

Privi Organics India Limited

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls, with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Independent Auditors' Report (Continued)

Privi Organics India Limited

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

For B S R & Associates

Chartered Accountants

Firm's Registration No: 116231W/W-100024

A. S. Morwekar
Adwait Morwekar

Partner

Membership No: 110223

Mumbai

9 May 2019

Privi Organics India Limited

Consolidated Balance Sheet

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	Note	As at March 31, 2019	As at March 31, 2018 Restated*	As at March 31, 2017 Restated*
ASSETS				
Non-current assets				
Property, Plant and Equipment	4	37,373.58	32,891.30	29,287.37
Capital Work-in-Progress	4	9,377.81	4,577.36	1,848.07
Intangible Assets	5	869.50	664.41	343.90
Financial assets				
- Investments		-	-	19.57
- Loans and Advances	6	806.11	471.12	-
- Other Financial Assets	7	326.02	-	1,033.66
Non Current Tax Assets (net)		1,156.76	1,210.51	1,180.75
Other Non-Current Assets	8	741.61	565.20	1,814.24
Total Non-Current Assets		50,651.39	40,379.90	35,527.56
Current assets				
Inventories	9	33,023.10	20,349.01	22,299.31
Financial Assets				
- Investments	10	-	300.17	54.03
- Trade Receivables	11	29,856.33	19,838.07	14,849.58
- Cash and Cash Equivalents	12	1,623.56	1,210.39	649.58
- Bank Balances other than Cash and Cash Equivalents	13	670.58	1,159.68	2,373.84
- Loans and Advances	6	57.52	47.99	-
- Other Financial Assets	7	880.21	936.69	764.29
Other Current Assets	8	7,033.96	3,424.69	2,004.92
Total Current Assets		73,145.26	47,266.69	42,995.55
TOTAL ASSETS		1,23,796.65	87,646.59	78,523.11
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	14 a)	1.00	1.00	1.00
Other Equity	14 b)	47,304.27	40,103.84	36,754.91
Total Equity		47,305.27	40,104.84	36,755.91
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	15	17,254.06	6,044.29	4,723.19
Provisions	16	959.64	793.15	675.55
Deferred tax Liabilities (Net)	17	1,651.51	1,170.05	587.47
Total Non-Current Liabilities		19,865.21	8,007.49	5,986.21
Current Liabilities				
Financial Liabilities				
- Borrowings	15	23,998.84	17,643.81	18,310.93
- Trade payables				
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	18	18,385.26	11,975.91	9,920.48
- Other Financial Liabilities	19	10,983.81	8,397.14	5,866.27
Other Current Liabilities	20	707.00	904.45	1,133.04
Provisions	16	94.29	56.55	44.93
Current Tax Liabilities (Net)		2,456.97	556.40	505.34
Total Current Liabilities		56,626.17	39,534.26	35,780.99
Total EQUITY AND LIABILITIES		1,23,796.65	87,646.59	78,523.11

* (Refer Note 3)

Notes to the consolidated financial statements

Significant accounting policies

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

As per our report of even date attached

For BSR & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

A.S. Morvekar

Advait Morvekar

Partner

Membership No: 110223

Mumbai

Date : May 09, 2019

For and on behalf of the Board of Directors of
Privi Organics India Limited

Mahesh Babani
Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer

Ramesh Kathuria
Company Secretary

Privi Organics India Limited

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

	Note	Year ended March 31, 2019	Year ended March 31, 2018 *Restated
REVENUE			
Sale of Products (Net) (Refer Note 41)	21	1,07,701.72	78,650.36
Other operating income	22	1,415.32	1,016.65
Revenue from Operations		1,09,117.04	79,667.01
Other income	23	559.92	1,601.39
TOTAL INCOME (I)		1,09,676.96	81,268.40
EXPENSES			
Cost of Materials Consumed	24	75,086.87	47,466.57
Changes in Inventories of Finished Goods and Work-in-Progress	25	(8,926.24)	2,927.21
Excise duty		-	869.83
Employee Benefits Expense	26	5,609.66	4,383.82
Finance Costs	27	2,327.97	1,818.42
Depreciation and Amortization expense	28	4,140.81	3,835.99
Other Expenses	29	19,733.70	14,402.95
TOTAL EXPENSES (II)		97,972.77	75,704.79
Profit Before Exceptional Items and Tax Expense (I) - (II)		11,704.19	5,563.61
Exceptional Items			
Insurance recoveries towards loss by Fire (Refer Note 39)		904.78	-
Profit before Tax Expense		12,608.97	5,563.61
Tax expenses			
Current Tax		4,442.56	1,333.81
Tax Adjustment of earlier Years		16.13	-
Deferred Tax Expense		502.67	584.32
Total Tax Expense		4,961.36	1,918.13
Profit for the Year (III)		7,647.61	3,645.48
Other Comprehensive Income			
Items that will not be reclassified to profit or loss - Remeasurements Gain / (Loss) of the net defined benefit plans		(60.69)	(5.01)
Income tax related to above		21.21	1.73
Exchange differences in translating financial statements of foreign operations		44.38	7.60
Other Comprehensive Income for the year net of taxes (IV)		4.90	4.32
Total Comprehensive Income for the year (III + IV)		7,652.51	3,649.80
Earnings per equity share: nominal value of share Rs.10/- each (March 31, 2018: Rs. 10/-)			
Basic and diluted (Rs.)	37	76,476.10	36,454.80

* (Refer Note 3)

Notes to the consolidated financial statements

Significant accounting policies

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

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For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Adwait Morwekar

Partner

Membership No: 110223

Mumbai

Date : May 09, 2019

For and on behalf of the Board of Directors of

Privi Organics India Limited


Mahesh Babani

Managing Director

DIN: 00051162


Narayan S Iyer

Chief Financial Officer


D. B. Rao

Executive Director

DIN: 00356218


Ramesh Kathuria

Company Secretary

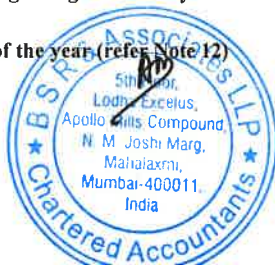
Privi Organics India Limited

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
A Cash flow from operating activities		
Profit before tax after exceptional items	12,608.97	5,563.61
Adjustment for:		
Insurance recoveries on Property, Plant & Equipment lost by fire (net)	(273.56)	-
Depreciation and amortisation	4,140.81	3,835.99
Gain on write-back of Financial liabilities	(42.16)	(21.04)
Sundry balances written off	25.38	20.41
Unrealised gain foreign exchange differences	(32.09)	(159.83)
Fair value (gain)/loss on Investments	-	(3.87)
Dividend Income	-	(0.35)
Interest Income	(69.29)	(126.95)
Finance costs	2,327.97	1,818.42
(Profit)/Loss on tangible assets sold/written off	552.53	(1.60)
Loss on intangible assets written off	138.92	-
Share Issue expenses	3.34	-
Provision for doubtful advances	-	36.15
Operating cash flow before working capital changes	19,380.82	10,960.94
Movements in Working Capital		
(Increase) / Decrease in Trade receivables	(9,777.05)	(4,684.91)
(Increase) / Decrease in Inventories	(12,674.09)	1,950.30
(Increase) / Decrease in Other assets	(3,834.86)	(837.03)
Increase / (Decrease) in Trade payables and Other current liabilities and Provisions	8,106.53	3,039.26
	(18,179.47)	(532.38)
Cash generated from operationation	1,201.35	10,428.56
Taxes paid (Net of Refunds)	(2,525.58)	(1,314.25)
Net Cash generated from / (used in) operating activities [A]	(1,324.23)	9,114.31
B Cash flow from investing activities		
Purchase of Property, Plant & Equipment	(15,148.90)	(7,733.77)
Proceeds from sale of Property, Plant & Equipment	-	5.50
Proceeds from Insurance Company towards Property, Plant & Equipment lost by fire	2,500.00	-
Sale/ (Purchase) of investments	304.04	(230.44)
Realisation of fixed deposits	163.08	1,214.16
Dividend Received	-	0.35
Interest Received	69.29	126.95
Net Cash generated from / (used in) investing activities [B]	(12,112.49)	(6,617.25)
C Cash flow from financing activities		
Proceeds from Non-Current Borrowings	13,454.62	4,000.00
Repayment of Non-Current Borrowings	(2,920.73)	(3,055.36)
Proceeds/ (Repayment) of Current Borrowings (net)	6,504.85	(737.79)
Dividend paid including Dividend Distribution Tax	(452.08)	(300.89)
Interest paid	(2,733.43)	(1,842.21)
Share Issue expenses	(3.34)	-
Net Cash generated from / (used in) financing activities [C]	13,849.89	(1,936.25)
Net increase in cash and cash equivalents (A+B+C)	413.17	560.81
Cash and cash equivalents at the beginning end of the year	1,210.39	649.58
Cash and cash equivalents at end of the year (refer Note 12)	1,623.56	1,210.39



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Privi Organics India Limited

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

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

Note B : Purchase of Property , Plant and Equipment includes movement in capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of net debts

Particulars	Non Current Borrowings	Current Borrowings
Balance as on 1 April 2018	8,751.53	17,643.81
Loan taken during the current year	13,454.62	10,046.76
Repayment during the current year	(2,920.73)	(3,541.91)
Foreign exchange gain or loss	37.10	(149.82)
Impact of effective interest rate	65.90	-
Closing balance as on 31 March 2019	19,388.42	23,998.84

Particulars	Non Current Borrowings	Current Borrowings
Balance as on 1 April 2017	7,778.62	18,310.93
Loan taken during the current year	4,000.00	-
Repayment during the current year	(3,055.36)	(737.79)
Foreign exchange gain or loss	12.59	70.67
Impact of effective interest rate	15.68	-
Closing balance as on 31 March 2018	8,751.53	17,643.81

Significant accounting policies

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **BSR & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Adwait Morwekar


Partner

Membership No: 110223


Mumbai

Date : May 09, 2019

For and on behalf of the Board of Directors of
Privi Organics India Limited


Mahesh Babani
Managing Director
DIN: 00051162


D. B. Rao
Executive Director
DIN: 00356218


Narayan S Iyer
Chief Financial Officer


Ramesh Kathuria
Company Secretary

Privi Organics India Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

A. Equity share capital

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1.00	1.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	1.00	1.00

B. Other equity

	Reserves and Surplus		Items of Other Comprehensive Income		Total
	General Reserve	Retained Earnings Restated	Foreign Currency Translation Reserves	Other Comprehensive Income	
Opening Balance	35,573.76	1,202.16	(0.44)	(20.55)	36,754.93
Profit for the year	-	3,645.48	-	-	3,645.48
Other comprehensive income (net of tax)	-	-	7.60	(3.28)	4.32
Total Comprehensive Income for the year	35,573.76	4,847.64	7.16	(23.83)	40,404.73
Contribution and distribution to the owners					
Dividend of Rs 2,500 per share for the period ended March 31, 2017	-	250.00	-	-	250.00
Dividend distribution tax on dividend	-	50.89	-	-	50.89
Balance as at March 31, 2018	35,573.76	4,546.75	7.16	(23.83)	40,103.84
Profit for the year	-	7,647.61	-	-	7,647.61
Other comprehensive income (net of tax)	-	-	44.38	(39.48)	4.90
Total comprehensive income for the year	-	7,647.61	44.38	(39.48)	7,652.51
Contribution and distribution to the owners					
Dividend of Rs 3750 per share for the period ended March 31, 2018	-	375.00	-	-	375.00
Dividend distribution tax on dividend	-	77.08	-	-	77.08
Balance as at March 31, 2019	35,573.76	11,742.28	51.54	(63.31)	47,304.27

* (Refer Note 3)

Notes to the financial statements

Significant accounting policies

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

A.S. Morwekar
Adwait Morwekar
Partner
Membership No: 110223

Mumbai
Date : May 09, 2019

For and on behalf of the Board of Directors of
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Mahesh Babani
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DIN: 00051162

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DIN: 00356218

Narayan Silyer
Narayan Silyer
Chief Financial
Officer

Ramesh K. Khuria
Ramesh K. Khuria
Company Secretary

Privi Organics India Limited

Notes to the consolidated financial statements

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

1 Corporate Information

Privi Organics India Limited ('Privi', or 'the Company') incorporated on 08 July 2016 under the provision of the Companies Act, 2013 is a public company domiciled in India. These consolidated financial statements comprise the Company, its Subsidiaries (together referred to as the "Group") and its associates. The Group is primarily engaged in the manufacture, supply and export of aroma chemicals. The Group's manufacturing units are located at Mahad and Jagadia. Privi's in-house Research and Development centre has been accorded recognition by the Department of Scientific and Industrial Research.

2 Significant accounting policies

Statement of Compliance

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act. The consolidated financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 09, 2019.

i. *Basis of preparation and Presentation*

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Holding Company and the currency of the primary economic environment in which the Company operates.



Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

ii. Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

b) Associates- Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the group's share of other comprehensive income of the investee in consolidated other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

iii Use of estimates

The preparation of consolidated 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 recognised 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 key actuarial assumptions – Note 32
- (b) Recognition of deferred tax assets - Note 17



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Privi Organics India Limited

Notes to the consolidated financial statements

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

iv *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 realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised 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.

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.

v. *Functional Currency and foreign operation*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Financial Statements are presented in Indian Rupees 'INR', which is the presentation currency of the group. The functional currency of subsidiaries within the group include United States Dollar (USD) and Indian Rupee (INR)

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



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Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (Continued)

vi. 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/amortisation 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 recognised 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. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

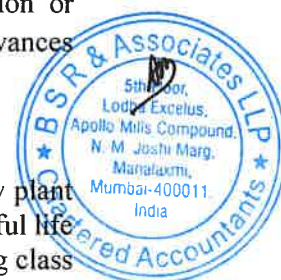
Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

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:

Asset Class	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	11
Computer	6

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.



Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2. Significant accounting policies

vi. Property, Plant and Equipment ("PPE") and depreciation (Continued)

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.

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that company will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the company are applied.

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).

vii. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computers and Soft wares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights	5 Years

With regard to internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.



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Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

vii. *Intangible assets and amortization (Continued)*

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

viii *Impairment of assets*

The Group assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or a group of assets.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

ix. *Borrowing costs*

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.



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Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

ix *Borrowing costs (Continued)*

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

X *Foreign currency transactions*

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the balance sheet date are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss.

Xi *Financial Instruments*

• 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 amortised 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 recognised in the profit or loss. This category generally applies to trade and other receivables.



Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

xi Financial Instruments (Continued)

a. Financial assets (*Continued*)

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.

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 Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Group 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 is a residual category for financial assets. Any financial assets which does not meet the criteria of categorizing it at amortised 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 Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

xi Financial Instruments (*Continued*)

a. Financial assets (*Continued*)

De-recognition (*Continued*)

When the Group has transferred its rights to receive cash flows from an asset or has entered into 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 of 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.

Impairment of Financial Assets

In view of its past experience of having insignificant impairment bad-debts / write-offs and based on management's estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Company has determined that significant impairment of Financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

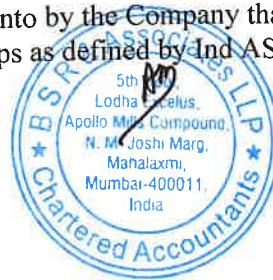
Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade 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.



Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (Continued)

xi Financial Instruments (Continued)

b. Financial liabilities

Financial liabilities at FVTPL (Continued)

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 derecognition 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.

c. Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii. 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.

xiii Leases

Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss as per terms of lease agreement. Lease income under an operating lease are recognized as income in the statement of profit and loss as per the terms of lease agreement.

xiv Inventories

Inventories include raw materials, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.



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Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

xiv *Inventories (Continued)*

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables packing materials are determined on first in first out basis. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost include the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item to item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined by reference to the selling prices of related finished products.

xv. *Revenue Recognition*

Revenue from the sale of goods is recognised on the basis of approved contracts regarding the transfer of goods to a customer as per agreed terms of delivery recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those 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 and Goods and Service tax. The Company does not provide any warranties or maintenance contracts to its customers.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

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

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.



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Privi Organics India Limited

Notes to the consolidated financial statements (*Continued*)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (*Continued*)

xvi. *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 recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(iii) Compensated Absences

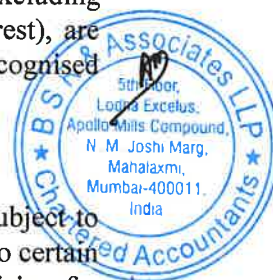
The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xvii. *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 Act, 1961. Current tax is measured at the amount expected to be paid to (recovered from) the



Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

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.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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 recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



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Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (Continued)

xviii. 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.

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, except where the results would be anti-dilutive.

xix. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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.

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 recognised 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 consolidated 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 India Limited

Notes to the consolidated financial statements (Continued)

for the financial year ended March 31, 2019

(Currency: Indian Rupees in Lakhs)

2 Significant accounting policies (Continued)

xx. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

3 Restated Consolidated Financial Statement for the year ended March 31, 2018 and as at March 31, 2017 due to correction of error

During the current year, the Company noted certain error (Refer Note (i)) in its consolidated financial statements for the period ended 31 March 2017. The error has been corrected by restating each of the affected financial statement line item for prior periods. The following note summarises the impact on consolidated financial statements.

Consolidated Balance Sheet as at March 31, 2018 and as at March 31, 2017

Note	As previously reported as at March 31 2018	Adjustment	As Restated as at March 31 2018	As previously reported as at March 31 2017	Adjustment	As Restated as at March 31 2017
ASSETS						
Non-current assets						
Property, Plant and Equipment	32,891.30	-	32,891.30	29,287.37	-	29,287.37
Capital Work-in-Progress	4,577.36	-	4,577.36	1,848.07	-	1,848.07
Intangible Assets	664.41	-	664.41	343.90	-	343.90
	38,133.07	-	38,133.07	31,479.34	-	31,479.34
Financial assets						
- Investments	-	-	-	19.57	-	19.57
- Loans and Advances	471.12	-	471.12	-	-	-
- Other Financial Assets	-	-	-	1,033.66	-	1,033.66
	471.12	-	471.12	1,053.23	-	1,053.23
Non Current Tax Assets (net)	1,210.51	-	1,210.51	1,180.75	-	1,180.75
Other Non-Current Assets	565.20	-	565.20	1,814.24	-	1,814.24
Total Non-Current Assets	40,379.90	-	40,379.90	35,527.56	-	35,527.56
Current assets						
Inventories	20,349.01	-	20,349.01	22,299.31	-	22,299.31
Financial Assets						
- Investments	300.17	-	300.17	54.03	-	54.03
- Loans and Advances	47.99	-	47.99	-	-	-
- Trade Receivables	19,838.07	-	19,838.07	14,849.58	-	14,849.58
- Cash and Cash Equivalents	1,210.39	-	1,210.39	649.58	-	649.58
- Bank Balances other than Cash and Cash Equivalents	1,159.68	-	1,159.68	2,373.84	-	2,373.84
- Other Financial Assets	936.69	-	936.69	764.29	-	764.29
	23,492.99	-	23,492.99	18,691.32	-	18,691.32
Other Current Assets	3,424.69	-	3,424.69	2,004.92	-	2,004.92
Total Current Assets	47,266.69	-	47,266.69	42,995.55	-	42,995.55
TOTAL ASSETS	87,646.59	-	87,646.59	78,523.11	-	78,523.11
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	1.00	-	1.00	1.00	-	1.00
Other Equity	(i) 40,562.12	(458.28)	40,103.84	37,214.62	(459.71)	36,754.91
Total Equity	40,563.12	(458.28)	40,104.84	37,215.62	(459.71)	36,755.91
LIABILITIES						
Non-Current Liabilities						
Financial Liabilities						
- Borrowings	6,044.29	-	6,044.29	4,723.19	-	4,723.19
Provisions	793.15	-	793.15	675.55	-	675.55
Deferred tax Liabilities (Net)	(i) 1,414.77	(244.72)	1,170.05	830.76	(243.29)	587.47
Total Non-Current Liabilities	8,252.21	(244.72)	8,007.49	6,229.50	(243.29)	5,986.21
Current Liabilities						
Financial Liabilities						
- Borrowings	17,643.81	-	17,643.81	18,310.93	-	18,310.93
- Trade payables	-	-	-	-	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	11,975.91	-	11,975.91	9,920.48	-	9,920.48
- Other Financial Liabilities	8,397.14	-	8,397.14	5,866.27	-	5,866.27
Other Current Liabilities	(i) 201.45	703.00	904.45	430.04	703.00	1,133.04
Provisions	56.55	-	56.55	44.93	-	44.93
Current Tax Liabilities (Net)	556.40	-	556.40	505.34	-	505.34
Total Current Liabilities	38,831.26	703.00	39,534.26	35,077.99	703.00	35,780.99
Total EQUITY AND LIABILITIES	87,646.59	-	87,646.59	78,523.11	-	78,523.11



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

3 Restated Consolidated Financial Statement for the year ended March 31, 2018 and as at March 31, 2017 due to correction of error (Continued)

Consolidated Statement of Profit and Loss for the year ended March 31 2018 and for the period ended March 31, 2017

Note	As previously reported as at March 31 2018	Adjustment	As Restated as at March 31 2018	As previously reported as at March 31 2017	Adjustment	As Restated as at March 31 2017
REVENUE						
Sale of Products (Net) (Refer Note 41)	78,650.36	+	78,650.36	42,709.08	-	42,709.08
Other operating income	1,016.65	-	1,016.65	520.17	-	520.17
Revenue from Operations	79,667.01	-	79,667.01	43,229.25	-	43,229.25
Other income	1,601.39	-	1,601.39	1,031.28	-	1,031.28
TOTAL INCOME (I)	81,268.40	-	81,268.40	44,260.53	-	44,260.53
EXPENSES						
Cost of Materials Consumed	47,466.57	-	47,466.57	27,328.48	-	27,328.48
Purchase of Stock- in Trade		-			-	
Changes in Inventories of Finished Goods and Work-in-	2,927.21	-	2,927.21	-599.88	-	-599.88
Excise duty	869.83	-	869.83	2,042.46	-	2,042.46
Employee Benefits Expense	4,383.82	-	4,383.82	2,387.18	-	2,387.18
Finance Costs	1,818.42	-	1,818.42	1,228.26	-	1,228.26
Depreciation and Amortisation expenses	3,835.99	-	3,835.99	2,260.44	-	2,260.44
Other Expenses	14,402.95	-	14,402.95	7,542.15	703.00	8,245.15
TOTAL EXPENSES (II)	75,704.79	-	75,704.79	42,189.09	703.00	42,892.09
Profit Before Exceptional Items and Tax Expense (I) -	5,563.61	-	5,563.61	2,071.44	(703.00)	1,368.44
Exceptional Items						
(Expense) / Income on Loss by Fire (Refer Note 3)	-	-	-	-	-	-
Profit before Tax Expense	5,563.61	-	5,563.61	2,071.44	(703.00)	1,368.44
Tax expenses						
Current Tax	1,333.81	-	1,333.81	524.11	-	524.11
Tax Adjustment of earlier Years		-			-	
Deferred Tax Asset/ (Credit)	585.74	(1.42)	584.32	(259.26)	(243.31)	(502.57)
Total Tax Expense	1,919.55	(1.42)	1,918.13	264.85	(243.31)	21.54
Profit for the Year (III)	3,644.06	1.42	3,645.48	1,806.59	(459.69)	1,346.90
Other Comprehensive Income						
Items that will not be reclassified to profit or loss, Remeasurements of the net defined benefit plans	(5.01)	+	(5.01)	(31.42)	-	-31.42
Income tax related to above	1.73	-	1.73	10.87	-	10.87
Exchange differences in translating financial statements of foreign operations	7.60	-	7.60	-0.44	-	-0.44
Other Comprehensive Income for the year net of taxes	4.32	-	4.32	(20.99)	-	(20.99)
Total Comprehensive Income for the year (III + IV)	3,648.38	1.42	3,649.80	1,785.60	(459.69)	1,325.91

Note : (i)

Stamp duty and related costs aggregating Rs. 459.71 Lakhs (net of tax) with respect to the transfer of the immovable assets of the aroma chemical business of Privi Organics Limited to the Company effective for the period March 31, 2017 had not been appropriately accrued in that year. Accordingly, as per Ind AS 8, the Company has now restated profit for the period ended March 31, 2017 and corresponding reserves and surplus as at March 31, 2018 and March 31, 2017. This does not impact the profit/ loss for the current year.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) as at March 31, 2019

(Currency: Indian Rupees in lakhs)

4 Property, plant and equipment

Description	As at April 01, 2018	Addition during the year	Gross Block Deletion during the year	Loss on account of Fire	As at March 31, 2019	As at April 01, 2018	For the year	Depreciation Deletion during the year	Depreciation on account of fire	As at March 31, 2019	Net Block As at March 31, 2019
Leasehold land	1,900.48	34.00	-	-	1,934.48	64.28	30.37	-	-	94.65	1,839.83
Building	8,906.96	1,120.21	516.33	688.69	8,822.15	1,204.39	280.11	275.36	231.44	977.70	7,844.45
Staff Quarters	51.09	-	-	-	51.09	15.38	0.83	-	-	16.21	34.88
Leasehold Building/assets	547.20	-	-	-	547.20	382.49	39.71	-	-	422.20	125.00
Plant and equipment	39,071.71	8,298.46	822.58	2,862.36	43,685.23	17,830.15	3,366.38	511.34	1,818.95	18,866.24	24,818.99
Electrical installation	2,286.13	607.84	-	167.67	2,726.30	994.89	192.04	-	132.98	1,053.95	1,672.35
Furniture and fixtures	168.71	84.04	-	84.62	168.13	91.49	5.55	-	52.85	44.19	123.94
Office equipments	153.06	31.09	-	27.04	157.11	123.11	3.14	-	14.26	111.99	45.12
Computers	361.47	148.95	-	61.64	448.78	284.07	17.18	-	54.90	246.35	202.43
Lab equipments	712.54	73.59	-	-	786.13	408.96	47.50	-	-	456.46	329.67
Lease plant & machinery	163.00	-	-	96.00	67.00	95.94	7.58	-	57.36	46.16	20.84
Vehicles	122.20	265.77	-	-	387.97	58.10	13.79	-	-	71.89	316.08
	54,444.55	10,663.95	1,338.91	3,988.02	59,781.57	21,553.25	4,004.18	786.70	2,362.74	22,407.99	37,373.58
Capital work -in- progress	4,577.36	16,520.92	11,119.31	601.16	9,377.81	-	-	-	-	-	9,377.81
	59,021.91	27,184.87	12,458.22	4,589.18	69,159.38	21,553.25	4,004.18	786.70	2,362.74	22,407.99	46,751.39

The Net block of tangible assets, amounting to Rs 32103.96 (Previous period: 26,015.09) are pledged as first charge security to term lending banks and second charges to working capital banks. Plant and machinery includes an amount of Rs.374.01 lakhs (March 31, 2018 INR Rs. 51.45 lakhs) that represent borrowing cost capitalized @ 8.6% (previous period: 8.6%) during the year.



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) as at March 31, 2019

(Currency: Indian Rupees in lakhs)

4 Property, plant and equipment (Continued)

Description	As at April 01, 2017	Addition during the period	Gross Block Deletion during the period	Loss on account of Fire	As at March 31, 2018	As at April 01, 2017	For the year	Depreciation Deletion during Loss on account the year of Fire	As at 'March 31, 2018	Net Block As at 'March 31, 2018
Leasehold land	1,426.54	473.94	-	-	1,900.48	40.84	23.44	-	64.28	1,836.20
Building	7,418.65	1,488.31	-	-	8,906.96	944.90	259.49	-	1,204.39	7,702.57
Staff Quarters	51.09	-	-	-	51.09	14.55	0.83	-	15.38	35.71
Leasehold Building /assets	547.20	-	-	-	547.20	342.78	39.71	-	382.49	164.71
Plant and equipment	34,055.18	5,029.83	13.30	-	39,071.71	14,679.73	3,159.82	9.40	17,830.15	21,241.56
Electrical installation	2,025.91	260.22	-	-	2,286.13	815.26	179.63	-	994.89	1,291.24
Furniture and fixtures	144.70	24.01	-	-	168.71	83.61	7.88	-	91.49	77.22
Office equipments	149.93	3.13	-	-	153.06	119.81	3.30	-	123.11	29.95
Computers	319.78	41.69	-	-	361.47	260.86	23.21	-	284.07	77.40
Lab equipments	642.83	69.71	-	-	712.54	352.12	56.84	-	408.96	303.58
Lease plant & machinery	163.00	-	-	-	163.00	79.09	16.85	-	95.94	67.06
Vehicles	131.96	-	9.76	-	122.20	55.85	12.01	9.76	58.10	64.10
	47,076.77	7,390.84	23.06	-	54,444.55	17,789.40	3,783.01	19.16	21,553.25	32,891.30
Capital work-in-progress	1,848.07	10,475.08	7,745.79	-	4,577.36	-	-	-	-	4,577.36
	48,924.84	17,365.92	7,768.85	-	59,021.91	17,789.40	3,783.01	19.16	21,553.25	37,468.66



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

4 Property, plant and equipment

- 1 Tangible Assets include assets for which ownership is not in the name of the Company - Gross Block of Rs. Nil lakhs (March 31, 2018 Rs. Nil lakhs).
- 2 Buildings include Rs. Nil (March 31, 2018 Rs. Nil) being cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises.
- 3 Gross Block includes Research and Development Assets (Building, Plant and Equipment, Furniture and Fixtures, Office Equipment and Intangible Assets) of Rs. 712.54 lakhs (March 31, 2018 Rs. 642.83 lakhs) and Net Block of Rs. 329.67 lakhs (March 31, 2018 Rs. 303.58). Addition for the Research and Development Assets during the year is Rs. 73.59 lakhs (March 31, 2018 Rs. 69.71 lakhs).
- 4 The amount of expenditures recognised in the carrying amount of an item of PPE in the course of its construction:

Particulars	Rs. in lakhs	
	As at March 31, 2019	As at March 31, 2018 Restated
Pre-operative expenses pending allocation:		
Power and Fuel Consumed	199.68	230.38
Salary, Wages, Bonus, Ex-gratia and Provisions	164.49	198.97
Finance Costs including finance cost as per para 6(e)	458.71	94.05
Total Pre-operative expenses	822.88	523.40
Add: Brought forward from Previous Year	184.19	198.47
Less: Capitalised / Charged during the Year	715.22	537.68
Balance included in Capital Work-in-Progress	291.85	184.19



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) as at March 31, 2019

(Currency: Indian Rupees in lakhs)

5 Intangible assets

Description	Gross Block			Amortisation		Net Block	
	As at April 01, 2018	Addition during the year	Adjustment during the year	As at March 31, 2019	For the year March 31, 2018	As at March 31, 2019	As at March 31, 2019
Computers and software	450.97	25.45	-	476.42	416.83	11.12	427.95
Rights of sale of products	591.79	429.91	-	1,021.70	230.18	113.23	343.41
Development rights*	237.71	93.73	-	331.44	189.19	12.28	201.47
Total intangible assets	1,280.47	549.09	-	1,829.56	836.20	136.63	972.83
Intangible assets under development*	284.03	25.28	232.65	76.66	63.89	-	12.77
	1,564.50	574.37	232.65	1,906.22	900.09	136.63	1,036.72
							869.50

(*) Intangible assets under development capitalized during the year Rs.93.73 lakhs and Rs.138.92 lakhs has been written off during the year.

Description	Gross Block			Amortisation		Net Block	
	As at April 01, 2017	Addition during the period	Adjustment during the period	As at March 31, 2018	For the period March 31, 2017	As at March 31, 2018	As at March 31, 2018
Computers and software	450.48	0.49	-	450.97	396.26	20.57	416.83
Rights of sale of products	232.55	359.24	-	591.79	211.93	18.25	230.18
Development rights	223.95	13.76	-	237.71	175.03	14.16	189.19
Intangible assets	906.98	373.49	-	1,280.47	783.22	52.98	836.20
Intangible assets under development	284.03	-	-	284.03	63.89	-	63.89
	1,191.01	373.49	-	1,564.50	847.11	52.98	900.09
							664.41



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Privi Organics India Limited

Notes to the Standalone Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

6 Loans and Advances

(Unsecured, considered good unless otherwise stated)

	Non-current portion		Current Portion	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Security deposits	806.11	471.12	-	-
Loans and advances to employees	-	-	57.52	47.99
	<u>806.11</u>	<u>471.12</u>	<u>57.52</u>	<u>47.99</u>

7 Other financial assets

(Unsecured, considered good unless otherwise stated)

	Non-current portion		Current Portion	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Investments in term deposits (with remaining maturity of more than twelve months)	326.02	-	-	-
Unutilised Export Incentives Licences	-	-	880.21	936.69
	<u>326.02</u>	<u>-</u>	<u>880.21</u>	<u>936.69</u>

8 Other assets

(Unsecured, considered good unless otherwise stated)

	Non-current portion		Current Portion	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Capital advances				
Considered good	413.16	184.68	10.38	-
Considered doubtful	36.15	36.15	-	-
Less: Allowance for bad and doubtful advances	(36.15)	(36.15)	-	-
	<u>413.16</u>	<u>184.68</u>	<u>10.38</u>	<u>-</u>
Deposits with custom authorities	6.00	55.37	-	-
Prepaid Expenses	21.42	40.75	1,498.18	119.27
Receivable from government authorities	122.04	15.95	2,461.58	2,575.17
Vat/Sales Tax Receivable	178.99	268.45	-	91.81
Advance for supply of goods and services	-	-	3,063.82	638.44
	<u>741.61</u>	<u>565.20</u>	<u>7,033.96</u>	<u>3,424.69</u>



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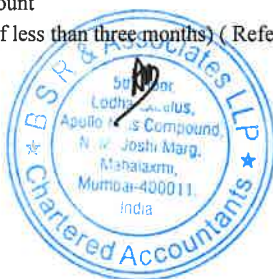
Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	As at March 31, 2019	As at March 31, 2018 Restated
9 Inventories (valued at lower of cost and net realisable value)		
Raw materials (including goods in transit Rs. 7,624.48 lakhs (March 31, 2018 Rs 3,770.23 lakhs)	14,154.48	7,583.09
Finished goods (including goods in transit Rs. 5,595.98 lakhs (March 31, 2018 Rs. 1805.74 lakhs)	12,227.28	5,633.39
Work-in-progress	6,186.55	6,578.23
Stores and spares	280.09	270.22
Packing material	82.16	64.07
Fuel	92.54	220.01
	33,023.10	20,349.01
10 Current investments		
Investments measured at Fair value through Profit and Loss:		
Unquoted		
Investments in mutual funds		
Units of IDFC-Cash-DDR Fund	-	300.17
29,967 units and 50 fractions of face value of Rs 10		
Total	-	300.17
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	-	300.17
11 Trade Receivables (Unsecured unless otherwise stated)		
Considered good	29,856.33	19,838.07
Considered doubtful	10.86	10.86
Less: Allowance for bad and doubtful debts	(10.86)	(10.86)
	29,856.33	19,838.07
Refer note 34 for information about credit risk and market risk of trade receivables.		
The movement in allowance for bad and doubtful debts is as follows:		
Balance as at beginning of the year	10.86	10.86
Allowance for bad and doubtful debts during the year	-	-
Trade receivables written off during the year	-	-
Balance as at the end of the year	10.86	10.86
12 Cash and cash equivalents		
Balances with Banks:-		
In current accounts	710.71	519.70
Earned exchange Foreign Currency account	92.34	134.92
Term deposits (with original maturity of less than three months) (Refer note No. 13)	812.36	269.89
Cash on hand	8.15	3.76
Remittance in transit	-	282.12
	1623.56	1210.39



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	As at March 31, 2019	As at March 31, 2018 Restated
13 Bank balances other than cash and cash equivalents		
Margin money deposits (with original maturity of more than three months but less than twelve months)	670.58	1,159.68
	<u>670.58</u>	<u>1,159.68</u>

Note : Margin money deposit amounting to Rs 363.93 lakhs (March 31, 2018: Rs. 303.92 lakhs) are pledged with banks for non cash limits and term deposit Rs.482.99 lakhs (March 31, 2018: Rs.269.89 lakhs and margin money deposit of Rs. 235.26 lakhs) are pledged as cash security with banks for the loans taken by the Company.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	As at March 31, 2019	As at March 31, 2018 Restated
14 a) Equity Share Capital		
Authorised:		
10,000 (as at March 31, 2018 : 10,000) equity shares of Rs. 10 each	1.00	1.00
Issued, Subscribed and Paid up:		
10,000 (as at March 31, 2018 : 10,000) equity shares of Rs. 10 each	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

a) Reconciliation of the number of shares

Description	As at March 31, 2019		As at March 31, 2018 Restated	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>10,000</u>	<u>1.00</u>	<u>10,000</u>	<u>1</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, 2019		As at March 31, 2018 Restated	
	Number	Amount	Number	Amount
Fairchem Speciality Limited	10,000	1.00	10,000	1.00

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

	As at March 31, 2019		As at March 31, 2018 Restated	
	Number	%	Number	%
Fairchem Speciality Limited	10,000	100%	10,000	100%



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	As at March 31, 2019	As at March 31, 2018 Restated
14 b) Other equity		
General reserve	35,573.76	35,573.76
Retained Earnings	11,742.28	4,546.75
Total Other Equity	47,316.04	40,120.51

The description of the nature and purpose of each reserve within equity is as follows:

A General Reserve

As per the approved scheme of arrangement (Demerger) between the Company, Fairchem Speciality Limited and Privi Organics Limited during the period ended 31 March 2017, the excess of book value of assets over liabilities is transferred to General Reserve.

B Retained Earnings:-

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Group, prepared in accordance with the basis of preparation section.

C The Capital management objective of the Company is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued equity share capital, share premium and all other equity.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments, cash and cash equivalents and bank deposits divided by total equity

The Company's debt equity ratio as at March 31, 2019 was as follows:

Particulars	March 31, 2019	March 31, 2018 Restated
Total Debt	43,387.26	26,395.34
Less: Cash and cash equivalents, bank deposits and short term investments	2,294.14	2,370.07
Net Liabilities (A)	41,093.12	24,025.27
Equity (B)	47,305.27	40,104.84
Debt - Equity Ratio	0.87	0.60

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

15 Borrowings

A. Non-current borrowings

Secured:	Non-current portion		Current portion (*)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
				Restated
Term Loans from banks				
Term loan in Indian currency (Refer Note (b) below	13,392.17	4,197.22	366.00	166.00
Term loans in foreign currency	3,495.67	1,541.27	1,639.02	2,443.74
Vehicle loan (hypothecated with the lender)	-	2.14	1.60	5.63
Term Loans from financial institutions				
Vehicle loan (hypothecated with the lender)	147.35	-	62.05	-
Unsecured:				
Deferred Sales Tax Loan (refer Note 15 d)	86.87	150.42	53.45	85.63
Loan from Department of biotechnology (refer note 15 e)	132.00	153.24	12.24	6.24
	17,254.06	6,044.29	2,134.36	2,707.24

(*) Amount disclosed under the head ' Other Financials Liabilities' refer Note 19.

- Term loan are secured by a first mortgage on the Company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the Company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of Working Capital .
- Currency swap is taken on IDFC loan of Rs.4000 lakhs @64.42 per USD. Currency swap is taken on ICICI bank on Rs.4000 Lakhs @ 68.13 per USD. The currency swap represents derivative instruments which has been mark to market at the year end .
- Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at	
					March 31, 2019	March 31, 2018
<u>Foreign Currency</u>						Restated
Stanadard Chartered Bank	USD	5.75%	2020	The term loan is repayable in 14 quarterly installments of USD 392,857.14 each starting from July 2016.	1,086.98	2,044.24
RBL Bank WCTL	USD	6.00%	2018	The term loan is repayable in 7 staggering quarterly installments of USD 205329.34 each till 2018.	-	383.45
RBL Bank FCTL	USD	7.5% - 8.07%	2019	The term loan is repayable in 5 quarterly installments of USD 319,233.84 each , 10 quarterly installments of USD 399,042.30 each (total 15 installments) starting from March	551.10	1,557.32
Ratnakar Bank - ECB	EUR	2.75%	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020.	3,496.61	-
Foreign Currency-Total-A					5,134.69	3,985.01



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) as at March 31, 2019

(Currency: Indian Rupees in lakhs)

15 Borrowings (Continued)

A. Non-current borrowings (Continued)

c) Terms and repayment schedule (Continued)

Name of the Bank	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at	
					March 31, 2019	March 31, 2018 Restated
<u>Indian Currency</u>						
Bank of Baroda	INR	11.20% - 12.89%	2020	The term loan is repayable in 20 quaterly installments of Rs.41.50 Lakhs Starting from June 2015	207.25	363.22
ICIC Bank	INR	8.69%	2024	The term loan is repayable in 20 quaterly installments of Rs.200 Lakhs Starting from Mar 2020	3,991.40	-
IDFC Bank	INR	8.69%	2025	The term loan is repayable in 20 quaterly installments of Rs.200 Lakhs Starting from Sep 2020	4,000.00	4,000.00
HDFC Bank	INR	9.40%	2026	The term loan is repayable in 20 quaterly installments of Rs.280 Lakhs Starting from Apr 2021	5,559.52	-
Kotak Bank	INR	9.00%	2019	The Vehicle Loan is repayable in 34 monthly installement of Rs. 0.55 Lacs Starting from August 2016	1.60	7.77
Indian Currency-B					13,759.77	4,370.99
Total Term Loan (A+B)					18,894.46	8,356.00

- d) Package Scheme of Incentive permits the company to accumulate the sales tax collected from its customers in respect of goods produced at Mahad factory. Sales tax collected each year is repayable in five equal yearly installments after ten years from the year of collection. Outstanding amount is repayable in annual installments till April 2022 from the date of reporting date. Sales Tax Deferral Loan is interest free. Current maturity of Sales Tax Deferral Loan of Rs. 53.45 Lakhs is disclosed under "other current liabilities" (2018 : 85.63 lakhs)
- e) This is towards Grant-in-aid and loan received from the Department of Biotechnology, Ministry of Science & Technology under Small Business Innovation Research Initiative (SBIRI) scheme for "Enzyme Catalyzed Manufacture of esters". The aid is received in the form of loan Rs. 18.72 lakhs for funding the man-power costs in relation to the research and development project. The loan is repayable to the Government in ten equal yearly instalments starting from March 2011. The another two Grant-in-aid and loans are received by Privi Biotechnologies Private limited (One of the 100 % Subsidiary company) from Biotechnology Industry Research Assistance Council (for the project entitled Pilot Scale Transiation Facility For the Value added chemicals From Biomass) amounting to Rs. 117 lakhs which is repayable in ten half yearly equal installment starting from Sep 2017 ,however since the entire disbursement is not yet done therefore no any repayment is also done so far ,and from Indo-German Science and Technology Center (for the project on design of selective nanoporous membrane bioreactor for efficient production of bio-butanol from lignocellulosic sugars.) amounting Rs. 30 Lakhs which is repayable in ten equal half yearly instalment starting from March 2018 .

B. Current borrowings (secured)

From Banks:

Cash credit
Working Capital demand loan
Packing Credit from bank
Buyers credit
Book overdraft
Total



March 31, 2019 March 31, 2018
Restated

1,561.01	40.47
16,175.14	7,800.00
3,213.01	6,432.75
3,048.42	3,370.59
1.26	-
23,998.84	17,643.81

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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) as at March 31, 2019

(Currency: Indian Rupees in lakhs)

15 Borrowings (Continued)

B. Current borrowings (secured) (Continued)

- a) All the above loans are secured by first pari passu charge on all current assets of the Company both present and future. Working Capital Loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets. Working capital loans carry interest rate @ 8.5% to 9.5% and are payable on demand.
- c) Post shipment and packing credit from bank carry interest rate @ 1.50% to 4.08% and are due for payment within 180 days.
- d) Buyers credit carry interest rate @ Libor+0.60% to Libor+ 4% and due for payment within 180 days.

16 Provisions

	Non-Current		Current	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Provisions for employee benefits				
Compensated absences	217.88	198.65	41.83	23.49
Gratuity	741.76	594.50	48.23	33.06
Other Provision				
Provision for wealth tax	-	-	0.20	-
Provision for fringe benefit tax (net of advance fringe benefit tax)	-	-	4.03	-
	<u>959.64</u>	<u>793.15</u>	<u>94.29</u>	<u>56.55</u>

17 Income Tax

Amounts recognised in profit or loss

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Current income tax:

Current income tax expenses	4,442.56	1,333.81
Recognition of MAT credit entitlement	16.13	-
Tax Adjustment of earlier years	-	-

Deferred tax:

Relating to origination and reversal of temporary differences	502.67	584.32
Income tax expense reported in the statement of profit or loss	4,961.36	1,918.13

Income tax recognised in other comprehensive income

Tax expense related to items recognised in OCI during the year:	(21.21)	(1.73)
Actuarial loss on defined benefit plan	(21.21)	(1.73)
Income tax charged to OCI	(21.21)	(1.73)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Accounting profit before income tax	12,608.97	5,563.61
At India's statutory income tax rate of 34.994% (March 31, 2017: 34.61%)	4,412.38	1,925.45
MAT credit entitlement	250.73	262.71
Section 35(2AB) deduction	(110.09)	(103.42)
Exempt income	-	(21.46)
Non-deductible expenses for tax purposes	221.25	89.52
Foreign tax impact	36.94	72.87
Others	128.94	(309.27)
	<u>4,940.15</u>	<u>1,916.40</u>
Income tax expense reported in the statement of profit and loss	4,940.15	1,916.40



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

17 Income Tax (Continued)

Deferred Tax movement

	As at 1 April 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March, 2019
Deferred tax (assets)/liabilities				
Provision for post retirement benefits and other employee benefit:				
Provision for doubtful debts and advances	(7.46)	-	-	(7.46)
Expenses allowable for tax purposes when paid	(444.32)	72.69	(21.21)	(392.84)
Tax Depreciation	1,946.69	378.57	-	2,325.26
Fair value (gains)/losses	3.55	(185.61)	-	(182.06)
Mat credit entitlement	(250.73)	250.73	-	-
Unrealised profit on stock	(67.91)	(13.71)	-	(81.62)
Revaluation reversal	(9.77)	-	-	(9.77)
	1,170.05	502.67	(21.21)	1,651.51

	As at 1 April 2017 Restated	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March, 2018 Restated
Deferred tax (assets)/liabilities				
Provision for doubtful debts and advances	(7.46)	-	-	(7.46)
Expenses allowable for tax purposes when paid	(463.04)	20.45	(1.73)	(444.32)
Tax Depreciation	1,690.33	256.36	-	1,946.69
Fair value (gains)/losses	8.96	(5.41)	-	3.55
MAT credit entitlement	(513.44)	262.71	-	(250.73)
Unrealised profit on stock	(123.82)	55.91	-	(67.91)
Revaluation reversal	(4.07)	(5.70)	-	(9.77)
	587.46	584.32	(1.73)	1,170.05

In Respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences.

Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realized.

18 Trade Payables

	As at March 31, 2019	As at March 31, 2018 Restated
Trade Payables (Other than Micro and Small enterprises)	18,325.35	11,960.33
To Related Parties	59.91	15.58
	18,385.26	11,975.91

The Company's exposure to credit and currency and liquidity risk related to trade payables are disclosed in Note 37.

Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2019

(Currency: Indian Rupees in lakhs)

	As at 31 March, 2019	As at 31 March, 2018 Restated
18 Trade Payables (Continued)		
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	-	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

19 Other financial liabilities

Interest accrued but not due on borrowings	154.50	113.70
Payable for capital expenditure	3,606.69	2,546.53
Deposits	0.25	0.25
Payable for Expenses	2,070.34	2,297.84
Salaries, wages and bonus payable	1,072.50	615.84
Derivative Instruments (Refer note 15A (b))	568.25	100.46
Current maturities of long term debt (Refer Note 15A)	2,134.36	2,707.24
Bank overdraft	30.85	15.28
Others	1,346.07	-
	10,983.81	8,397.14

The Company's exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in Note 34.

20 Other current Liabilities

Statutory dues (including provident fund, tax deducted at source and others)	457.93	121.65
Advance from customers	219.17	79.80
Provision for Stamp Duty on account of demerger	29.90	703.00
	707.00	904.45



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
21 Revenue from operations		
Sale of products		
Domestic sales	33,978.42	23,091.20
Export sales	73,723.30	55,559.16
	<u>1,07,701.72</u>	<u>78,650.36</u>
Effective July 01, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses.		
22 Other operating revenue		
Export incentives	1,415.32	1,016.65
	<u>1,415.32</u>	<u>1,016.65</u>
23 Other income		
Interest income from fixed deposits	69.29	126.95
Gain on write-back of Financial liabilities	42.16	21.04
Dividend income	-	0.35
Gain on sale of tangible assets	-	1.60
Fair value changes in investments measured at FVTPL	-	3.87
Miscellaneous income	48.38	42.28
Foreign currency fluctuations gain, net	400.09	1,405.30
	<u>559.92</u>	<u>1,601.39</u>
24 Cost of materials consumed		
Raw material consumed		
Opening Stock	7,583.09	6,404.61
Add: Purchases	81,276.81	47,279.42
Less: Closing Stock	14,154.48	7,583.09
Less: Stock lost by fire	830.17	-
Consumption	<u>73,875.25</u>	<u>46,100.94</u>
Packing material consumed		
Opening Stock	64.07	78.14
Add: Purchases	1,258.28	1,351.56
Less: Closing Stock	82.16	64.07
Less: Closing Stock lost by fire	28.57	-
Consumption	<u>1,211.62</u>	<u>1,365.63</u>
	<u>75,086.87</u>	<u>47,466.57</u>



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
25 Changes in inventories of finished goods and work in progress		
Closing stock:		
Finished goods	12,227.28	5,633.39
Working in Process	6,186.55	6,578.23
	<u>18,413.83</u>	<u>12,211.62</u>
Opening stock:		
Finished goods	5,633.39	4,778.97
Working in Process	6,578.23	10,359.86
	<u>12,211.62</u>	<u>15,138.83</u>
Stock lost by fire	2,724.03	-
(Increase)/ decrease in inventories	<u>(8,926.24)</u>	<u>2,927.21</u>
26 Employee benefits expense		
Salaries, wages and bonus	4,859.71	3,799.72
Contribution to provident and other funds	333.05	254.31
Staff welfare expenses	416.90	329.79
	<u>5,609.66</u>	<u>4,383.82</u>
27 Finance cost		
Interest Expenses:		
On term loans	713.89	445.91
Less: Interest capitalized	(333.09)	(51.45)
Net interest on term loans	380.80	394.46
On working capital loans	1,645.94	1,299.88
On other loans	2.11	1.58
Other Finance cost	121.01	84.08
Interest on delayed payment of income tax	178.11	38.42
	<u>2,327.97</u>	<u>1,818.42</u>
28 Depreciation and amortization expense		
Depreciation on tangible assets	4,004.18	3,783.01
Amortisation of intangible assets	136.63	52.98
	<u>4,140.81</u>	<u>3,835.99</u>



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
29 Other Expenses		
Consumption of stores and spares	870.94	624.08
Power and fuel	5,314.40	5,359.07
Job work Charges	2,901.69	801.49
Repairs and maintenance of:		
- Buildings	411.60	121.55
- Plant and machinery	671.67	473.25
- Others	207.95	160.17
Contract labour charges	703.24	629.43
Lease expense (Refer Note (c))	128.98	45.22
Research and development (Refer Note (a))	630.12	597.63
Pollution control expenses	183.31	196.78
Other factory expenses	419.80	328.12
Insurance	622.19	75.85
Postage and Telephone	66.84	62.87
Rates and taxes	92.22	63.35
Training Expenses	14.02	8.52
Auditors remuneration:		
- Statutory audit	52.50	45.50
- Other services	1.84	3.65
- Out of pocket expenses	1.47	4.42
Brokerage & Commission	102.84	84.86
Printing and stationery	45.98	40.70
Freight outward	2,396.19	2,214.19
Selling and distribution	507.58	624.11
Legal and professional fees	1,078.92	546.84
Travelling and conveyance	604.27	448.74
Bank charges	349.42	345.60
CSR expenses (Refer Note (b))	83.78	25.21
Sundry balances w/off	25.38	20.41
Provision for doubtful advances	-	36.15
Loss on tangible assets written off (Refer Note 4)	552.53	-
Loss on intangible assets written off (Refer Note 5)	138.92	-
Share Issue expenses	3.34	-
Miscellaneous expenses (net)	549.77	415.19
	19,733.70	14,402.95

a) In-house research and development expenses

The details total revenue expenditure (net of recoveries) on Research and Development (R&D) eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961 are given below.

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Revenue Expenditure		
Salaries and wages	389.75	396.38
Material consumables/ spares	96.24	61.78
Other expenditures directly related to R&D	144.13	139.47
Total	630.12	597.63



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

29 Other Expenses (Continued)

b) Corporate social responsibility

The Company has spent Rs. 83.78 lakhs (Previous year : Rs. 25.21 lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

- 1 Gross amount required to be spent by the Company during the year: Rs. 67.01 lakhs(Previous period : Rs. 42.00 lakhs)
- 2 Amount spent during the year on:

	In cash/payable	Yet to be paid in cash
(i) Construction/Acquisition of any asset	-	-
(ii) For purposes other than (i) above	83.78	-
	(25.21)	-

(figures in brackets pertain to previous year)

c) Leases as lessee

i. Future minimum lease payments

At March 31, 2019 the future minimum lease payments under non-cancellable operating leases were as follows.

	Year ended March 31, 2019	Year ended March 31, 2018Restated
Less than one year	262.98	49.56
Between one and five years	156.32	87.69
More than five years	-	-
	<u>419.30</u>	<u>137.25</u>

ii. Amounts recognised in profit or loss

	Year ended March 31, 2019	Year ended March 31, 2018Restated
Lease expenses	128.98	45.22
	<u>128.98</u>	<u>45.22</u>

30 Segment Information

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the group has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker

B. Information about reportable segments

	Year ended March 31, 2019	Year ended March 31, 2018Restated
Revenue	1,07,701.72	78,650.36
	<u>1,07,701.72</u>	<u>78,650.36</u>



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

30 Segment Information (Continued)

C. Geographic information

The geographic information analyses the group's revenue and non-current assets by the group's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the group are managed on a worldwide basis from India.

The amount of the group's revenue is shown in the table below.

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
India	33,978.42	23,091.20
Outside India	73,723.30	55,559.16
Total	1,07,701.72	78,650.36

All the non-current assets of group are located within India.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

31 Related party disclosures

a) List of Related Parties

Related parties where control exist:

Holding Company

Fairchem Speciality Limited

Associate Company

Minar Organics Private Limited (up to 21-03-2018)

Enterprises owned or significantly influenced by key management personnel or their relatives

Vivira Chemical Industries

Vivira Chemicals Private Limited

Privi Life Science Private Limited

Money Mart Securites Pvt. Ltd.

Babani Investment and Trading Private Limited

Satellite Technologies Private Limited

Vivira Investment and Trading Private Limited

Babani Bros. LLP

Key Management Personnel (KMP)

Mr. Mahesh P. Babani (Managing Director)

Mr. D. B. Rao (Executive Director)

Relatives of Key Management Personnel

Mr. D. Vinay Kumar

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

	Holding Company		Subsidiaries and Associates company		Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Transactions								
Purchase of raw materials								
Privi Life Science Pvt Ltd	-	-	-	-	10.81	22.40	-	-
Sale of finished goods								
Privi Life Science Pvt Ltd	-	-	-	-	14.74	21.78	-	-
Sale of Assets Machinery								
Privi Life Science Pvt Ltd	-	-	-	-	43.47	-	-	-
Reimbursement of expenses								
Fairchem Speciality Limited	50.00	18.75	-	-	-	-	-	-
Rent, lease and hire (expense)								
Minar Organics Pvt Ltd	-	-	15.00	15.00	-	-	-	-
Vivira Chemicals Pvt Ltd	-	-	-	-	12.00	12.00	-	-
Money Mart Securities Pvt Ltd	-	-	-	-	50.81	-	-	-
Rent, lease and hire (income)								
Minar Organics Pvt Ltd	-	-	0.30	0.30	-	-	-	-
Privi Life Science Pvt Ltd	-	-	-	-	12.00	12.00	-	-
Vivira Chemicals Pvt Ltd	-	-	-	-	0.30	0.30	-	-
Security Deposit								
Money Mart Securities Pvt Ltd	-	-	-	-	300.00	-	-	-
Managerial remuneration								
D.B.Rao	-	-	-	-	-	-	150.00	90.00
Mahesh P Babani	-	-	-	-	-	-	240.00	108.00
Investment in shares								
Privi Biotechnologies Pvt Ltd	-	-	-	-	-	-	-	-
Sale of investment								
Mahesh P Babani	-	-	-	-	-	-	-	14.39
Salary paid								
D. Vinaykumar	-	-	-	-	-	-	19.80	18.35

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available

Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

31 Related party disclosures (Continued)

b) Outstanding balances:

Particulars	Holding Company		Subsidiaries and Associates		Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Receivables /Other assets								
Vivira Chemicals Pvt Ltd	-	-	-	-	-	1.38	-	-
Vivira Chemicals Industries	-	-	-	-	0.51	0.51	-	-
Privi Life Science Private Limited	-	-	-	-	88.45	82.48	-	-
Minar Organics Pvt Ltd	-	-	-	0.84	-	-	-	-
Money Mart Securities Pvt Ltd	-	-	-	-	300.00	-	-	-
Trade Payables								
Privi Life Science Pvt Ltd	-	-	-	-	59.91	15.58	-	-



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

32 Employee benefits - Post-employment benefit plans

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the Note 26 under "Contribution to provident & other funds":

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Contribution to employees provident fund	255.07	220.74
Contribution to ESI	7.82	1.09

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at March 31, 2019	As at March 31, 2018 Restated
Amount recognised in the Balance Sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	789.99	627.56
Fair value of the plan assets	-	-
Net liability	789.99	627.56
Movement in present value of defined benefit obligation		
Opening Liability	627.56	522.23
Opening Defined Benefit Obligations	-	-
Current service cost	69.81	65.63
Interest cost	47.44	37.86
Actuarial loss	60.69	5.01
Benefits paid	(15.51)	(31.78)
Past service cost	-	28.61
Closing defined benefit obligation	789.99	627.56
Expense recognised in statement of profit and loss		
Current service cost	69.81	65.63
Interest on defined benefit obligations	47.44	37.86
Past service cost	-	28.61
Total	117.25	132.10
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	6.08	(18.62)
Experience adjustments	54.61	23.63
Total	60.69	5.01
Total expense recognised	177.94	137.11



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

As at
March 31, 2019

As at
March 31, 2018
Restated

32 Employee benefits - Post-employment benefit plans (Continued)

b) Defined benefit plans (Continued)

Principal actuarial assumptions at the balance sheet date

Discount rate (p.a.)	7.47%	7.56%
Expected rate of Salary increase (p.a.)	8.25%	8.25%
Attrition Rate	30 and Below : 12%	30 and Below : 12%
	31 to 40 Years : 8%	31 to 40 Years : 8%
	41 to 50 Years : 5%	41 to 50 Years : 5%
	51 and above : 1%	51 and above : 1%

Mortality Tables

Indian Assured
Lives Mortality
(2006-08)

Indian Assured Lives
Mortality (2006-08)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Estimated rate of return on plan assets is based on average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate		Future salary increase	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Impact on defined benefit obligation due to:				
a. 1% increase	(63.51)	(52.11)	71.09	59.06
b. 1% decrease	73.06	60.06	(62.97)	(52.25)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last three* years

	March 31, 2019	March 31, 2018 Restated	March 31, 2017 Restated
Defined benefit obligation	789.99	627.56	522.23
Plan assets	-	-	-
Surplus/(deficit)	(789.99)	(627.56)	(522.23)
Experience adjustment on plan liabilities	54.61	23.63	31.42
Experience adjustment on plan assets	-	-	-

(*) Company has been in existence for three years only.



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

33 Financial instruments

a. Accounting classification and fair values

The Group is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

	March 31, 2019		March 31, 2018 Restated	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at fair value				
Investments	-	-	300.17	300.17
Financial assets measured at amortised cost				
Loans and advances to employees	57.52	57.52	47.99	47.99
Investments in Term deposits	1,482.94	1,482.94	1,429.57	1,429.57
Security deposits	806.11	806.11	471.12	471.12
	<u>2,346.57</u>	<u>2,346.57</u>	<u>2,248.85</u>	<u>2,248.85</u>
Financial liabilities measured at fair value				
Derivatives -forward contracts and Interest Rate Swap	568.25	568.25	100.46	100.46
	<u>568.25</u>	<u>568.25</u>	<u>100.46</u>	<u>100.46</u>
Financial liability measured at amortised cost				
Borrowings	<u>43,387.26</u>	<u>43,387.26</u>	<u>26,395.34</u>	<u>23,688.10</u>

Note

Cash and cash equivalents, trade and other current receivables, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

- b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level I		Level II	
	March 31, 2019	March 31, 2018 Restated	March 31, 2019	March 31, 2018 Restated
Financial assets at fair value through profit or loss:				
Investments	-	-	-	300.17
	<u>-</u>	<u>-</u>	<u>-</u>	<u>300.17</u>
Financial Liabilities at fair value through profit or loss:				
Derivatives	-	-	568.25	100.46
	<u>-</u>	<u>-</u>	<u>568.25</u>	<u>100.46</u>

There were no significant changes in classification of fair value of financial assets and financial liabilities. There were also no significant movements between the fair value hierarchy classifications.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

33 Financial instruments (Continued)

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

- (i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- (ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) Loans and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

34 Financial risk management

The Company has exposure to the following risks arising from the financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit exposure.

Impairment of Trade receivables

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2019	March 31, 2018 Restated
Neither past due nor impaired	24,293.47	15,036.68
Past due 0-90 days	5,121.36	4,730.68
Past due 90-180 days	161.88	51.03
Past due 180-270 days	195.52	9.74
Past due 270-360 days	6.93	9.94
More than 360 days	77.17	-
	29,856.33	19,838.07

Movement in impairment provision

	Amount
Acquired in the business combination	10.86
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2018	10.86
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2019	10.86

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it forseees in its recievables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2019	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	19,388.42	19,388.42	2,134.36	2,144.46	10,022.33	5,087.27
Other borrowings	23,998.84	23,998.84	23,998.84	-	-	-
Trade payables	18,385.26	18,385.26	18,385.26	-	-	-
Other financial liabilities	8,281.20	8,281.20	8,281.20	-	-	-
Derivative financial liabilities						
Interest rate swaps	568.25	568.25	568.25	-	-	-
	70,621.97	70,621.97	53,367.91	2,144.46	10,022.33	5,087.27

Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

34 Financial risk management (Continued)

b) Liquidity risk (Continued)

Exposure to liquidity risk: (Continued)

March 31, 2018	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	8,751.53	8,751.53	2,608.52	2,055.23	2,687.78	1,400.00
Other borrowings	17,643.81	17,643.81	17,643.81			
Trade payables	11,975.91	11,975.91	11,975.91	-	-	-
Other financial liabilities	5,589.44	5,589.44	5,589.44	-	-	-
Derivative financial liabilities						
Interest rate swaps	100.46	100.46	100.46	-	-	-
	44,061.15	44,061.15	37,918.14	2,055.23	2,687.78	1,400.00

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

c) Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	USD	EURO	Restated USD	Restated EURO
Financial assets				
Cash and cash equivalents	1.33	-	-	-
Trade Receivables	219.59	22.64	188.50	16.06
	220.92	22.64	188.50	16.06
Financial liabilities				
Borrowings	23.70	45.00	61.27	-
Buyers Credit	43.95		51.82	-
PCFC	46.45		95.35	2.87
Working capital demand Loan	36.03		-	-
Trade payables and other financial liabilities	169.87	0.84	75.69	3.40
Other Current financial liabilities - Derivative Instruments Interest rate swap	6.77	1.29	1.54	-
	326.77	47.13	285.67	6.27
Net exposure	(105.85)	(24.49)	(97.17)	9.79

Currency exposure for borrowings is exclusive of currency swap is taken on IDFC loan of Rs.4000 lakhs @64.42 per USD classified as Indian currency loan. Currency swap is taken on ICICI bank on Rs.4000 Lakhs @ 68.13 per USD as Indian currency loan.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

March 31, 2019	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (3 % movement)	(219.65)	219.65	(142.79)	142.79
EUR (3 % movement)	(57.09)	57.09	(37.11)	37.11
	(276.74)	276.74	(179.90)	179.90



Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

34 Financial risk management (Continued)

c) Currency Risk (Continued)

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (3 % movement)	(189.61)	189.61	(123.99)	123.99
EUR (3 % movement)	23.68	(23.68)	15.48	(15.48)

d) Interest risk

The group is exposed primarily to fluctuation in USD interest rates. Interest rate risk on financial debt is managed through interest rate
The interest rate profile of the Company's interest-bearing financial instruments is as

	March 31, 2019	March 31, 2018
		Restated
Fixed-rate instruments	42,344.35	24,079.27
Variable-rate instruments	758.35	1,920.54
Total borrowings	43,102.70	25,999.81

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2019				
Variable-rate instruments	7.58	(7.58)	4.96	(4.96)
March 31, 2018				
Variable-rate instruments	19.21	(19.21)	12.56	(12.56)



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

35 Contingent Liabilities:

- (a) Claims against the group not acknowledged as debts (including taken over under Business Transfer Agreement)

	As at March 31, 2019	As at March 31, 2018 Restated
Income Tax authorities	1,518.55	1,518.55
Excise duty	31.89	31.89
Demand of Rs. 15.52 (out of which Rs. 6.00 paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (a) of the Customs Act, 1962)	15.52	15.52

- (b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.
Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

The claims against the group comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

It is not practicable for the group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The group does not expect any reimbursements in respect of the above contingent liabilities.

(C) Commitments

	As at March 31, 2019	As at March 31, 2018 Restated
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 448.57 lakhs, (March 31, 2018: Rs. 199.78)	2,992.54	1,782.15
LC's issued in favour of suppliers, but the material not dispatched	26.96	234.94

36 Interests in Other Entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group	
			March 31, 2019	March 31, 2018
Privi Biotechnologies Private Limited	Chemicals	India	100	100
Privi organics USA Corporation	Chemicals	USA	100	100



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Privi Organics India Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in lakhs)

36 Interests in Other Entities (Continued)

(b) Additional information required by schedule III

Name of entity in group	Net assets (total assets minus total liabilities)		Share in profit of (loss)		Share in other comprehensive income		Share in total other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Privi Organics India Limited								
March 31, 2019	98.76%	46,718.21	99.02%	7,572.92	-805.71%	-39.48	98.44%	7533.44
March 31, 2018	98.83%	39,636.85	79.34%	2,892.22	-75.93%	3.28	79.15%	2888.94
Subsidiaries								
Privi Biotechnologies Private Limited (Indian)								
March 31, 2019	6.72%	3,180.73	-2.23%	170.24	0.00%	-	-2.22%	-170.24
March 31, 2018	6.07%	2,434.87	-0.22%	8.19	0.00%	-	-0.22%	-8.19
Privi Organics USA, Corporation ('Foreign')								
March 31, 2019	2.93%	1,386.54	7.22%	551.82	905.71%	44.38	7.79%	596.2
March 31, 2018	1.97%	790.34	23.09%	841.84	175.93%	7.60	23.27%	849.44
Adjustments arising out of consolidation								
March 31, 2019	-8.41%	-3980.21	-4.01%	-306.89	0.00%	-	-4.01%	-306.89
March 31, 2018	-6.87%	-2757.22	-2.21%	-80.39	0.00%	-	-2.20%	-80.39
Total								
March 31, 2019	100.00%	47,305.27	100.00%	7,647.61	100.00%	4.90	100.00%	7,652.51
March 31, 2018	100.00%	40,104.84	100.00%	3,645.48	100.00%	4.32	100.00%	3,649.80

Year ended
March 31, 2019
Year ended
March 31, 2018
Restated

37 Earnings per share

Profit after tax attributable to equity shareholders [A]

Number of equity shares at the beginning of the year [B]

Number of equity shares outstanding at the end of the year [C]

Weighted average number of equity shares outstanding

Basic and Diluted earnings per share of face value Rs. 10 [A]/[D]



7,647.61
10,000
10,000
10,000
76,476.10
3,645.48
10,000.00
10,000.00
10,000.00
36,454.80

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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

38 Transfer Pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2018. Management believes that the Company's international and domestic transactions with related parties post March 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Loss by Fire

On April 26, 2018 a major fire broke out at the Company's Unit 2 Plant located at MIDC Mahad. There has been loss to assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets.

As per Management's best estimate, the book value of the assets lost due to fire (including incidental cost of Rs. 299.57 lakhs) is Rs.7,282.27 lakhs for the year ended March 31, 2019, which has been debited to the statement of profit and loss and disclosed as an Exceptional item.

Insurance claim of Rs. 8,187.05 lakhs receipt from the insurance companies which has been recognised as per the requirement of the accounting standards and netted off with the Exceptional items. The final settlement is still pending with the insurance

40 Dividend on equity shares

Dividend on equity shares declared and paid during the

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Dividend of Rs 3750 per share for the period ended March 31, 2018	375.00	250.00
Dividend distribution tax on dividend	77.08	50.89
	452.08	300.89

Proposed dividend on equity shares not recognised as liability

	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Final dividend of Rs 6,250 per share for the year ended 31 March 2019 (31 March 2018 Rs 3,750 per share)	625.00	375.00
Dividend distribution tax on dividend	128.47	77.08
	753.47	452.08

41 Revenue from Contracts with Customers

- (A) The Company is primarily in the Business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Opening Contract liability	79.80	-
Less: Recognised as revenue during the year	1,068.39	681.06
Add: Addition to contract liability during the year	1,207.76	760.86
Add: Other Adjustments	-	-
Closing Contract liability	219.17	79.80



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued) for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

41 Revenue from Contracts with Customers (Continued)

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		Restated
Revenue from contract with customer as per Contract price	1,09,054.57	78,839.15
Less: Discounts and other adjustments	1,352.85	188.79
Revenue from contract with customer as per statement of profit and loss	<u>1,07,701.72</u>	<u>78,650.36</u>

Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers (IND AS 115) March 31 2019	Revenue from contracts with customers (IND AS 115) March 31 2018
India	36,066.56	24,271.76
Africa	3,220.07	15,777.32
Asia (Excluding India)	10,315.97	13,529.33
Europe(excluding UK)	20,500.49	10,953.73
Middle East	9,137.58	4,596.67
North America	21,343.51	3,897.62
South America	3,492.91	3,522.38
United Kingdom	3,573.61	1,998.19
Australia and New Zealand	51.02	103.36
	<u>1,07,701.72</u>	<u>78,650.36</u>

42 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

(i) Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

(ii) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings.

(iii) Amendment to Ind AS 12 – Income taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events

(iv) Ind AS 19 - Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.



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Privi Organics India Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in lakhs)

42 Recent Indian Accounting Standards (Ind AS) (Continued)

(v) Ind AS 116 - Leases

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessees. This will result in the company recognising right of use assets representing its right to use the underlying asset and lease liability representing its obligation to make lease payments in the books. The Company will recognise new assets and liabilities for certain operating leases of offices, warehouse and plant and machinery. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities as per provisions of Ind AS 17. There are recognition exemptions for short-term leases and leases of low-value items.

The Company is in the process of carrying out a detailed assessment of Ind AS 116 and consequently the quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable presently.

The amendment will come into force from April 01, 2019 and the Company plans to apply this using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

43 Specified Bank Notes

The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

44 Previous year comparative

The previous year figures have been regrouped and reclassified, wherever required, to conform to current year's classification.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Adwait Morwekar


Partner

Membership No: 110223

For and on behalf of the Board of Directors of
Privi Organics India Limited


Mahesh Babani
Managing Director

DIN: 00051162


D. B. Rao
Executive Director

DIN: 00356218


Narayan S Iyer
Chief Financial Officer


Ramesh Kathuria
Company Secretary

Mumbai

Date : May 09, 2019