

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
ORGANIC INDIA USA LLC

We have compiled and modified the audited consolidated financial statements of ORGANIC INDIA USA LLC (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and adapted to fit-for-consolidation (FFC) with the financial statements of Organic India Private Limited (Ultimate Holding Company), the accompanying Special Purpose Consolidated Financial Statements of the Company, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

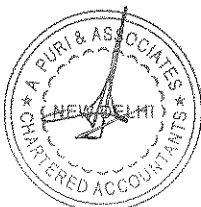
We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these special purpose consolidated financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant Rules issued thereunder for the purpose of preparation of the consolidated financial statements of Organic India Private Limited. We have complied with relevant ethical requirements.

These special purpose consolidated financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these special purpose consolidated financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant Rules issued thereunder.

Accordingly, these special purpose consolidated financial statements are for your use only, and may not be suitable for other purposes.



A PURI & ASSOCIATES

Restriction on Distribution and Use

The Special Purpose Consolidated Financial Statements are prepared to assist Organic India Private Limited, the Ultimate Holding Company in preparation of its consolidated financial statements and not to report on the subsidiary as a separate entity.

For A PURI & ASSOCIATES

Chartered Accountants

Firm Registration Number: 009203N



JYOTI SUBARWAL

PARTNER

Membership Number: 080654

UDIN: 21080654AAAAHH3778

PLACE: NEW DELHI

DATED: 20th July 2021

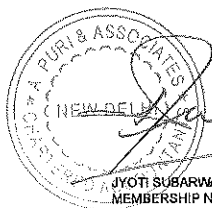
ORGANIC INDIA USA, LLC
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

ASSETS	Notes	AS AT 31 MARCH 2021 (Amount in USD)	AS AT 31 MARCH 2020 (Amount in USD)
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3a	134,711	178,232
INTANGIBLE ASSETS	3b	1,310,315	1,527,469
GOODWILL ON CONSOLIDATION	3b	3,256,800	3,256,800
INTANGIBLE ASSETS UNDER DEVELOPMENT	3b	32,960	13,648
RIGHT OF USE ASSETS		299,635	768,138
FINANCIAL ASSETS			
INVESTMENT	3	-	-
LOANS	4	26,719	126,959
OTHER FINANCIAL ASSETS	5	-	-
TOTAL NON-CURRENT ASSETS		5,061,140	5,871,246
INVENTORIES			
INVENTORIES	6	4,469,237	4,269,042
FINANCIAL ASSETS			
TRADE RECEIVABLES	7	2,516,984	1,451,960
CASH AND CASH EQUIVALENTS	8	1,365,106	1,883,279
LOANS	9	273,490	424,386
OTHERS	10	3,345	21,293
OTHER CURRENT ASSETS	11	459,305	395,125
TOTAL CURRENT ASSETS		9,107,466	8,445,085
TOTAL ASSETS		14,168,606	14,316,331
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	12	23,802	23,802
OTHER EQUITY	13	2,686,712	2,138,116
NON CONTROLLING INTEREST		2,901,596	3,049,989
TOTAL EQUITY		5,622,109	5,211,917
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	14	1,700,000	1,950,000
OTHER FINANCIAL LIABILITIES	15	92,467	317,321
DEFERRED TAX LIABILITY (NET)	16	359,016	414,084
TOTAL NON-CURRENT LIABILITIES		2,151,483	2,681,405
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	17	1,950,000	1,700,000
TRADE PAYABLES	18	3,502,848	2,886,580
OTHER FINANCIAL LIABILITIES	19	235,787	1,240,761
CURRENT TAX LIABILITIES (NET)	20	95,092	88,277
OTHER CURRENT LIABILITIES	21	611,287	507,391
TOTAL CURRENT LIABILITIES		6,395,014	6,423,009
TOTAL EQUITY AND LIABILITIES		14,168,606	14,316,331

THE ACCOMPANYING NOTES 1 to 42 ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT:

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N



JYOTI SUBARWAL
MEMBERSHIP NUMBER: 080654
UDIN:
PLACE: New Delhi
DATE: 20th July 2021

ON BEHALF OF BOARD OF DIRECTORS

[Signature]
[Signature]
Richard F Celeste

MIGUEL GIL
CHIEF EXECUTIVE OFFICER
PLACE: COLORADO
DATED Monday, July 19, 2021

RICHARD F CELESTE
CHAIRMAN
PLACE: COLORADO
DATED: 19 July 2021

[Signature]
Julie Albrecht
JULIE ALBRECHT
FINANCE CONTROLLER AND AMBASSADOR
PLACE: COLORADO
DATE: Monday, July 19, 2021

ORGANIC INDIA USA, LLC
 CONSOLIDATED STATEMENT OF PROFIT & LOSS
 FOR THE YEAR ENDED 31 MARCH 2021

	Notes	For the year ended 31 March 2021 (Amount in USD)	For the year ended 31 March 2020 (Amount in USD)
REVENUE FROM OPERATIONS	22	25,997,448	22,659,735
OTHER INCOME	23	1,013,241	1,129,775
TOTAL INCOME		27,010,689	23,789,510
EXPENSES			
PURCHASES FOR RESALE		10,723,165	7,523,164
CHANGE IN INVENTORIES	24	(1,030,745)	577,848
EMPLOYEE BENEFITS EXPENSE	25	4,428,653	2,979,628
FINANCE COSTS	26	232,211	338,995
DEPRECIATION AND AMORTISATION EXPENSE	3	726,985	799,725
OTHER EXPENSES	27	11,314,540	11,487,583
TOTAL EXPENSES		26,394,809	23,707,943
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		615,880	61,567
EXCEPTIONAL ITEMS		-	-
PROFIT BEFORE TAX		615,880	61,567
TAX EXPENSE			
CURRENT TAX		(244,222)	(242,350)
DEFERRED TAX	28	55,067	(5,516)
PROFIT FOR THE YEAR		426,725	(166,298)
OTHER COMPREHENSIVE INCOME			
A ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-
B ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		426,725	(166,298)
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		200,203	(412,184)
NON-CONTROLLING INTERESTS		226,522	245,886
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		-	-
NON-CONTROLLING INTERESTS		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		200,203	(412,184)
NON-CONTROLLING INTERESTS		226,522	245,886
EARNINGS PER EQUITY SHARE	30		
BASIC		17.93	(6.99)
DILUTED		16.13	(6.99)

THE ACCOMPANYING NOTES 1 to 42 ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

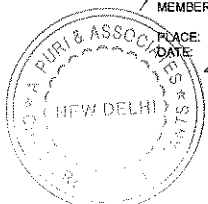
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR A PURI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NUMBER: 009203N

[Signature]

AVOTT SUBARWAL
 MEMBERSHIP NUMBER: 080654

PLACE: New Delhi
 DATE: 20th July 2021



ON BEHALF OF BOARD OF DIRECTORS

[Signature]

MIGUEL GIL
 CHIEF EXECUTIVE OFFICER

RICHARD F CELESTE
 CHAIRMAN

[Signature: Richard Celeste]

[Signature]
 JULIE ALBRECHT
 FINANCE CONTROLLER AND AMBASSADOR

PLACE: COLORADO
 DATE: Monday, July 19, 2021

ORGANIC INDIA USA, LLC
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	31ST MARCH 2021 (Amount in USD)	31ST MARCH 2020 (Amount in USD)
A. Cash flow from operating activities:		
Net profit before tax but after exceptional/extraordinary items	615,880	Ind AS 61,567
Adjustments for:		
Depreciation	726,985	799,725
Employee Stock Option Compensation Expense	358,392	-
Interest Expense	196,877	274,703
Interest Expense - Lease	15,173	45,131
Guarantee Expenses	20,161	20,161
Interest Income	(11,092)	(4,059)
Obsolete Stock written off	475,420	111,103
Provision for non moving inventory created/ written back	(389,068)	(516,651)
Bad Debts written off	129,451	12,793
Provision for Bad & Doubtful Receivables/created written back	(129,451)	111,232
Loss on sale of Property, Plant & Equipment	31,586	3,203
Loss on disposal of Right Of Use - Assets	(25,397)	-
Excess provision written back	-	(28,723)
Operating profit before working capital changes	2,014,917	910,185
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade Receivables	(1,055,026)	44,549
- (Increase)/Decrease in Other Receivables	604,189	520,040
- (Increase)/Decrease in Inventories	(286,547)	1,689,142
- Increase/(Decrease) in Trade and Other Payables	(445,256)	(959,024)
Cash generated from operations	622,277	2,204,892
- Taxes (Paid) / Received (Net of withholding taxes)	(237,407)	(163,112)
Net cash from operating activities	584,870	2,041,780
B. Cash flow from investing activities:		
Purchase of Property, Plant & Equipment & Intangible Assets	(123,542)	(133,489)
Proceeds from Sale of Property, Plant & Equipment & Intangible Assets	4,769	745
Interest Received (Revenue)	8,899	202
Net cash used in investing activities	(109,934)	(132,542)
C. Cash flow from financing activities:		
Repayments of long term borrowings	(250,000)	(733,942)
Proceeds/(Repayments) from/of short term borrowings	250,000	(700,000)
Payment of principal portion of lease liabilities	(385,739)	(490,591)
Payment of Interest on Lease liabilities	(25,558)	(45,131)
Interest Paid (Revenue)	(188,887)	(236,006)
Dividend Paid	(374,825)	-
Net cash used in financing activities	(973,109)	(2,205,669)
Net Increase/(Decrease) in Cash & Cash Equivalents	(498,173)	(298,432)
Cash & cash equivalents - opening balance	1,883,279	2,179,711
Cash & cash equivalents - closing balance	1,385,106	1,883,279
Net Increase/(Decrease) in Cash & Cash Equivalents	(498,173)	(298,432)

- Notes:
1) The above cash flow statement has been prepared under the indirect method set out in Ind AS-7 "Statement of Cash Flows".
2) Figures in bracket indicate cash outflow.
3) Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.
4) Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

	31ST MARCH 2021 (Amount in USD)	31ST MARCH 2020 (Amount in USD)
Balance with Scheduled Banks		
- in Current Accounts	1,383,656	1,861,760
Cheques in hand	183	605
Cash in hand	1,267	914
	1,385,106	1,883,279

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MIGUEL OIL
CHIEF EXECUTIVE OFFICER
PLACE: **COLORADO**
DATED: 19 July 2021

RICHARD F CELESTE
CHAIRMAN
PLACE: **COLORADO**
DATED: 19 July 2021

JOYOTI SUBARWAL
MEMBERSHIP NUMBER: 080654
UDIN

PLACE: **New Delhi**
DATE: **20th July 2021**

JULIE ALBRECHT
FINANCE CONTROLLER AND AMBASSADOR
PLACE: **COLORADO**
DATED: 19 July 2021



ORGANIC INDIA USA, LLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

PARTICULARS	(Amount in USD)
Balance as at 1 April 2019	23,802
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2020	23,802
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2021	23,802

B. OTHER EQUITY

PARTICULARS	RESERVES & SURPLUS			STOCK OPTION OUTSTANDING	ATTRIBUTABLE TO THE OWNERS OF THE PARENT	NON CONTROLLING INTEREST	TOTAL
	SECURITIES PREMIUM RESERVE	CAPITAL CONTRIBUTION	RETAINED EARNINGS				
Balance as at 1 April 2019	5,876,158	213,100	(3,538,958)	-	2,550,300	2,804,113	5,354,413
Profit for the year	-	-	(412,184)	-	(412,184)	245,886	(166,298)
Total Comprehensive Income for the year	-	-	(412,184)	-	(412,184)	245,886	(166,298)
Dividends	-	-	-	-	-	-	-
Balance as at 31 March 2020	5,876,158	213,100	(3,951,141)	-	2,138,116	3,049,999	5,188,115
Profit for the year	-	-	200,203	-	200,203	226,522	426,725
Addition on account of issue of equity shares under Employees Stock Option Plan	-	-	-	358,392	358,392	-	358,392
Total Comprehensive Income for the year	-	-	200,203	358,392	558,595	226,522	785,117
Dividends	-	-	-	-	-	(374,926)	(374,926)
Balance as at 31 March 2021	5,876,158	213,100	(3,750,938)	358,392	2,696,711	2,901,596	5,598,307

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Compiled from the audited consolidated financial statements of Organic India USA LLC and modified for Fit for Consolidation with the financials of Organic India Private Limited

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N



Jyoti Subarwal
JYOTI SUBARWAL
MEMBERSHIP NUMBER: 080654
UDIN:

PLACE: New Delhi
DATE: 20th July 2021

ON BEHALF OF BOARD OF DIRECTORS
Miguel Gil
MIGUEL GIL
CHIEF EXECUTIVE OFFICER
PLACE: COLORADO
DATED: 19 July 2021

Julie Albrecht
JULIE ALBRECHT
FINANCE CONTROLLER AND AMBASSADOR
PLACE: COLORADO
DATED: 19 July 2021

Richard F Celeste
RICHARD F CELESTE
CHAIRMAN
PLACE: COLORADO
DATED: 19 July 2021

ORGANIC INDIA USA LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

Company Overview

ORGANIC INDIA USA LLC ('the Holding Company') a Colorado Limited Liability Company, was formed on October 15, 2001, with its headquarters in Boulder, Colorado. The Holding Company and its subsidiary company are jointly referred to as "Group".

Upon formation, the Holding Company began working cooperatively with farms in northern India to grow Tulsi Holy Basil, which was used to create their flagship product, the Original Tulsi Tea. The Holding Company then expanded their program to include other Indian herb, food, and spice crops by contracting with more Indian farmers. The Holding Company markets certified organic, biodynamic, and ethically wildcrafted products throughout the United States and in Canada.

The subsidiary considered in these consolidated financial statements are as below: -

- a) Clean Program Corp, a subsidiary company of Organic India USA, LLC domiciled in United States of America. The Holding Company owns 50.01% of its voting power which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

The Group consolidated financial statements were approved and authorized for issue by the Holding Company's Board of Directors on 19th July 2021.

1. Basis for Preparation, Measurement and Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation of financial statements and Statement of Compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.



ORGANIC INDIA USA LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

C. Principles of Consolidation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) – “Consolidated Financial Statements”. These Consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiary:

Name of the Company	Country of Incorporation	Holding (%)	
		As at 31.03.2020	As at 31.03.2019
The Clean Program Corp	USA	50.01%	50.01%

Control is achieved when the Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The Consolidated financial statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, standalone financial statements of The Clean Program Corp have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.
- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- These financial statements are prepared by applying uniform accounting policies in use at the Group.
- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.



ORGANIC INDIA USA LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

D. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity interests issued by the Company in exchange for control of the acquiree.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Company's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

E. Critical accounting judgements and key source of estimation uncertainty

The preparation of these financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 44.

(ii) Taxes on Income

Income Tax:

Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.



ORGANIC INDIA USA LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

Deferred Tax:

Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit will be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Company has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Depreciation/ amortization/impairment, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vii) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.



ORGANIC INDIA USA LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared as a global pandemic by the World Health Organisation with adverse impact on economy and businesses. Supply Chain disruptions as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states/countries followed by the lockdowns from time to time to stem the spread of COVID-19. Due to this the operations of the Group got temporarily disrupted from time to time.

In light of these circumstances, the Group has considered the possible impact that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

F. Current vs Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.



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G. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS-1 – "Presentation of Financial Statements" based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

H. Significant Accounting Policies

(a). Property, Plant and Equipment

- (i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are charged to the Statement of Profit and Loss when incurred.
- (ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.
- (iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, and given below:.

Particulars	Useful Life
Leasehold Improvements	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments including Display Equipments	3 Years to 15 Years
Office Equipment's	5 Years
Computers	3 Years

- (v) The residual value of all depreciable assets, being negligible is estimated at Nil. The residual value of building is considered at 5% of cost.
- (iv) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (v) Cost of Property, Plant and Equipment not ready for intended use on the date of balance sheet are disclosed as "Capital Work- in- Progress".



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(b).Intangible Assets

- (i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS- 38 on "Intangible Assets".
- (ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).
- (iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.
- (iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

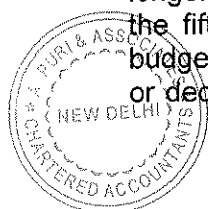
Particulars	Useful Life
Computer Software	5 Years
Trade Mark	10 Years

(c).Impairment of Non-Financial Assets- property, plant and equipment and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any



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case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the company operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(d).Right of Use Asset(ROU)/Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right-of-use-assets (ROU assets) and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Company as a lessee

Effective April 1, 2019, the Group has adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach under which the Lease liabilities are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and same amount is recognized for ROU assets. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion



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of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



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Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity



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instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 group could be required to repay.

Investment in Subsidiaries and Associates

The Holding Company has accounted for its investments in equity shares of subsidiaries and associates at cost less impairment.

Other Investments

All other investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.



Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the group applies the low credit risk simplification. At every reporting date, the group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the company reassesses the internal credit rating of the debt instrument. In addition, the company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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.



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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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortised cost

Financial liabilities are carried at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

(iii) Derecognition of Financial Instruments

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 and loss.

(iv) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



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(iii) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract 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 recognized in the statement of profit and loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the statement of profit and loss proportionately based on the initial recognition of the said liability.

(f). Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(g). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of Finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

(h). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is USD . These financial statements are presented in USD.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Statement of Profit and



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Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit or Loss are also recognized in Other Comprehensive Income or Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into `USD at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of Profit & Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

(i). Revenue form Contracts with Customers

The Group derives revenues primarily from sale of traded goods.

- i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

- ii) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

- iii) Dividend income from investments is recognized when the Group's right to receive payment is established.



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- iv) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(j). Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the company complying with the conditions attached to the grant.

Accordingly, government grants:

- (a). related to or used for assets, are deducted from the carrying amount of the asset.
(b). related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
(c). by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit & Loss to date in the absence of grant shall be recognized immediately.

(k). Employee Benefits

(i) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits-

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Defined benefit costs are recognised as follows:

- a) Service cost in the statement of profit and loss
b) Net interest on the net defined benefit liability (asset) in the statement of profit and loss
c) Remeasurement of the net defined benefit liability / (asset) in other comprehensive income



(l). Share-Based Payments

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note No 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(m). Tax Expenses

Tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

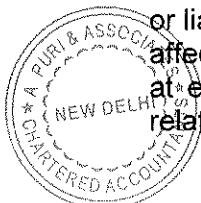
The Company determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Company has considered, for example;

- (a) How it prepares its income tax filings and supports tax treatments; or
- (b) How the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



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Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(n). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the period in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(o). Provisions

Provisions are recognized when the Group 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.

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

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(p).Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



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(q). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short Term Borrowings in the Balance Sheet but netted off against cash and cash equivalent in Cash Flow Statement.

(r). Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

(s). Fair Value Measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(t). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

(u). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.



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MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021.

On 18 June 2021, the Ministry of Corporate Affairs (MCA) has also notified new Company (Indian Accounting Standards) Amendment Rules, 2021 and carried out amendments to the following accounting standards

- a. Ind AS 116 Leases – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize covid 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.
- b. Ind AS 109 Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- c. Ind AS 101 Presentation of Financial Statements– The amendment substitutes the item (d) mentioned in paragraph B1 as ‘Classification and measurement of financial instruments. The term ‘financial asset’ has been replaced with ‘financial instruments.
- d. Ind AS 102 Share Based Payment - The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term ‘Equity Instrument’ which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.
- e. Ind AS 103 Business Combinations –The amendment substitutes the definition of ‘assets’ and ‘liabilities’ in accordance with the definition given in the Framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.
- f. Ind AS 104 Insurance Contracts–The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.
- g. Ind AS 105 Non-current assets held for sale and discontinued operations –The amendment substitutes the definition of —‘fair value less costs to sell’ with ‘fair value less costs of disposal’ shall be substituted
- h. Ind AS 106 Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.
- i. Ind AS 107 Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, (ii) the entity’s progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

Ind AS 111 Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.



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- k. Ind AS 114 Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.
- l. Ind AS 115 Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- m. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.
- n. Ind AS 16 Property, Plant and Equipment –The amendment has been made by substituting the words 'Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use' with 'Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use'.
- o. Ind AS 34 Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual Framework of Financial Reporting in Ind AS.
- p. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets–The amendment substitutes the definition of term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- q. Ind AS 38 Intangible Assets - The amendment substitutes the definition of term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

Application of above standards are not expected to have any significant impact on the Company's standalone financial statements. However, the Company has adopted the changes to Ind AS 116 as above for the year ended 31st March 2021 as notified.



ORGANIC INDIA USA, LLC
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 FOR THE YEAR ENDED 31ST MARCH, 2021

3A. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (IN USD)

a. Reconciliation of carrying amount

	Leasehold improvements	Furniture and fixtures	Office equipment	Display Equipments	Computers	Total
Gross carrying value						
As at April 01, 2019	51,691	1,50,499	1,33,508	71,056	1,37,268	5,44,022
Add: Additions made during the year	8,633	-	-	30,872	21,378	60,883
Less: Disposals / adjustments during the year	1,698	21,293	26,384	22,881	61,534	1,33,790
As at April 01, 2020	58,626	1,29,206	1,07,124	79,047	97,112	4,71,115
Add: Additions made during the year	3,500	39,562	-	-	31,543	74,605
Less: Disposals / adjustments during the year	58,626	1,06,584	45,504	-	2,449	2,13,163
As at March 31, 2021	3,500	62,184	61,620	79,047	1,26,206	3,32,557

Accumulated depreciation and impairment losses

As at April 01, 2019	23,524	94,988	80,471	44,851	1,09,176	3,53,010
Add: Depreciation charge for the year	9,507	22,240	17,738	8,919	12,811	71,215
Less: On disposals / adjustments during the year	1,698	21,110	26,384	22,881	59,269	1,31,342
As at April 01, 2020	31,333	96,118	71,825	30,889	62,718	2,92,883
Add: Depreciation charge for the year	10,404	11,064	17,699	14,112	28,552	81,831
Less: On disposals / adjustments during the year	41,012	94,477	38,931	-	2,448	1,76,868
As at March 31, 2021	725	12,705	50,593	45,001	88,822	1,97,846

Net carrying value

As at March 31, 2021	2,775	49,479	11,027	34,046	37,384	1,34,711
As at March 31, 2020	27,294	33,088	35,299	48,157	34,394	1,78,232



ORGANIC INDIA USA, LLC
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 FOR THE YEAR ENDED 31ST MARCH, 2021

3B. RIGHTS OF USE ASSET

	(Amount in USD)	
	Leasehold Premises	Total Rights Of Use Assets
Gross Carrying Value		
As at April 01, 2019	-	-
Reclassified on account of adoption of Ind AS 113 "Leases"	12,09,969	12,09,969
Add: Additions made during the year	72,229	72,229
Less: Disposals / Adjustments during the year	-	-
As at March 31, 2020	12,82,198	12,82,198
Add: Additions made during the year	4,05,370	4,05,370
Less: Disposals / Adjustments during the year	12,82,197	12,82,197
As at March 31, 2021	4,05,371	4,05,371
Accumulated Depreciation		
As at April 01, 2019	-	-
Add: Depreciation charge for the year	5,14,059	5,14,059
Less: On Disposals / Adjustments during the year	-	-
As at March 31, 2020	5,14,059	5,14,059
Add: Depreciation charge for the year	3,98,375	3,98,375
Less: On Disposals / Adjustments during the year	8,06,699	8,06,699
As at March 31, 2021	1,05,735	1,05,735
Net Carrying Value		
As at March 31, 2021	2,99,635	2,99,635
As at March 31, 2020	7,68,138	7,68,138

Notes:

1. Leasehold Premises represents properties taken on lease for warehouses accounted for in accordance with principle of Ind AS 116 'Leases'.

2. Ind AS 116 Leases:

(i) The Company's lease asset primarily consist of leases for warehouses having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. This has resulted in recognising right of use assets and lease liability of 1,209,969/- as on transition date i.e 1st April 2019.

(ii) The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended:

Particulars	31-03-2021	31-03-2020
Opening Balance	7,83,340	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	12,02,377
Additions during the year	4,04,364	71,554
Finance cost accrued during the year	25,558	45,131
Deletions	(4,98,058)	-
Payment of lease liabilities	(4,11,297)	(5,35,722)
Closing Balance	3,03,907	7,83,340

(iv) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year of previous year by 23,468 (Increase in Depreciation expense and finance cost by 514,059 and 45,131 respectively with corresponding decrease in other expense by 535,722). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by 535,722 each. Total Deferred tax expense and deferred tax liabilities are increased by 2,949 for the previous year.

(v) The weighted average incremental borrowing rate applied to lease liabilities as at 4.5% for the financial year ended 31st March 2021 and 31st March 2020

(vi) Rental expense recorded for short-term leases was USD 994,076 for the year ended 31st March 2021 (31st March 2020 USD 1,251,079).

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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3B. INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT (IN USD)

a. Reconciliation of carrying amount

Gross carrying value	Computer Software	Goodwill on consolidation	Intangible Assets		Trademarks	Total	Intangible Assets Under Development	
			Website Development	Development			Software	Total
As at April 01, 2019	1,12,599	32,56,800	1,42,267	58,958	17,85,561	52,97,227	1,500	1,500
Add: Additions made during the year	-	-	-	-	-	58,958	13,648	13,648
Add: Acquisition on business combination	-	-	-	-	-	-	-	-
Less: Disposals / adjustments during the year	57,351	-	27,721	-	-	85,072	1,500	1,500
As at March 31, 2020	55,248	32,56,800	1,73,504	29,625	17,85,561	52,71,113	13,648	13,648
Add: Additions made during the year	-	-	-	-	-	29,625	32,960	32,960
Add: Acquisition on business combination	-	-	-	-	-	-	-	-
Less: Disposals / adjustments during the year	-	-	-	-	-	-	13,648	13,648
As at March 31, 2021	55,248	32,56,800	2,03,129	29,625	17,85,561	53,00,738	32,960	32,960

Accumulated depreciation and impairment losses

As at April 01, 2019	1,05,123	-	40,319	-	2,12,023	3,57,465	-	-
Add: Amortisation / Impairment for the year	2,404	-	37,837	-	1,74,210	2,14,451	-	-
Less: On disposals / adjustments during the year	57,351	-	27,721	-	-	85,072	-	-
As at March 31, 2020	50,176	-	50,435	-	3,86,233	4,86,844	-	-
Add: Amortisation / Impairment for the year	2,203	-	70,668	-	1,73,908	2,46,779	-	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2021	52,379	-	1,21,103	-	5,60,141	7,33,623	-	-

Net carrying value

As at March 31, 2021	2,869	32,56,800	82,026	12,25,420	32,960	45,67,115	32,960	32,960
As at March 31, 2020	5,072	32,56,800	1,23,089	13,99,328	13,648	47,84,269	13,648	13,648



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	As at 31 March 2021 (Amount in USD)	As at 31 March 2020 (Amount in USD)
4 NON-CURRENT FINANCIAL ASSETS - LOANS		
Unsecured, considered good		
Security Deposits	26,719	1,26,959
	<u>26,719</u>	<u>1,26,959</u>
Break up		
Loans considered good - secured	-	-
Loans considered good - unsecured	26,719	1,26,959
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	<u>26,719</u>	<u>1,26,959</u>
Less: Allowances for doubtful Loans	-	-
Total Loans	<u>26,719</u>	<u>1,26,959</u>
5 OTHER NON CURRENT FINANCIAL ASSETS		
Unsecured, Considered Good		
Accrued Interest Income	-	-
	<u>-</u>	<u>-</u>
6 INVENTORIES		
Finished Goods		
- Traded	33,42,060	34,58,661
Goods in Transit- Finished Goods	11,47,347	12,19,618
	<u>44,89,406</u>	<u>46,78,279</u>
Less: Provision for Non Moving Inventory	(20,169)	(4,09,237)
Total inventories	<u>44,69,237</u>	<u>42,69,042</u>
- As per inventory taken, valued and certified by the Management		
7 TRADE RECEIVABLES		
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - Unsecured	25,16,984	14,51,960
Trade Receivables which have significant increase in Credit risk	22,275	1,51,726
Trade Receivables - credit impaired	-	-
	<u>25,39,259</u>	<u>16,03,686</u>
Less: Provision for Doubtful Debts	(22,275)	(1,51,726)
	<u>25,16,984</u>	<u>14,51,960</u>
The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and a provision for doubtful debts of Rs. USD 22,275/- (2020: USD 1,51,726/-) has been recorded.		
8 CASH AND CASH EQUIVALENTS		
Balances with banks		
-In Current Accounts	13,83,656	18,81,760
Cheques in hand	767	605
Cash on hand	683	914
	<u>13,85,106</u>	<u>18,83,279</u>



ORGANIC INDIA USA, LLC
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	As at 31 March 2021 (Amount in USD)	As at 31 March 2020 (Amount in USD)
9 CURRENT FINANCIAL ASSETS - LOANS		
Unsecured and considered good unless otherwise stated		
Considered Good		
Advance to Related Parties	2,73,490	4,24,386
	<u>2,73,490</u>	<u>4,24,386</u>
*Due from Entities Controlled by Directors / Parties having significant influence on the company		
- M/s Organic India Private Limited (Holding Company)	2,19,490	3,70,386
- Dr. Alejandro Junger	54,000	54,000
Break up		
Loans considered good - secured	-	-
Loans considered good - unsecured	2,73,490	4,24,386
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	<u>2,73,490</u>	<u>4,24,386</u>
Less: Allowances for doubtful Loans	-	-
Total Loans	<u>2,73,490</u>	<u>4,24,386</u>
10 CURRENT FINANCIAL ASSETS - OTHERS		
Unsecured and considered good unless otherwise stated		
Advance to Related Parties*	3,345	-
Advances recoverable in cash or kind	-	21,293
	<u>3,345</u>	<u>21,293</u>
*Due from Entities Controlled by Directors		
- M/s Organic India Private Limited (Holding Company)	3,345	-
11 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Prepaid Expenses	2,87,959	2,36,011
Deferred Guarantee Premium	47,611	67,772
Advances recoverable in cash or kind	1,23,735	91,342
	<u>4,59,305</u>	<u>3,95,125</u>

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 FOR THE YEAR ENDED 31ST MARCH, 2021

12 EQUITY SHARE CAPITAL	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020	
	No of Shares	(Amount in USD)	No of Shares	(Amount in USD)
AUTHORISED SHARE CAPITAL				
Equity Shares of USD 1/- each	23,802	23,802	23,802	23,802
	23,802	23,802	23,802	23,802
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of USD 1/- each fully paid up	23,802	23,802	23,802	23,802
	23,802	23,802	23,802	23,802

a). Terms/rights attached to Equity Shares

The Holding Company has one class of Shares and each shareholder has single right to vote for one share.

b). Shares held by holding company

Out of the equity shares issued by the Holding Company, shares held by the ultimate holding are as below:

Equity Shares	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020	
	No of Shares	Amount in USD	No of Shares	Amount in USD
Organic India Private Limited (Ultimate Holding Company) Fully paid and non-assessable shares (Equity shares of USD 1/- each)	23,802	23,802	23,802	23,802

c). The details of shareholders holding more than 5% shares as at 31 March 2021 and 31 March 2020 is set out below:

Name of shareholder	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020	
	No of Shares	% of shareholding	No of Shares	% of shareholding
Equity Shares of USD 1/- each fully paid up Organic India Private Limited (Holding Company)	23,802	100.00%	23,802	100.00%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d). The reconciliation of the number of shares outstanding as at 31 March 2021 and 31 March 2020 is set out below:

Particulars	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Fully Paid & Non-Assessable Shares		
Number of shares in the beginning	23,802	23,802
Add: Shares issued through private placement	-	-
Number of shares at the end	23,802	23,802



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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	As at 31 March 2021 (Amount in USD)	As at 31 March 2020 (Amount in USD)
13 OTHER EQUITY		
Summary of Other Equity Balance		
Securities Premium Reserve	58,76,158	58,76,158
Stock Option Outstanding	3,58,392	-
Capital Contribution	2,13,100	2,13,100
Retained Earnings	(37,50,939)	(39,51,142)
Non Controlling Interest	29,01,596	30,49,999
	<u>55,98,307</u>	<u>51,88,115</u>

Nature and purpose of each reserves

a) Securities premium reserve

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve.

b) Stock Option Outstanding Account

This reserve relates to Stock Options Granted by the Holding Company to its employees under their stock option schemes. This reserve is transferred to Securities Premium Reserve and Retained Earnings on exercise or cancellation of the vested options.

c) Capital Contribution

It includes deemed interest amounting to USD 112,297 (FY 2019-20:USD 112,297) on loan taken from Organic India Private Limited, the Holding Company as per Ind AS 109 and the premium value amounting to USD 100,803 (FY 19-20:USD 100,803) of the financial guarantee given to Citi Bank by Organic India Private Limited -the Holding Company.

d) Retained Earning

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Unsecured

Inter corporate Loans
 Of (US) Holdings LLC*

	17,00,000	19,50,000
(A)	<u>17,00,000</u>	<u>19,50,000</u>

Organic India Private Limited**
 Less: Current maturities of long term debt (Refer Note 19)

	-	7,33,942
(B)	<u>-</u>	<u>7,33,942</u>

(A+B)	<u>17,00,000</u>	<u>19,50,000</u>
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* Includes amount due to

- Of (US) Holdings, LLC, Entity having significant influence

**The said loan is repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 and carries interest @ 4% p.a. Payable quarterly during the term of loan of five years. The loan extension agreement was entered and the original notes were combined into new note and the maturity date of the new note was extended to March 2025. The Company is regular in payment of principal and interest as stipulated.

** The said loan was obtained from the Holding Company and is repayable at the end of three years from the date on which the said loan was taken and carries interest @ 5.51% p.a. payable half yearly during the term of loan of three years.

15 NON-CURRENT OTHER FINANCIAL LIABILITIES

Lease liability	92,467	3,17,321
	<u>92,467</u>	<u>3,17,321</u>

16 DEFERRED TAX LIABILITY/ (ASSET) - NET

Amortization	4,48,365	4,53,329
Lease Liability	(89,349)	(39,245)
Total	<u>3,59,016</u>	<u>4,14,084</u>
Deferred tax liability (net)	<u>3,59,016</u>	<u>4,14,084</u>



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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31 March 2021 (Amount in USD)	As at 31 March 2020 (Amount in USD)
17 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Line of Credit		
- Citi Bank NA*	19,50,000	17,00,000
	<u>19,50,000</u>	<u>17,00,000</u>
* The Company has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 30,00,000. The said credit carries an interest rate of 2% above the base rate as defined in the agreement (effective rate of 2.41% as on March 31, 2020) payable quarterly and is secured against the inventory of the Company.		
18 TRADE PAYABLES		
For Goods and Services		
- Due of micro enterprises and small enterprises	-	-
- Due of creditors other than micro enterprises and small enterprises	35,02,848	28,86,580
	<u>35,02,848</u>	<u>28,86,580</u>
Out of above trade payables from related parties are as below		
- M/s Organic India Private Limited (Holding Company)	27,65,625	20,09,413
- M/s Organic India USA, LLC (Holding Company)	-	-
- M/s Clean Program Corp (Subsidiary Company)	-	-
19 CURRENT FINANCIAL LIABILITIES - OTHERS		
Current maturities of long term debt (Refer Note 14)*	-	7,33,942
Interest accrued but not due on borrowings*	24,347	40,800
Lease liability	2,11,440	4,66,019
	<u>2,35,787</u>	<u>12,40,761</u>
* Includes Due to		
OI (US) Holdings LLC, A company in which director is interested	19,472	21,067
Organic India Private Limited, Holding Company	-	7,42,821
20 CURRENT TAX LIABILITIES (NET)		
Opening balance of provision of income tax (Net)	88,277	-
Add: Current tax payable for the year	2,44,222	2,42,350
Less: Taxes paid	(2,37,407)	(1,64,073)
Closing balance of provision of income tax (Net)	<u>95,092</u>	<u>88,277</u>
Provision of income tax (net advance tax)	95,092	88,277
Total current tax assets (liability)	<u>95,092</u>	<u>88,277</u>
21 OTHER CURRENT LIABILITIES		
Advance from Customers	1,225	9,477
Statutory Dues	17,534	15,758
Dividend Payable	-	20
Other Expenses Payable	5,92,529	4,82,136
	<u>6,11,287</u>	<u>5,07,391</u>



ORGANIC INDIA USA, LLC
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FOR THE YEAR ENDED 31ST MARCH, 2021

	For the year ended 31 March 2021 (Amount in USD)	For the year ended 31 March 2020 (Amount in USD)
22 Revenue from operations		
Sale of Products		
- Traded	2,54,10,728	2,26,59,735
	<u>2,54,10,728</u>	<u>2,26,59,735</u>
Other Operating Revenue		
Government Grants		
Paycheck Protection Program Forgiveness(Refer Note 38)	5,86,720	-
	<u>2,59,97,448</u>	<u>2,26,59,735</u>
Details of Products Sold		
- Herbal Infusions	73,30,918	62,77,026
- Ayurvedic Medicines(Formulations)	99,10,468	93,67,625
- Psyllium	27,50,101	19,65,743
- Others	54,19,241	50,49,341
	<u>2,54,10,728</u>	<u>2,26,59,735</u>
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	2,94,22,844	2,53,50,915
Adjustments		
Discounts and Rebates	40,12,116	24,70,771
	<u>40,12,116</u>	<u>24,70,771</u>
Revenue from contract with customers	<u>2,54,10,728</u>	<u>2,28,80,144</u>
23 Other income		
Interest Income		
Bank Deposits	8,899	202
Leased Deposits measured at amortised cost	2,193	3,857
Others	-	-
Corporate Charges Recovered	4,30,902	3,70,386
Income from Royalty	26,787	3,056
Income from sub letting	-	1,16,236
Provision for Doubtful Debts Written Back	1,29,451	-
Provision for Non Moving Inventory Written Back	3,89,068	5,16,651
Excess Provision Written back	-	28,723
Profit on disposal of Right of Use Assets	25,397	-
Miscellaneous Receipts	544	90,664
	<u>10,13,241</u>	<u>11,29,775</u>
24 Change in inventories of Traded Goods		
Opening inventory		
Finished Goods	34,58,661	38,57,106
Work in Progress	-	1,79,403
	<u>34,58,661</u>	<u>40,36,509</u>
Closing inventory		
Finished Goods	44,89,406	34,58,661
	<u>44,89,406</u>	<u>34,58,661</u>
Total (increase) in inventories	<u>(10,30,745)</u>	<u>5,77,848</u>



ORGANIC INDIA USA, LLC
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FOR THE YEAR ENDED 31ST MARCH, 2021

	For the year ended 31 March 2021 (Amount in USD)	For the year ended 31 March 2020 (Amount in USD)
25 Employee benefits expense		
Salaries and wages	37,41,446	27,25,454
Contribution to Provident Fund & Other Funds	2,50,781	2,04,727
Employee Stock Option Compensation Expense (Refer Note 40)	3,58,392	-
Staff Welfare Expenses	78,034	49,447
	<u>44,28,653</u>	<u>29,79,628</u>
26 Finance costs		
Interest Expense		
Term Loan	1,65,791	2,47,376
Lease liability	25,558	45,131
Guarantee Expenses	20,161	20,161
Loan processing charges	20,701	27,327
	<u>2,32,211</u>	<u>3,39,995</u>
27 Other expenses		
Administrative Expenses		
Rent	9,94,076	12,51,079
Repair and maintenance		
- Building	32,441	42,858
- Others	54,218	53,814
Freight outward	12,80,847	10,96,498
Travelling and Conveyance	70,268	3,56,910
Legal and Professional Expenses	8,44,979	7,49,854
Communication Expenses	36,311	30,187
Computer repair and maintenance	82,107	99,016
Bad Debt written off	1,29,451	12,793
Insurance (Net of recovery)	24,858	27,362
Product Liability	99,144	87,643
Provision for Doubtful debts	-	1,11,232
Obsolete Stock written off	4,75,420	1,11,103
Certification Expenses	34,529	38,121
Rates & Taxes	82,808	27,293
Donations	2,08,412	24,000
Miscellaneous Expenses	2,94,903	1,68,100
Royalty	5,357	-
Bank Charges	1,94,430	1,59,824
Loss on sale of Property, Plant & Equipment	31,586	3,203
Selling Expenses		
Samples	2,41,750	2,07,461
Business Promotion	52,60,639	56,87,125
Commission and Brokerage	8,36,005	11,42,107
	<u>1,13,14,540</u>	<u>1,14,87,583</u>
28 Income Taxes & Deferred Taxes		
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(2,44,222)	(2,42,350)
Total (A)	<u>(2,44,222)</u>	<u>(2,42,350)</u>
Deferred Tax (Expense) /Income		
Origination and reversal of temporary differences	55,067	(5,516)
Total (B)	<u>55,067</u>	<u>(5,516)</u>
Total (A+B)	<u>(1,89,155)</u>	<u>(2,47,866)</u>



ORGANIC INDIA USA, LLC
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	For the year ended 31 March 2021 (Amount in USD)	For the year ended 31 March 2020 (Amount in USD)
(b) Movement in Deferred tax (net)		
Deferred income tax expense/ (income), net		
Depreciation and Amortization	(4,964)	(33,729)
Lease Liability	(50,104)	39,245
Net Deferred Tax Expense/Income recognised in Statement of Profit and Loss (Net of Valuation Allowance)	(55,067)	5,516
(c) Reconciliation of effective tax rate		
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before exceptional items and tax	6,15,880	81,567
Tax using the Company's domestic tax rate (31 March 2020:29.4%) 29%	2,91,341	23,981
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	(3,707)	(7,75,715)
Effect of tax related to losses of previous year on which deferred tax asset was not created	(98,478)	9,99,600
Effect of tax on loss of the subsidiary on which deferred tax not recognised	-	-
	1,89,155	2,47,866



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2021

29 Contingent liabilities and commitments

A Contingent Liabilities:

In the normal course of business, the Group is party to litigation from time to time. The Group maintains insurance to cover certain actions and believes that resolution of such litigation will not have a material adverse effect on the Group.

B Commitments:

Lease Commitments:

The Group has entered into operating leases for facilities and equipments. The lease commitments towards non cancellable leases is not applicable as the lease payments have been considered in lease liability in Ind AS-116.

30 Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2021 (Amount in USD)	For the year ended 31 March 2020 (Amount in USD)
Profit attributable to equity holders of the company	4,26,725	(1,66,298)
Weighted average number of equity shares (Nos.)		
-Basic	23,802	23,802
-Diluted*	26,449	23,802
Nominal value of equity shares	10	10
Earnings per equity share		
-Basic	17.93	(6.99)
-Diluted	16.13	(6.99)
*Weighted average number of equity shares for diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic EPS	23,802	23,802
Add: Effect of Stock Options Granted	2,647	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	26,449	23,802

31 Segment Reporting

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Board of Directors of the Group reviews the operating results of the Group. The Board of Directors reviews performance of the Organic Herbal products business on an overall business. As the Group's activities fall within a single reportable segment being the core business segment i.e. Organic Herbal Products, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity wise disclosures are as under:

	31st March, 2021	31st March, 2020
Sale of Products		
- Within USA	2,59,97,448	2,26,59,735
- Outside USA	-	-
	2,59,97,448	2,26,59,735
	31st March, 2021	31st March, 2020
Details of Non Current Asset		
- Within USA	50,61,140	58,71,246
- Outside USA	-	-
	50,61,140	58,71,246

Information about major customers

The Group did revenue from the following customers which exceeded 10% of total revenue:-

Name of Customer	Share of Total Revenue(in Percentage)	
	31st March, 2021	31st March, 2020
United Natural Foods Inc	30.00	29.00
Coastal Trading Ventures	19.00	-
Kehe Distributors LLC	18.00	13.60



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2021

32 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as 31st March 2021

(Amount in USD)

	31st March 2021				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Loans(Non Current)	-	-	26,719	26,719	26,719
Trade receivables	-	-	25,16,984	25,16,984	25,16,984
Cash and Cash equivalents	-	-	13,85,106	13,85,106	13,85,106
Loans(Current)	-	-	2,73,490	2,73,490	2,73,490
Others(Current)	-	-	3,345	3,345	3,345
TOTAL	-	-	42,05,644	42,05,644	42,05,644
Financial liabilities					
Borrowings (Non Current)	-	-	17,00,000	17,00,000	17,00,000
Borrowings (Current)	-	-	19,50,000	19,50,000	19,50,000
Trade payables	-	-	35,02,848	35,02,848	35,02,848
Other Financial Liabilities	-	-	3,28,254	3,28,254	3,28,254
TOTAL	-	-	74,81,102	74,81,102	74,81,102

Financial instruments by category as 31st March 2020

(Amount in USD)

	31st March 2020				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Loans(Non Current)	-	-	1,26,959	1,26,959	1,26,959
Trade receivables	-	-	14,51,960	14,51,960	14,51,960
Cash and Cash equivalents	-	-	18,83,279	18,83,279	18,83,279
Loans(Current)	-	-	4,24,386	4,24,386	4,24,386
Others(Current)	-	-	21,293	21,293	21,293
TOTAL	-	-	39,07,877	39,07,877	39,07,877
Financial liabilities					
Borrowings(Non Current)	-	-	19,50,000	19,50,000	19,50,000
Borrowings (Current)	-	-	17,00,000	17,00,000	17,00,000
Trade payables	-	-	28,86,580	28,86,580	28,86,580
Other Financial Liabilities	-	-	15,58,082	15,58,082	15,58,082
TOTAL	-	-	80,94,662	80,94,662	80,94,662

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Loans (non-current) comprise of security deposits paid which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

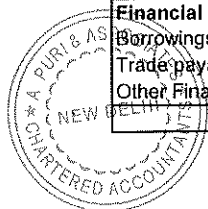
(i) Fair value hierarchy

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2021

Fair value measurement using

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	3,00,209	3,00,209
Trade receivables	-	-	25,16,984	25,16,984
Cash and Cash equivalents	-	-	13,85,106	13,85,106
Others	-	-	3,345	3,345
	-	-	42,05,644	42,05,644

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	36,50,000	36,50,000
Trade payables	-	-	35,02,848	35,02,848
Other Financial Liabilities	-	-	3,28,254	3,28,254
	-	-	74,81,102	74,81,102



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2021

* Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2020
 Fair value measurement using

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	5,51,345	5,51,345
Trade receivables	-	-	14,51,960	14,51,960
Cash and Cash equivalents	-	-	18,83,279	18,83,279
Others	-	-	21,293	21,293
	-	-	39,07,877	39,07,877

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings(Non Current)	-	-	19,50,000	19,50,000
Borrowings (Current)	-	-	17,00,000	17,00,000
Trade payables	-	-	28,86,580	28,86,580
Other Financial Liabilities	-	-	15,58,082	15,58,082
	-	-	80,94,662	80,94,662

(ii) Measurement of fair values

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. These are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There have been no transfers in either direction for the years ended 31 March 2021 and 31 March 2020.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.



ORGANIC INDIA USA, LLC
 NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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33 Financial risk management

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

- Credit risk ;
- Liquidity risk

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis	Diversification of bank deposits, credit limits
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

In determining the recoverability of trade receivables, Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets

	31-Mar-21	31-Mar-20
Trade and other receivable	25,65,979	17,30,645
Less: Loss allowance on receivable	(22,275)	(1,51,726)
	<u>25,43,704</u>	<u>15,78,919</u>

Movement in the allowance for impairment in respect of trade receivables

	31-Mar-21	31-Mar-20
Opening Balance	1,51,726	40,494
Add: Allowance for trade receivables during the year	-	1,11,232
Less: Allowance utilised/ written back during the year	1,29,451	-
Closing Balance	<u>22,275</u>	<u>1,51,726</u>



ii. 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 Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 March 2021	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	35,02,848	-	-	35,02,848
Long term borrowings	-	17,00,000	-	17,00,000
Short term borrowings	19,50,000	-	-	19,50,000
Interest accrued but not due	24,347	-	-	24,347
Lease Liabilities	2,11,440	92,467	-	3,03,907
	56,88,635	17,92,467	-	74,81,102

Contractual maturities of financial liabilities 31 March 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	28,86,580	-	-	28,86,580
Long term borrowings	7,33,942	19,50,000	-	26,83,942
Short term borrowings	17,00,000	-	-	17,00,000
Interest accrued but not due	40,800	-	-	40,800
Lease Liabilities	4,66,019	3,17,321	-	7,83,340
	58,27,341	22,67,321	-	80,94,662

34 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Company has ensured that net worth of the Group has increased and profit from operations of the company has been utilised further in the operations of the Group.

	March 31 2021	March 31 2020
Total Assets	1,41,68,606	1,43,16,331
Total Liabilities	85,46,498	91,04,414
Net Worth	56,22,109	52,11,917

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

Capital	As at 31st March 2021	As at 31st March 2020
Long Term Borrowings	17,00,000	19,50,000
Short Term Borrowings	19,50,000	17,00,000
Total Debt	36,50,000	36,50,000
Equity Share Capital	23,802	23,802
Other Equity	26,96,712	21,38,116
Non controlling interest	29,01,596	30,49,999
Total Equity	56,22,109	52,11,917

Debt-Equity Ratio

0.65

0.70



ORGANIC INDIA USA, LLC
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 FOR THE YEAR ENDED 31ST MARCH, 2021

35 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Holding Company

- M/s Organic India Private Limited

Subsidiary Company

- M/s The Clean Program Corp

Key Management Personnel

- Mr. Richard Celeste

- Mr. Subrata Dutta

- Mr. Laurent Chappuis

- Mr. Richard Baskin

- Dr. Alejandro Junger

- Ms. Dipali Patwa

Entities or person having significant influence/ under common ownership

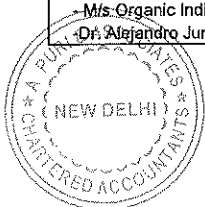
- M/s OI (US) Holdings, LLC

B Summary of related party transaction:

Particulars	Holding Company		Entities under common ownership		Key Managerial Personnel		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Loan - Repayment	7,50,000	-	2,50,000	-	-	-	10,00,000	-
Loan Given	-	-	-	-	-	54,000	-	54,000
Sale of Traded Goods	-	-	-	-	-	-	-	-
Purchase of Traded Goods	84,30,485	44,78,886	-	-	-	-	84,30,485	44,78,886
Corporate Charges Recovered	4,30,902	3,70,386	-	-	-	-	4,30,902	3,70,386
Interest on Loan	30,152	42,014	79,300	1,86,802	-	-	1,09,452	2,28,816
Royalty Income	26,787	-	-	-	-	-	26,787	-
Royalty Expenses	-	-	-	-	5,357	-	5,357	-
Payables	27,62,280	27,52,234	17,19,472	19,71,067	836	-	44,82,588	47,23,301
Receivables	2,19,490	3,70,386	-	-	54,000	54,000	2,73,490	4,24,386

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Entities under common ownership		Key Managerial Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Loan - Repayment						
- M/s OI (US) Holdings, LLC	-	-	2,50,000	-	-	-
- M/s Organic India Private Limited	7,50,000	-	-	-	-	-
Loan Given						
-Dr. Alejandro Junger	-	-	-	-	-	54,000
Sale of Traded Goods						
- M/s Organic India Private Limited	-	-	-	-	-	-
Purchase of Traded Goods						
- M/s Organic India Private Limited	84,30,485	44,78,886	-	-	-	-
Corporate Charges Recovered						
- M/s Organic India Private Limited	4,30,902	3,70,386	-	-	-	-
Interest on Loan						
- M/s Organic India Private Limited	30,152	42,014	-	-	-	-
- M/s OI (US) Holdings, LLC	-	-	79,300	1,86,802	-	-
Royalty Income						
- M/s Organic India Private Limited	26,787	-	-	-	-	-
Royalty Expense						
-Dr. Alejandro Junger	-	-	-	-	5,357	-
Payables						
- M/s Organic India Private Limited	27,62,280	20,09,413	-	-	-	-
- M/s Organic India Private Limited - Loan	-	7,42,821	-	-	-	-
- M/s OI (US) Holdings, LLC	-	-	17,19,472	19,71,067	-	-
-Dr. Alejandro Junger	-	-	-	-	836	-
Receivables						
- M/s Organic India Private Limited	2,19,490	3,70,386	-	-	-	-
-Dr. Alejandro Junger	-	-	-	-	54,000	54,000



36 Impairment

The Group has not recognized any loss on impairment in respect of assets of the Company in terms of Indian Accounting Standard (Ind AS) 16 on "Property, Plant and equipment"/ Indian Accounting Standard (Ind AS) 36 on "Impairment of Assets" since in the opinion of the Management, as confirmed by the Board of Directors, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of the assets at the subsidiaries the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the Company.

37 Employee Benefits

The Company sponsors a 401(k) profit-sharing plan available to defined eligible employees. Eligible participants are allowed to make contributions up to statutory limits. The Company will make matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The Company made matching contributions of \$52,854 and \$48,550 for the years ended March 31, 2021 and 2020, respectively.

38 Paycheck Protection Program Loans

During the year ended March 31, 2021, the Group received two Paycheck Protection Program (PPP) loans totaling \$586,720. The loans were obtained under separate entities of the Group, including a \$215,120 loan under the subsidiary company and a \$371,600 loan under the Holding Company. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and staffing level and salary maintenance requirements are met.

Prior to March 31, 2021, the Group applied for and received notification of forgiveness of the said loans from the SBA. Loan forgiveness in the amount of \$586,720 has been recorded as cancellation of debt income in non-operating (expense) income on the accompanying consolidated statement of operations.

39 Income Tax and Deferred Tax

Effective June 2013, the Holding Company made an election to be treated as a C corporation for income tax purposes. The subsidiary Company is a C corporation for income tax purposes and files a separate income tax return. The Holding and Subsidiary Company recognize deferred tax liabilities and assets based on the differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. The Company establishes a valuation allowance for all deferred tax assets for which there is uncertainty regarding realization.

Holding Company did not provide a current or deferred federal or state income tax provision or benefit for 2021 or 2020 because it has experienced recurring taxable losses. Holding Company has provided a full valuation allowance on the net deferred tax asset of approximately \$1,000,000 at March 31, 2021 and 2020, primarily consisting of the net operating loss carryforwards, because of the uncertainty regarding their realizability.

As of March 31, 2021 and 2020, Holding Company had net operating loss carryforwards of approximately \$4,000,000. Utilization of the net operating losses, which expire at various times starting in 2033, may be subject to certain limitations under Section 382 of the Internal Revenue Code of 1986, as amended, and other limitations under state and foreign tax laws. The cumulative net operating losses of approximately \$1,700,000 generated during the years ended March 31, 2020 and 2019 are not subject to expiration.

Upon the acquisition of Subsidiary Company, the Holding Company recognized a deferred tax liability of approximately \$450,000 for the identifiable intangible assets of approximately \$1,730,000 that will be amortized for financial reporting purposes but will not be deductible for income taxes on the subsidiary company tax returns.

The reasons for the difference between income taxes at the statutory rate and those on the accompanying consolidated financial statements are attributable primarily to the Holding Company valuation allowance and the Subsidiary Company goodwill, which, in accordance with generally accepted accounting principles, had no related deferred taxes recorded upon acquisition.



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 FOR THE YEAR ENDED 31ST MARCH, 2021

40 EMPLOYEE STOCK OPTION PLAN

During the year, the members of the Holding Company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of the Holding Company as designated by the Board of Directors who are either in a management position or higher, or who have been employed by the Holding Company for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of the Holding Company, as further defined in the Company's Operating Agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfillment of certain applicable performance milestone requirements, as further set forth in the award agreements and Plan document.

Information in respect of the Employee Stock Options granted upto 31st March, 2021 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	26-11-2020	I	577.44	30-09-2021	30 days from the date of Vesting	272.33	276.89
			II	721.81	30-03-2023	30 days from the date of Vesting	272.33	277.74
			III	1,010.53	30-09-2024	30 days from the date of Vesting	272.33	279.83
			IV	1,299.25	30-03-2026	30 days from the date of Vesting	272.33	282.48
			V	1,587.97	30-09-2027	30 days from the date of Vesting	272.33	288.97

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2021	
	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted during the year	5,197	272.33
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/ Lapsed during the year	-	-
Outstanding at the end of the year	5,197	272.33
Exercisable at the end of the year	-	-

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

Tranches	2020-21				
	I	II	III	IV	V
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

c) The effect of share-based payment plan on the Financial Statements:

	2020-21 (Amount in USD)	2019-20 (Amount in USD)
Expense arising from employee share-based payment plan	3,58,392	-
Liability arising from employee share-based payment plan	3,58,392	-



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 FOR THE YEAR ENDED 31ST MARCH, 2021

41 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Rupees	As % of consolidated profit or loss	Rupees	As % of consolidated other comprehensive income	Rupees	As % of consolidated total comprehensive income	Rupees
Parent								
Organic India USA LLC	3.09	1,73,472	(6.19)	(26,409)	-	-	(6.19)	(26,409)
Subsidiaries								
- Clean Program Corp.	45.30	25,47,042	53.11	2,26,612	-	-	53.11	2,26,612
Non Controlling Interest	51.61	29,01,596	53.08	2,26,522	-	-	53.08	2,26,522
Total	100.00	56,22,109	100.00	4,36,725	-	-	100.00	4,26,725



ORGANIC INDIA USA, LLC
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

42 Other notes

- (a) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.
- (b) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group other than fixed assets and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet. On account of outbreak of Covid-19 impact, there may be certain delays in recoveries of Current Assets/ Loans and Advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.
- (c) These accounts are prepared for the purpose of consolidation with the accounts of Organic India Private Limited.
- (d) The comparable figures for previous reporting year are re-stated/regrouped wherever required.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS



Jyoti Subarwal
JYOTI SUBARWAL
MEMBERSHIP NUMBER: 060654
UDIN:

Miguel Gil
MIGUEL GIL
CHIEF EXECUTIVE OFFICER

Richard F Celeste
RICHARD F CELESTE
CHAIRMAN

Julie Albrecht
JULIE ALBRECHT
FINANCE CONTROLLER AND AMBASSADOR

PLACE: *New Delhi*
DATE: *20th July 2021*

PLACE: *COLORADO*
DATE: 19 July 2021