

Fine Organics (USA), Inc.

1807 Lakewinds Dr
Missouri City, TX 77459

Tel : 281 723 5966

Fax : 281 783 4525

Email: sales_usa@fineorganics.com



Balance Sheet as on December 31, 2018

	<u>Dec 31, 18</u>
ASSETS	
<u>Current Assets</u>	
Cash	\$ 3,31,716.66
Total Checking/Savings	\$ 3,31,716.66
<u>Accounts Receivable</u>	
Accounts Receivable	\$ 4,57,409.08
Total Accounts Receivable	\$ 4,57,409.08
<u>Other Current Assets</u>	
Inventory	\$ 6,97,170.00
CRA - GST Deposit	\$ 3,725.78
Total Other Current Assets	\$ 7,00,895.78
Total Current Assets	\$ 14,90,021.52
<u>Fixed Assets</u>	
Computers & Peripherals	\$ 4,013.51
Accumulated Depreciation	\$ (4,013.51)
Total Fixed Assets	\$ -
TOTAL ASSETS	\$ 14,90,021.52
LIABILITIES & EQUITY	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 8,33,518.71
Total Accounts Payable	\$ 8,33,518.71
<u>Other Current Liabilities</u>	
Sales Tax Payable	\$ 10,809.71
Total Other Current Liabilities	\$ 10,809.71
Total Current Liabilities	\$ 8,44,328.42
<u>Long Term Liabilities</u>	
Notes Payable	\$ 9,00,000.00
Total Long Term Liabilities	\$ 9,00,000.00
Total Liabilities	\$ 17,44,328.42
<u>Equity</u>	
Capital -Common Stock	\$ 1,000.00
Retained Earnings	\$ (2,58,202.93)
Net Income	\$ 2,896.03
Total Equity	\$ (2,54,306.90)
TOTAL LIABILITIES & EQUITY	\$ 14,90,021.52

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Income Statement (Jan to Dec 2018)

	<u>Jan - Dec 18</u>	<u>% of Income</u>
Ordinary Income/Expense		
<u>Income</u>		
Sales	\$ 28,64,792.18	99.82%
Other	\$ 5,119.32	0.18%
Total Income	<u>\$ 28,69,911.50</u>	<u>100.0%</u>
Cost of Goods Sold		
Bond Charges/Destination Serv	\$ 46,456.29	1.62%
Purchases	\$ 24,68,131.20	86.0%
Storage	\$ 54,250.54	1.89%
Total COGS	<u>\$ 25,68,838.03</u>	<u>89.51%</u>
Gross Profit	<u>\$ 3,01,073.47</u>	<u>10.49%</u>
<u>Expense</u>		
Auto Expense	\$ 9,761.09	0.34%
Bank Charges	\$ 2,743.94	0.1%
Delivery & Postage	\$ 31.50	0.0%
Depreciation	\$ 187.24	0.01%
Dues & Subscriptions	\$ 155.00	0.01%
FICA - Medicare	\$ 2,885.50	0.1%
FICA - SS	\$ 7,960.80	0.28%
Freight & Postage	\$ 103.30	0.0%
Insurance - Business	\$ 19,230.38	0.67%
Legal & Accounting	\$ 12,175.00	0.42%
Meals & Entertainment	\$ 3,661.48	0.13%
Miscellaneous	\$ 49.41	0.0%
Office Expense	\$ 144.43	0.01%
Outside Services	\$ 26,989.67	0.94%
Payroll Expenses	\$ 24.31	0.0%
Payroll Taxes - FUTA	\$ 42.00	0.0%
Payroll Taxes - SUTA	\$ 53.10	0.0%
Property Taxes	\$ 1,621.78	0.06%
Salaries & Wages	\$ 1,99,000.04	6.93%
Telephone	\$ 1,347.39	0.05%
Travel	\$ 10,010.08	0.35%
Total Expense	<u>\$ 2,98,177.44</u>	<u>10.39%</u>
Net Ordinary Income	<u>\$ 2,896.03</u>	<u>0.1%</u>
Net Income	<u><u>\$ 2,896.03</u></u>	<u><u>0.1%</u></u>

Fine Organics (USA), Inc.
Notes to Financial Statements
December 31, 2018

1) Organization and Nature of Operations

Fine Organics (USA), Inc., The Company, is a chemical company involved in selling of a unique range of specialty additives for a wide variety of applications. Fine Organics is a leading producer of specialty additives for foods, plastics, rubbers, paints, inks, cosmetics, coatings, textile auxiliaries, lubes and several other specialty applications.

It is incorporated in the State of Texas, USA. It is a 100% owned subsidiary of Fine Organic Industries Ltd, India.

2) Significant Accounting Policies:

Use of Estimates:

The financial statements are prepared in conformity with Tax Basis of accounting principles generally accepted in the USA. The management uses estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Method of Accounting

The company uses accrual method of accounting.

Cash and Cash Equivalents:

For the purpose of reporting, The Company considers all highly liquid investments with maturity of three months or less to be cash equivalents.

Revenue Recognition and Accounts Receivable:

Revenue is recognized by The Company when title is transferred, upon shipment to customers.

Depreciation

Depreciation is based on the methods permitted for Income Tax Return purposes as promulgated by the Internal Revenue Service of United States.