



# VERMA MEHTA & ASSOCIATES

Chartered Accountants

104, Creative Industries Premises, Sunder Nagar, Kalina, Santacruz (East), Mumbai - 400 098.

To: Tel.: 2666 6359 • Fax : 6693 5131 E-mail : vmaca92@gmail.com

**The Board of Directors**

**Godavari Biorefineries Limited**

Somaiya Bhavan

45-47 Mahatma Gandhi Road

Fort, Mumbai 400 001

Dear Sirs

We have verified the annexed translated version of the audited financial statements of Godavari Biorefineries INC. for the financial year ended as at March 31, 2019. These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21 – The Effect of Changes in Foreign Currency Rates. The work carried out by us is in accordance with the Standard on Related Service (SRS) 4400 i.e. “Engagements to perform agreed-upon procedures regarding financial information” issued by the Institute of Chartered Accountants of India.

As required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulation”) we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website of Godavari Biorefineries Limited in connection with its proposed initial public offering of Equity shares.

We have not audited the financial statements of Godavari Biorefineries B.V. These financial statements have been audited by other audit firms, whose reports have been furnished to us by Godavari Biorefineries Limited.

The Translated Financials should not in any way be constructed as a reissuance or re-dating of any of the previous audit reports, nor should these be constructed as a new opinion on any of the audited financial statements referred to herein.

These financials are intended solely for use by the management for uploading on website of Godavari Biorefineries Limited in connection with the proposed IPO of the Company. Our certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For Verma Mehta & Associates**

**Chartered Accountants**

**ICAI Firm Registration No.: 112118W**

**Vimlesh Mehta**

**Partner**

**Membership No.: 043599**

**Place: Mumbai**

**Date: 23/09/2021**

**UDIN: 21043599AAAAAT7192**



# GODAVARI BIOREFINERIES INC - FINANCIAL STATEMENTS

## Balance Sheet as at 31 March, 2019

Particulars	31-Mar-19 ₹ In Lakh	31-Mar-18 ₹ In Lakh
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	93	38
Accounts receivable	56	22
Prepaid expenses	4	3
Deferred tax asset, current portion	0	1
<b>TOTAL CURRENT ASSETS</b>	<b>153</b>	<b>63</b>
<b>FURNITURE AND FIXTURES:</b>		
Furniture and fixtures	4	3
Less: accumulated depreciation	(4)	(3)
<b>TOTAL FURNITURE AND FIXTURES</b>	<b>0</b>	<b>0</b>
<b>SECURITY DEPOSITS</b>	1	0
<b>DEFERRED TAX ASSET.</b> Net of current portion	0	13
<b>TOTAL ASSETS</b>	<b>154</b>	<b>76</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	1	1
State Income taxes payable	0	0
Accrued payroll and payroll taxes	1	4
Accrued interest	0	0
Federal tax liability	14	0
Related party note payable, current portion	0	49
<b>TOTAL CURRENT LIABILITIES</b>	<b>16</b>	<b>53</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock	103	103
Accumulated equity (deficit)	29	(81)
Foreign Currency Translation Reserve	6	1
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>138</b>	<b>23</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>154</b>	<b>76</b>

**Statement of Income and Retained Earnings**  
 for the Year Ended March 31, 2019

Particulars	2018-19 ₹ In Lakh	2017-18 ₹ In Lakh
<b>INCOME FROM OPERATIONS</b>	<b>210</b>	<b>159</b>
<b>OPERATING EXPENSES</b>		
Payroll, payroll taxes and employee benefits	31	27
Rent	4	4
Professional fees	12	11
Travel and entertainment	10	2
Insurance, other taxes and licenses	3	2
Repairs and maintenance	0	0
Bank service charges	0	0
Computer expenses	1	1
Dues and subscriptions	8	8
Education and conferences	1	1
Office supplies and postage	1	1
Telephone	1	1
Shipping costs	0	0
Miscellaneous expenses	(0)	1
<b>TOTAL OPERATING EXPENSES</b>	<b>72</b>	<b>60</b>
<b>INCOME FROM OPERATIONS</b>	<b>138</b>	<b>100</b>
<b>OTHER EXPENSE</b>		
Interest Expense	1	3
<b>TOTAL OTHER EXPENSE</b>	<b>1</b>	<b>3</b>
<b>INCOME BEFORE INCOME TAX</b>		
<b>EXPENSE</b>	138	96
<b>INCOME TAX EXPENSE</b>	28	20
<b>NET INCOME</b>	<b>110</b>	<b>76</b>
ACCUMULATED DEFICIT,	(81)	(157)
beginning of year	0	0
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT), end of year</b>	<b>29</b>	<b>(81)</b>

**Statement of Cash Flows**  
**for the Year Ended March 31, 2019**

Particulars	2018-19 ₹ In Lakh	2017-18 ₹ In Lakh
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	110	76
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in accounts receivable	(29)	(9)
Changes in due from related parties	0	1
Changes in prepaid expenses	(0)	0
Changes in deferred tax asset	15	20
Changes in income tax payable	14	0
Changes in security deposits	(1)	0
Changes in accounts payable	1	0
Changes in accrued payroll and payroll taxes	(3)	3
Changes in accrued interest	(0)	(0)
<b>Net cash provided by operating activities:</b>	<b>107</b>	<b>92</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Physical Payments on note	(52)	(57)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(52)</b>	<b>(57)</b>
NET CHANGE IN CASH	55	34
CASH AND CASH EQUIVALENTS, beginning of year	38	4
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>93</b>	<b>38</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION CASH PAID DURING THE YEAR FOR</b>		
Interest	1	3
Income Taxes	0	0

**Notes to Financial Statements years Ended March 31, 2019 and 2018**
**A Summary of Significant Accounting Policies:**

1. Organization - Godavari Biorefineries, Inc. (the Company) is a bulk and specialty chemical manufacturer subsidiary located in Ithaca, New York. The Company grants unsecured credit to its customers located throughout the United States on a limited basis.
2. Furniture and Fixtures - Furniture and fixtures are recorded at cost. Depreciation is computed on the straight-line method based on the expected useful lives of the assets which range from three to seven years. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized.
3. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Company considers all cash in financial institutions and cash on hand to be cash. All highly liquid investments with a maturity of 3 months or less when purchased are considered to be cash equivalents.
4. Income Taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. The Company accounts for uncertainty in income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, Income Taxes. The guidance prescribes a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.
5. Use of Estimates - Management of the Company uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.
6. Accounts Receivable - Accounts receivable are unsecured customer obligations due under normal trade terms ordinarily requiring payment in compliance with the invoice. Accounts receivable are stated at the amount billed to the customer. The Company does not accrue interest on accounts receivable. At March 31, 2019 and 2018 management believed that all accounts would be received and no allowance for doubtful accounts was required.

**B. Income Tax**

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740) for balance sheet classification of deferred taxes. This update requires all deferred tax assets and liabilities to be classified as non-current. For non-public entities, the update was effective for fiscal years beginning after December 15, 2017. The Company adopted the standard in the year ended March 31, 2019. Prior year amounts were not retrospectively adjusted.

The deferred tax asset at March 31 is as follows:

	₹ in Lakh	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Total of all deferred tax assets	14	20
Total of all deferred tax liabilities	-	-
<b>Net deferred tax asset</b>	<b>14</b>	<b>20</b>

Deferred Taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to net operating loss carry forwards. The current tax expense for the years ended 31 March is as follows:

<b>Particulars</b>	<b>2018 - 2019</b>		
	<b>Federal</b>	<b>New York</b>	<b>Total</b>
Current Tax	(14)	(0)	<b>(14)</b>
Deferred Asset	(13)	<b>(0)</b>	<b>(14)</b>
<b>Total expense</b>	<b>(27)</b>	<b>(1)</b>	<b>(28)</b>

**Notes to Financial Statements years Ended March 31, 2019 and 2018 (Contd.)**

Particulars	2017 - 2018		
	Federal	New York	Total
Current Tax	-	(0)	(0)
Deferred Asset	(19)	(1)	(20)
<b>Total expense</b>	<b>(19)</b>	<b>(1)</b>	<b>(20)</b>

**C. Note Payable - Related Party**

The Company had the following note payable at March 31,

Particulars	31-Mar-19 ₹ In Lakh	31-Mar-18 ₹ In Lakh
Eighty four month note with sole shareholder. Monthly payments were expected to be ₹ 4.15 Lakh consisting of principal and interest (4.75%) beginning Jan 9, 2012. Payments fluctuated depending upon commissions earned by the Company	-	49
	-	49
	-	-
	-	-
	-	-
	-	-
	-	-
Less: current portion	-	49
	-	-

**D. Rental Agreements:**

The Company began a lease for operating space located at 200 Centennial Avenue, Suite200, Piscataway, New Jersey in September of 2016. The lease term began on September 1, 2016 and expired on August 31, 2017. The monthly rent expense was ₹ 0.39 Lakh.

The Company began a new lease for operating space located at 95B rown Road, Suite1020 Ithaca, New York in August of 2017. The lease term began on August 12, 2017 and expired on August 31, 2018. The monthly rent expense was ₹ 0.28 Lakh. The lease agreement was renewed until December 31, 2018.

The Company began a new lease for operating pace located at 103 Carnegie Center, Suite300, Princeton, New Jersey in December 2018. The current lease term began on December 17, 2018 and expires on December 31, 2019. The monthly rent expense is ₹ 0.43 Lakh, plus an additional charge for kitchen amenities.

Total rent expenses for the years ended March 31, 2019 and 2018 was ₹ 3.78 Lakh and ₹ 3.94 Lakh respectively.

**E. Concentrations:**

The Company's sales in 2019 and 2018 were from one type of revenue : commissions. There was only one customer associated with these services, Godavari Biorefineries, Ltd., comprising 100% of total Company revenues.

**F. Subsequent Events:**

Subsequent events were evaluated through August 5, 2019, which is the date the financial statements were available to be issued. There are no subsequent events that require disclosure.