



# VERMA MEHTA & ASSOCIATES

Chartered Accountants

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

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, 2020. 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 is 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: 21043599AAAAAV9920

# GODAVARI BIOREFINERIES INC - FINANCIAL STATEMENTS

## Balance Sheet as at 31 March, 2020

Particulars	31-Mar-20 ₹ In Lakh	31-Mar-19 ₹ In Lakh
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash equivalents	48	93
Accounts receivable	110	56
Prepaid Expenses	12	4
Deferred tax asset, current portion	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>170</b>	<b>153</b>
<b>FURNITURE AND FIXTURES</b>		
Furniture and Fixtures	4	4
Less: accumulated depreciation	4	4
	<b>0</b>	<b>0</b>
<b>SECURITY DEPOSITS</b>	1	1
<b>DEFERRED TAX ASSET.</b> Net of current portion		
<b>TOTAL ASSETS</b>	<b>171</b>	<b>154</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2	1
State income taxes payable	0	0
Accrued payroll and payroll taxes	2	1
Accrued interest	0	0
Federal Tax liability	0	14
Related note payable, current portion	0	0
<b>TOTAL LIABILITIES</b>	<b>4</b>	<b>16</b>
<b>STOCKHOLDER'S EQUITY</b>		
Common Stock	103	103
Accumulated equity	45	29
Foreign Currency Translation Reserve	0	6
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>148</b>	<b>138</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>152</b>	<b>154</b>

**Statement of Income and Retained Earnings**  
 for the Year Ended March 31, 2020

Particulars	2019-20 ₹ In Lakh	2018-19 ₹ In Lakh
<b>INCOME FROM OPERATIONS</b>	<b>105</b>	<b>210</b>
<b>OPERATING EXPENSES</b>		
Payroll, payroll taxes and employee benefits	39	31
Rent	6	4
Professional fees	10	12
Travel & Entertainment	12	11
Insurance, other taxes and licences	2	3
Repairs and maintenance	0	0
Bank service charges	0	0
Computer expenses	0	1
Dues and subscriptions	7	8
Education and conferences	2	1
Office supplies and postage	1	1
Telephone	0	1
Shipping costs	0	0
Misc Expenses	(1)	(0)
<b>TOTAL OPERATING EXPENSES</b>	<b>79</b>	<b>72</b>
<b>INCOME FROM OPERATIONS</b>	<b>26</b>	<b>138</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	0	1
Other income	0	0
<b>TOTAL OTHER INCOME (EXPENSE)</b>		
<b>INCOME BEFORE TAX EXPENSE</b>	26	138
<b>INCOME TAX EXPENSE (BENEFIT)</b>	10	28
<b>NET INCOME (LOSS)</b>	16	110
<b>RETAINED EARNINGS, beginning of year</b>	<b>31</b>	<b>(82)</b>
<b>RETAINED EARNINGS, end of year</b>	<b>47</b>	<b>31</b>

**Statement of Cash Flows**  
**for the Year Ended March 31, 2020**

Particulars	2020-19 ₹ In Lakh	2018-19 ₹ In Lakh
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	16	110
Adjustments to reconcile net income to net cash provided by operating activities	0	0
(Increase) decrease in accounts receivable	(40)	(29)
(Increase) decrease in due from related party	0	0
(Increase) decrease in prepaid expenses	(8)	(0)
(Increase) decrease in deferred tax liability	(15)	15
Increase (decrease) in income taxes payable	0	14
Increase (decrease) in security deposits	0	(1)
Increase (decrease) in accounts payable	1	(2)
Increase (decrease) in accrued payroll and payroll taxes	1	0
Increase (decrease) in accrued interest	0	(0)
Net cash provided by (used in) operating activities	(45)	107
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note	0	(52)
Net cash provided by (used in ) financing activities	0	(52)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(45)</b>	<b>55</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>93</b>	<b>38</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>48</b>	<b>93</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest	0	1
Income taxes	34	0

## Notes to Financial Statements March 31, 2020

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

Godavari Biorefineries Inc. (the Company) is a bulk and speciality chemical manufacturer subsidiary located in Ithaca, New York. The Company grants unsecured credit to its customers located through the United States on a limited basis.

#### PROPERTY, PLANT AND EQUIPMENT

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.

#### 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

#### 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 carry forwards. 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 recognised in the financial statements.

#### USE OF ESTIMATES

Management of the Company uses estimates and assumption in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount 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.

#### ACCOUNTS RECEIVABLES

Accounts receivables 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 the accounts receivable. At March 31, 2020 management believed that all account would be received and no allowance for doubtful accounts was required.

### NOTE 2 - INCOME TAXES

The current tax expense for the year ended March 31 is as follows:

	₹ in Lakh		
	Federal	State	Total
Current Tax	3	7	10
Total Expense	3	7	10

### NOTE 3 - RENTAL AGREEMENT

The Company began a lease for operating space located at 103 Carnegie Center, Suite 300, Princeton, New Jersey in December 2017. The current lease term began on January 1, 2020 and expires on December 31, 2020. The monthly rent is ₹ 0.47 lakhs, plus an additional charge for kitchen amenities.

Total rent expense for the year ended March 31, 2020 was ₹ 5.67 Lakhs.

**Notes to Financial Statements March 31, 2020** *(Contd.)***Note 4 - CONCENTRATIONS**

The Company's sales in 2019 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.

**NOTE 5 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through July 27, 2020, the date the financial were available to be issued.

The United States is presently in the midst of a national health emergency due to the Novel Coronavirus (COVID-19) outbreak. Although there is uncertainty regarding the magnitude and duration of the business or economic impacts from the unprecedented public health effort to contain and combat the spread of COVID-19, it has the potential to be significant. However, the impact of this situation on the Company and its future results is not presently determinable.