



VERMA MEHTA & ASSOCIATES

Chartered Accountants

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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, 2021. 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.

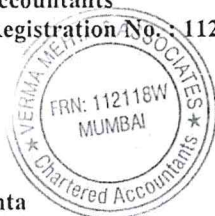
As required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulation”) we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website 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: 21043599AAAAAX6570

GODAVARI BIOREFINERIES INC - FINANCIAL STATEMENTS

Balance Sheet as at 31 March, 2021

(Before appropriation of results)

Particulars	Notes	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Assets			
Non- current assets			
Tangible Fixed assets	1		
Current assets			
Accounts receivables	2	36	110
Other receivables, prepayments and accrued income	3	4	13
Cash and cash equivalents	4	205	48
		245	171
Total Assets		245	171
Liabilities			
Short term liabilities			
Accounts payable		1	2
Income tax payable	5	2	0
Accrued payroll and payroll taxes		3	2
		5	4
Shareholders' equity	6		
Common stock, \$ 100 per value, 5,000 share authorised and 1,550 share issued		103	103
Retained earnings		45	29
Result for the year		78	16
Foreign Translation Reserve		14	19
Total shareholders' equity		240	167

Income Statement for the year ended 31.03.2021

	Notes	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Revenue	7	189	105
General and administrative expenses	8	(32)	(40)
Employment costs	9	(45)	(39)
Operating result		111	25
Finance income/ (costs) Other income			
Result before taxes		111	25
Taxation on result	10	(33)	(10)
Result after taxes		78	15

Notes to the financial statements

1. General

1.1 Operations

Godavari Biorefineries Inc (the Company) is a bulk and specialty chemical manufacturer subsidiary located in New Jersey. The company grants unsecured credit to its customers located throughout the United States on an as limited basis. Godavari Biorefineries Inc is the step down subsidiary of Cayuga Investment BV (registered under the law of the Netherlands). The ultimate parent company is Godavari Biorefineries Limited located in Mumbai, India

1.2 Changes in accounting policies

There are no change in accounting policies during the year 2020/2021.

1.3 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered as a related party. In addition, statutory directors, other key man.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

1.4 Going concern

These financial statements have been prepared on a going concern basis, which is the basis for valuation and determination of results and assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business

The equity of the Company amounted to ₹ 240 Lakh.

2. Accounting policies for the balance sheet

2.1 General information

The Company accounts for uncertainty in income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, Income Taxes. The Guidance prescribes minimum recognition threshold a tax position is required to meet before being recognised in the financial statements.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or lower realizable value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include reference to the notes.

2.2 Foreign currencies

Functional currency

The financial statements are presented in INR in Lakh, which is the functional and presentation currency of Godavari Biorefineries Inc.

Transactions, receivables and debts

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Notes to the financial statements (Contd.)

2.3 Furniture and Fixtures

Furniture and fixtures are valued at historical cost, less straight-line depreciation over their estimated useful lives and impairment losses.

2.4 Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. A provision is raised when a trade receivable is considered uncollectable. It is written off against the allowance account for trade receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

2.6 Inventories

Raw materials and consumables are stated at the lower of cost and net realizable value.

Inventories of finished or partially finished goods are stated at the lower of manufacturing price and net realizable value. Manufacturing price comprises all purchase or conversion costs, and other costs incurred in bringing the inventories to their present location and condition. Conversion cost includes labour costs and mark-ups for fixed and variable production overheads, including costs of the production planning department, maintenance

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Net realizable value is determined making allowance for obsolescence of inventories.

3.1 General information

Profit or loss is determined as the difference between the realizable value of the goods delivered and services rendered, and the cost and other changes for the year. Revenues on transactions are recognized in the year in which they are realized.

3.2 Revenue recognition

On April 1, 2019, the Company adopted FASB's Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers.

All of the Company's revenue from commissions is in the scope of ASC 606 and is recognized in 'Income from Operations' on the Income Statement.

3.3 Exchange differences

Exchange differences arising upon the settlement or conversion of monetary items are recognized in the income statement in the period that they arise.

3.4 General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods sold.

3.5 Depreciation

Property, plant and equipment are depreciated over their estimated useful lives as from the inception of their use. Land and investment property are not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Notes to the financial statements *(Contd.)*

3.6 Employee benefits

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees

3.7 Finance income and costs

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

3.8 Income tax expense

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years and tax-emempt items, and plus non-deductible expenses.

Notes to the financial statements (Contd.)
1 Furniture and Fixtures

Particulars	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Cost price	4	4
Accumulated depreciation	(4)	(4)

Furniture and fixtures are valued at historical cost less straight-line depreciation over their estimated useful lives.

2. Accounts receivables

Particulars	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Commission received from Godavari Biorefineries Ltd	36	110
	36	110

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

3. Other receivables, prepayments and accrued income

Particulars	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Security deposits	0	1
Prepaid expenses	4	12
	4	13

4. Cash and cash equivalents

Particulars	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Chemung Canal- USD	205	48
	205	48

All bank balances are at the Company's free disposal.

5. Taxes payable

Particulars	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Federal tax payable	2	-
State income tax payable	0	0
	2	0

6. Shareholders' equity

The share capital consists of 1,550 common shares of \$ 100 each.

The movements in the period under review can be summarised as follows:

	Issued share capital	Result for the year	Retained earnings	Total
Balance as at 1 April 2020	103	14	45	162
Appropriation of result	-	(14)	14	-
Result for the year	-	78	-	78
Balance as at 31 March 2021	103	78	59	240
Balance as at 1 April 2019	103	15	34	151
Result for the year	-	15	-	15
Balance as at 31 March 2020	103	29	34	167

Notes to the financial statements (Contd.)
7. Revenue

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Commission income	189	105

8. General and administrative expenses

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Rent expense	(4)	(6)
Professional fees	(15)	(10)
Travel and entertainment	-	(10)
Insurance, other taxes and licenses	(4)	(2)
Bank charges	(0)	(0)
Computer expenses	-	(0)
Dues and subscriptions	(9)	(7)
Education and conferences	-	(2)
Office supplies and postage	(0)	(1)
Telephone and internet costs	(0)	(0)
Miscellaneous expenses	(0)	(1)
	(32)	(40)

9. Employment costs

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Payroll, payroll taxes	(45)	(39)
	(45)	(39)

Employment cost during the year consists of salaries expense of ₹ 40 Lakh and payroll taxes of ₹ 5 Lakh.

10. Income tax expense

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Profit/(loss) before tax	111	25
Federal tax expense	(23)	(3)
State tax expense	(11)	(7)
	78	15

Events after the balance sheet date

The Covid-19 pandemic has disrupted various business operations across the world. The Company continues with its operations in a phased manner in line with directives from the authorities. The Company has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results as at March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial

Notes to the financial statements *(Contd.)*

results. The Company will continue to monitor any material changes to future economic conditions and its impact, if any.

Profit appropriation according to the Articles of Association

According to the Articles of Association the annual net profit is at free disposal of the annual shareholders meeting. Dividends can only be declared with due observance of the company's articles of association and to the extent that the company's capital exceeds the paid in and called up capital, increased by the reserves that must be maintained in accordance with the law or its articles of association.

Proposed profit appropriation

The Board of Directors proposes to add the profit for the year to the accumulated result. The profit appropriation is reflected in these financial statements.