



# VERMA MEHTA & ASSOCIATES

Chartered Accountants

104, Creative Industries Premises, Sunder Nagar, Kalina, Santacruz (East), Mumbai - 400 098.  
Tel.: 2666 6359 • Fax : 6693 5131 E-mail : vmaca92@gmail.com

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 B.V. 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 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: 21043599AAAAAU1398



# GODAVARI BIOREFINERIES B.V. - FINANCIAL STATEMENTS

## Financial Statement for the year ended 31 March 2020

Particulars	Notes	31-Mar-20 ₹ In Lakh	31-Mar-19 ₹ In Lakh
<b>Non- current assets</b>			
Tangible fixed assets	1	1	2
		<b>1</b>	<b>2</b>
<b>Current assets</b>			
<b>Receivables</b>	2	255	121
Cash and cash equivalents	3	389	325
		<b>645</b>	<b>446</b>
<b>Short-term liabilities and accrued liabilities</b>	4	<b>316</b>	<b>243</b>
<b>Balance of current assets less short-term liabilities</b>		<b>330</b>	<b>203</b>
<b>Balance of assets less short-term liabilities</b>		<b>330</b>	<b>203</b>
<b>Shareholders' equity</b>			
Issued & paid up capital		902	902
<b>Share premium</b>		8	8
Accumulated deficits		(706)	(873)
Result for the year		107	166
Foreign translation reserve		19	1
		<b>330</b>	<b>203</b>
<b>Total Shareholders' equity</b>	5	330	203
Issued & paid up capital		902	902
Share premium		8	8
Accumulated deficits		(706)	(873)
Result for the year		107	166
Foreign translation reserve		19	1
<b>Income Statement for the year ended 31 March 2020</b>			
Revenue	6	1,651	810
Costs of Goods	7	(1,366)	(454)
General and administrative expenses	8	(65)	(86)
Employment costs	9	(110)	(104)
Depreciation		(1)	
<b>Operating result</b>		<b>109</b>	<b>166</b>
Finance income/ (costs)	10	(3)	(1)
<b>Result before Taxes</b>		<b>107</b>	<b>165</b>
Taxation on result	11	0	0
<b>Result after Taxes</b>		<b>107</b>	<b>165</b>

## Notes to the financial statements

### 1 General

#### 1.1 Operations

Godavari Biorefineries BV is a Dutch private company with limited liability incorporated on Jan 26, 2009 and has its statutory seat in Hoofddorp, the Netherlands. The operations of the Company mainly comprised of commissions in the field of chemicals, alcohol, sugar and sugar products, agro products and related heavy chemicals, organic, bio-chemical and bio-technical products. The Company issues commission invoices to Godavari Biorefineries Ltd (ultimate parent company) for sales done by the ultimate parent company. 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 2019/2020.

#### 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 management of Godavari Biorefineries B.V. and close relatives are regarded as related parties.

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 ₹ 330 lakh.

### 2 Accounting policies for the balance sheet

#### 2.1 General Information

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the Guidelines for Annual Reporting in the Netherlands for small legal entities as issued by the Dutch Accounting Standards Board.

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 recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

#### 2.2 Foreign currencies

##### Functional currency

The financial statements are presented in euros, which is the functional and presentation currency of Godavari Biorefineries B.V.

##### 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 recognized in the income statement.

## **Notes to the financial statements (Contd.)**

### **2.3 Property, plant and equipment**

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 direct labour costs and mark-ups for fixed and variable production overheads, including costs of the production planning department, maintenance division and internal logistics.

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.

Inventory in transit can be specified as material ordered and shipped but not yet received by Godavari Biorefineries B.V. in the port of The Netherlands.

## **3 Accounting policies for the income statement**

### **3.1 General information**

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

### **3.2 Revenue recognition**

#### **Sale of goods**

Revenue from sales of goods is recognised when all significant risk and rewards incidental to the ownership of the goods have been transferred to the buyer.

#### **Sale of services**

Revenue from sale of services is recognised under the percentage of completion method based on the services performed to the balance sheet date as a percentage of the total services to be performed.

### **3.3 Exchange differences**

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

## Notes to the financial statements *(Contd.)*

### 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.

Gains and losses on sales of property, plant and equipment are included in depreciation.

### 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-exempt items, and plus non-deductible expenses.

## 4 Financial instruments and risk management

### 4.1 Price risk

#### Currency risk

Godavari Biorefineries B.V. mainly operates in the European Union. The currency risk for Godavari Biorefineries B.V. largely concerns positions and future transactions in US dollars. Management has determined, based on a risk assessment, that these currency risks need not to be hedged.

#### Interest rate and cashflow risk

Godavari Biorefineries B.V. incurs interest rate risk on receivables and cash and on current liabilities.

### 4.2 Credit risk

Godavari Biorefineries B.V. does not have any significant concentrations of credit risk. Sales are made to customers that meet the Company's credit rating. Goods and services are sold subject to payment deadlines ranging between eight and 30 days. A different payment period may apply to major supplies (90 days), in which case additional securities are demanded, including guarantees.

### 4.3 Liquidity risk

Godavari Biorefineries B.V. uses several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

**Notes to the financial statements (Contd.)**
**1. Property, plant and equipment**

<b>Particulars</b>	<b>31-Mar-20</b> ₹ In Lakh	<b>31-Mar-19</b> ₹ In Lakh
<b>Furniture &amp; fixtures-</b>		
Cost price	10	9
Accumulated depreciation	(7)	(6)
Carrying amount	2	3
Purchase during the year	0	0
Depreciation during the year	(1)	(1)
<b>Balance as at 31 March</b>	<b>1</b>	<b>2</b>

Depreciation of tangible fixed assets is charged on a fixed percentage of the cost price, being furniture & fixtures @ 20% per annum.

**2. Receivables**

<b>Particulars</b>	<b>31-Mar-20</b> ₹ In Lakh	<b>31-Mar-19</b> ₹ In Lakh
Trade receivables	251	102
Other receivables, prepayments and accrued income	5	20
	<b>255</b>	<b>121</b>

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

**Trade receivables**

<b>Particulars</b>	<b>31-Mar-20</b> ₹ In Lakh	<b>31-Mar-19</b> ₹ In Lakh
Trade receivables	251	102
Provision for doubtful debts	-	-
	<b>251</b>	<b>102</b>
Other receivables, prepayments and accrued income		
Security deposits	1	7
Prepayments and accrued income	3	10
VAT	1	3
	<b>5</b>	<b>20</b>

**3. Cash and cash equivalents**

<b>Particulars</b>	<b>31-Mar-20</b> ₹ In Lakh	<b>31-Mar-19</b> ₹ In Lakh
Rabo Bank EUR	304	321
Rabo Bank USD	86	4
	<b>389</b>	<b>325</b>

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

**Notes to the financial statements (Contd.)**
**4. Current Liabilities**

Particulars	31-Mar-20 ₹ In Lakh	31-Mar-19 ₹ In Lakh
Trade payables	205	131
Payroll tax	9	5
Other debts, accruals and deferred	15	13
Loan from Cayuga Investments B.V.	13	24
Advance from Cayuga Investments B.V	74	71
	<b>316</b>	<b>243</b>

**5. Shareholders' Equity**

Particulars	Issued & Paid up share capital	Share premium	Other reserves	Result	Total
Balance as at 1 April 2019	902	8	19	(706)	223
Appropriation of result	0	0	0	0	0
Movement during the year	0	0	0	0	0
Result for the year	0	0	0	107	107
<b>Balance as at 31 March 2020</b>	<b>902</b>	<b>8</b>	<b>19</b>	<b>(599)</b>	<b>330</b>
Balance as at 1 April 2018	902	8	1	(873)	38
Movement during the year					0
Result for the year				116	166
<b>Balance as at 31 March 2019</b>	<b>902</b>	<b>8</b>	<b>1</b>	<b>(707)</b>	<b>203</b>

**6. Revenue**

Particulars	2019-20 ₹ In Lakh	2018-19 ₹ In Lakh
<b>Revenue</b>	<b>1,651</b>	<b>810</b>
<b>Revenue from sales:</b>		
Sales - NL	225	(0)
Sales .EU	1,185	405
Sales - Non EU	68	67
	<b>1,478</b>	<b>471</b>
<b>Revenue from commission:</b>		
Commissions - NL	18	(2)
Commissions - EU	88	0
Commissions ·Outside EU	67	342
	<b>173</b>	<b>339</b>

**7. Cost of goods sold**

Particulars	2019-20 ₹ In Lakh	2018-19 ₹ In Lakh
Goods purchase	(1,366)	(454)
	<b>(1,366)</b>	<b>(454)</b>

**Notes to the financial statements (Contd.)**

**8. General and administrative expenses**

<b>Particulars</b>	<b>2019-20 ₹ In Lakh</b>	<b>2018-19 ₹ In Lakh</b>
Audit fees	(4)	(8)
Chamber of Commerce	0	(0)
Conference and seminar	(4)	0
Contribution and subscriptions	(2)	(1)
Fuel	(1)	(0)
Immigration expenses	(0)	0
Insurance General	0	(0)
Management fees	(1)	(8)
Office rent	(13)	(24)
Office supplies	(0)	(0)
Other general expenses	(1)	(3)
Other housing expenses	0	(1)
Postage and courier	(1)	(0)
Professional fees	(27)	(18)
Rounding off	0	0
Stationary	(0)	0
Telephone and internet costs	(2)	(4)
Travel and accomodation	(9)	(16)
	<b>(65)</b>	<b>(85)</b>

**9. Employment costs**

<b>Particulars</b>	<b>2019-20 ₹ In Lakh</b>	<b>2018-19 ₹ In Lakh</b>
Salaries and wages	(101)	(97)
Social security contributions	(9)	(8)
	<b>(110)</b>	<b>(105)</b>

**10. Finance income and costs**

<b>Particulars</b>	<b>2019-20 ₹ In Lakh</b>	<b>2018-19 ₹ In Lakh</b>
Bank charges	(3)	(3)
Foreign exchange differences	1	2
Interest and similar expense	(1)	(0)
	<b>(3)</b>	<b>(2)</b>

**11. Income tax expense**

<b>Particulars</b>	<b>2019-20 ₹ In Lakh</b>	<b>2018-19 ₹ In Lakh</b>
Profit/(loss) before tax	107	165
Income tax expense	0	0
	<b>107</b>	<b>165</b>



**Notes to the financial statements (Contd.)****12. Board of Directors' remuneration**

<b>Particulars</b>	<b>2019-20</b> <b>₹ In Lakh</b>	<b>2018-19</b> <b>₹ In Lakh</b>
Current Board of Directors	107	165
	<b>107</b>	<b>165</b>

The directors' remuneration includes periodically paid remuneration, such as salaries, holiday allowance and social premiums. Remuneration to be made after a certain term, such as pensions, allowances on termination of employment, profit sharing and bonus payments.

**Events after the balance sheet date**

No events which may substantially effect the financial position of Godavari Biorefineries B.V. and which are relevant to be included in the annual accounts have occurred after the Balance sheet date.

**Average number of employees**

During the year only one employee is on the payroll.

Amsterdam

**Board of Directors**

Prajesh Mistry

S.G. Mokashi

C.W. Faber