



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 B.V. 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 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

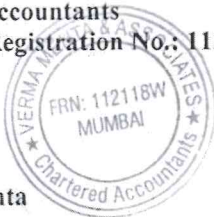
Vimlesh Mehta
Partner

Membership No.: 043599

Place: Mumbai

Date: 23/09/2021

UDIN: 21043599AAAAAW9923



GODAVARI BIOREFINERIES B.V. - FINANCIAL STATEMENTS

Financial Statement for the year ended 31 March 2021

Particulars	Notes	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Non- current assets			
Tangible fixed assets	1	1	1
Current assets			
Receivables	2	317	255
Cash and cash equivalents	3	312	389
		629	645
Short-term liabilities and accrued liabilities	4	106	316
Balance of current assets less short-term liabilities			
Balance of assets less short-term liabilities		523	330
Shareholders' equity	5		
Issued & paid up capital		902	902
Share premium		8	8
Accumulated deficits		(564)	(686)
Result for the year		178	107
		523	330
Total shareholders' equity		523	330
Revenue	6	1877	1651
Costs of goods	7	(1545)	(1366)
General and administrative expenses	8	(37)	(67)
Employment costs	9	(118)	(110)
Depreciation		(1)	(1)
Operating result		176	107
Finance income/ (costs)	10	(10)	0
Other income	11	12	
Result before taxes		178	107
Taxation on result	12	0	0
Result after taxes		178	107

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 2020/2021.

1.3 Related party transactions

All legal entities that it 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 Bv 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 ₹ 523 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 Part9, 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 reference 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 recognised 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 recognised at 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 recognised 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 costs 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 realisable 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 the Godavari Biorefineries B.V. in the port of The Netherlands.

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 charges for the year. Revenues on transactions are recognised in the year in which are realized.

3.2 Revenue recognition

Sale of goods

Revenue from the sale 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 the 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 from the settlement or conversion of monetary items are recognised 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.

Notes to the financial statements (Contd.)

3.5 Depreciation

Property, plant and equipment are depreciated over their estimated useful lives as from the inception of their use. Land and the 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 recognised 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 cash flow 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. 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. 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

Furniture & fixtures-	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Cost price	10	10
Accumulated depreciation	(8)	(7)
Carrying amount	2	2
Purchase during the year	-	-
Depreciation during the year	(1)	(1)
Balance as at 31 March	1	1

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

2. Receivables

	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Trade receivables	299	251
Other receivables , prepayments and accrued income	18	5
	317	255
All receivables. fall due in less than one year. The fair value of the receivables approximates the book value.		
Other receivables, prepayments and accrued income		
Security deposits	1	1
Peypments and accrued income	4	3
VAT	2	1
C/a Cayuga Investments B.V	12	-
	18	5

3. Cash and cash equivalents

	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Rabo bank EUR	177	314
Rabo bank USO	135	76
	312	389

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

4. Current Liabilities

	31-Mar-21 ₹ In Lakh	31-Mar-20 ₹ In Lakh
Trade payables	74	205
Payroll liabilities	10	9
Other debts and accruals	22	15
Loan from Cayuga Investments B.V.	-	13
Advance from Cayuga Investments B.V	-	74
	106	316

All current liabilities fall due in less than one year. the fair value of the current liabilities approximates the book value due to its short term character.

Notes to the financial statements (Contd.)

The company has to repay ₹ 9.47 Lakh received under NOW (Temporary Emergency Bridging Employment Measure) scheme to UWV for the 2nd calculation period and the same has been shown under other debts and accruals.

The Company has received a term loan of ₹ 36.75 Lakh in the year 2017-18 from Cayuga Investments BV bearing interest at 1.5% + 3 month EURIBOR P.A. Termination date of the loan is 31st October 2020. On 08th May 2020, the loan was fully repaid.

5. Shareholders' equity

The Share capital consists of 1,217,761 ordinary shares of EUR 1 each.

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

Particulars	Issued & paid up share capital	Share Premium	Result	Total
Balance as at 1 April 2020	902	8		311
Appropriation of result	-	-		35
Movement during the year	-	-	-	-
Result for the year	-	-	178	178
Balance as at 31 March 2021	902	8	178	523
Balance as at 1 April 2019	902	8	-	204
Movement during the year	-	-	-	19
Result for the year	-	-	107	107
Balance as at 31 March 2020	902	8	107	330

6. Revenue

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
	1,877	1,651
Revenue from sales:		
Sales - NL	387	
Sales - EU	1,157	1,478
Sales - Non EU	162	
	1,706	1,478
Revenue from commission:		
Commissions - NL	6	
Commissions - EU	58	173
Commissions - Non EU	107	
	171	173

7. Cost of good sold

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Good purchase	(1,545)	(1,366)

Notes to the financial statements (Contd.)

8. General and administrative expenses

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Audit fees	(3)	(4)
Conference and seminar	(0)	(4)
Contribution and subscriptions	(0)	(2)
Fuel	(1)	(1)
Immigration expenses	-	(0)
Insurances general	(3)	-
Management fees	(8)	1
Office rent	(8)	(13)
Office supplies	(2)	(0)
Other general expenses	(2)	(4)
Postage and courier	(0)	(1)
Professional fees	(17)	(27)
Rounding off	0	0
Stationary	-	(0)
Telephone and internet costs	(2)	(5)
Travel and accomodation	(2)	(6)
	(47)	(67)

9. Employment costs

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Salaries and wages	(110)	(110)
Social security contributions	(9)	-
	(118)	(110)

10. Finance income and costs

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Bank charges	(2)	-
Foreign exchange differences	(8)	-
Interest and similar expense	-	-
	(10)	-

11. Other Income

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Benefit- NOW scheme	12	-
Other Income	0	-
	12	-

Notes to the financial statements (Contd.)**12. Income Tax expense**

A profit was realised in the amount of ₹ 155.71 Lakh due to the compensable losses of previous years there is no income tax payable for year 2020/2021

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Profit/(loss) before tax	178	107
Income Tax expense		
	178	107

13. Board of Directors' remuneration

Particulars	2020-21 ₹ In Lakh	2019-20 ₹ In Lakh
Current Board of Directors	112	99
	112	99

The directors' remuneration includes periodically paid remuneration, such as salaries and holiday allowance.

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

Average number of employees

During the year only one employee is on the payroll.

Amsterdam,

The Board of Directors

Prajesh Mistry

S.G. Mokashi

C.W. Faber