

**Financial Statements**

**31 March 2019**

**Godavari Biorefineries B.V.**

**Haarlem, The Netherlands.**

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## Balance sheet as at 31 March 2019

(after profit appropriation)

		31 March 2019		31 March 2018	
		<hr/>		<hr/>	
Note	Note	€	€	€	€
<b>Non-current assets</b>					
	5	2,630		3,506	
		<hr/>		<hr/>	
			2,630		3,506
<b>Current assets</b>					
	6	156,160		125,869	
	7	418,269		58,907	
		0		0	
		<hr/>		<hr/>	
			574,429		184,776
			<hr/>		<hr/>
			577,059		188,282
			<hr/>		<hr/>

		31 March 2019		31 March 2018	
		<hr/>		<hr/>	
Note	Note	€	€	€	€
<b>Equity and liabilities</b>					
Note					
<b>Equity</b>					
	8				
	9	1,217,761		1,217,761	
	8	9,999		9,999	
	8	(1,172,487)		(1,291,754)	
	8	209,185		119,268	
		<hr/>		<hr/>	
			264,458		55,274
<b>Current liabilities</b>					
	10		312,601		133,008
			<hr/>		<hr/>
			577,059		188,282
			<hr/>		<hr/>

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## Income statement for the year ended 31 March 2019

		2018 - 2019		2017 - 2018	
	Note	€	€	€	€
Note					
Revenue					
Turnover I sales		593,447		259,446	
Cost of sales		(573,150)		(237,958)	
Storage and transport costs		0		1,323	
Commission revenue		428,322		354,034	
<b>Gross (loss)/profit</b>			448,620		376,845
Selling expenses					
General and administrative Expenses		(131,654)		(130,333)	
		(105,638)		(114,526)	
<b>Total expenses</b>			(237,292)		(244,859)
Operating (loss)/profit					
Finance, income and costs	13		211,328		(131,986)
			(2,143)		(12,718)
<b>(Loss)/Profit before tax</b>			209,185		119,268
Income tax expense	14		0		0
<b>(Loss)/Profit after tax for the year</b>			209,185		119,268

## Notes to the financial statements

### 1 General information

#### 1.1 Operations

The operations of Godavari Biorefineries B.V., with its statutory seat in Amsterdam, are mainly comprised of commissions in the field of chemicals, alcohol, sugar and sugar products, agro products and related heavy chemicals, (in)organic, bio-chemical and bio-technical products. The Company issues commission invoices to its shareholder for sales done by the shareholder. The ultimate parent company is Godavari Biorefineries Limited located in Mumbai, India.

#### 1.2 Changes in accounting policies

The accounting policies have not changed in 2018/2019.

#### 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 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 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. If necessary, for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

## 1.5 Going Concern

The directors of the Company were of the opinion that the existing pattern of business for trading of single product (Ethyl Acetate) was risk prone and would lead to more losses due to market volatility.

The business pattern has reverted to the earlier business process for specialty chemicals & for Ethyl Acetate. The ongoing transactions were completed by January 2017 and the commission business model has been implemented with increased quantum of commission.

The level of shareholder support does include headroom for these uncertainties but actual volatilities have been factored in the assumptions. Based on the developments till date and expected developments, the company have return to a profitable business and that the Going Concern assumption is appropriate.

Therefore the accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

## 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.

### 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 realizable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

#### **3.2 Revenue recognition**

##### **Sales of goods**

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

##### **Sales of services**

Revenue from sales of services is recognized 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.

#### **3.4 Revenue**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

#### **3.5 Selling expenses, and general and administrative expenses**

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

#### **3.6 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.

### 3.7 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.

### 3.8 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.

### 3.9 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. 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.

## 5 Property, plant and equipment

Movements in furniture & fixtures can be broken down as follows:

	Furniture & fixtures
	€
<b>At 1 April 2018</b>	
Cost price	11,503
Accumulated depreciation	(7,997)
	<hr/>
Carrying amount	3,506
	<hr/>
Movements	
Purchased	0
Depreciated	(876)
	<hr/>
Balance	2,630
	<hr/>
<b>At 31 March 2019</b>	
Cost price	11,503
Accumulated depreciation	(8,873)
	<hr/>
Carrying amount	2,630
	<hr/>
Depreciation rate	20%

## 6 Receivables

	31-03-2019	31-03-2018
	Total	Total
	€	€
Trade receivables	130,935	99,197
Other receivables, prepayments and accrued income	25,225	26,672
	<hr/>	<hr/>
	156,160	125,869
	<hr/>	<hr/>

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

Trade receivables

31-03-2019      31-03-2018

€                      €

Trade Receivables	130,935	143,067
Provision for doubtful debts	(0)	(43,870)
	<u>130,935</u>	<u>99,197</u>

Other receivables, prepayments and accrued income

31-03-2019      31-03-2018

€                      €

Security deposits	8,847	8,847
Prepayments and accrued income	12,566	13,111
VAT	3812	4,714
	<u>25225</u>	<u>26,672</u>

**7 Cash and cash equivalents**

This item in the cash flow statement is comprised as follows:

31-03-2019      31-03-2018

€                      €

Bank balances	418,269	58,907
	<u>418,269</u>	<u>58,907</u>

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

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## 8 Equity

	Issued share capital	Share Premium	Other Reserves	Total
	€	€	€	€
<b>At 1 April 2018</b>	1,217,761	9,999	-1,172,486	55,274
<b>Changes</b>				
Profit appropriation	-	-	209,184	209,184
<b>At 31 March 2019</b>	<u>1,217,761</u>	<u>9,999</u>	<u>(963,302)</u>	<u>264,458</u>

## 9 Share capital

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

## 10 Current liabilities

	31-03-2019	31-03-2018
	€	€
Trade payables	168,780	72,064
Receivable	0	0
Payroll tax	6,123	4,633
Other debts, accruals and deferred income	16,664	10,968
Loan from Cayuga Investments B.V.	30,290	45,343
Advance from Cayuga Investments B.V.	90,744	-
	<u>312,601</u>	<u>133,008</u>

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.

The Company has received in the previous year (2017-18) a loan of EUR 50,000 from Cayuga Investments B.V. bearing interest at 1.5% + 3 month EURIBOR p.a. Maturity is in arrears but no later than five years from lending date. During the year some part repayments were settled from this loan.

## 11 Contingent liabilities

The Company has contracted annual rental obligations for its office space in Haarlem. The annual rent amounts to EUR 36,218 and has a termination period of 12 months.

## 12 Payroll expenses

	2018 - 19	2017 - 18
	€	€
Salaries and wages	120,3726	115,316
Social security contributions	10,405	12,411
	<u>130,777</u>	<u>127,727</u>

The above employee benefits expense is included in cost of sales and selling expenses and general and administrative expenses, depending on the activities of the employees in question.

## 13 Finance income and (costs)

	2018 - 19	2017 - 18
	€	€
Interest and similar expense	4,119	(272)
Foreign exchange differences	1,975	(12,446)
	<u>(2,144)</u>	<u>(12,718)</u>

#### 14 Income Tax Expense

A profit was realized in the amount of EUR 209,184 Due to the compensable losses of previous years there is no income tax payable for the year 2018/2019.

	2018 - 19	2017- 18
	€	€
(loss)/profit before tax	209,184	119,268
Income tax expense	-	-

#### 15 Board of Directors' remuneration

	2018 - 19	2017- 18
	€	€
Current Board of Directors	114,372	111,766

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

#### 16 Average number of employees

During the year only one employee is on the payroll.

## 17 Events after the balance sheet date

No events of any material nature occurred after the balance sheet date of this report.

Haarlem, The Netherlands,  
Godavari Biorefineries B.V.

The Board of Directors,

P.M. Mistry

S. G. Mokashi

C. W. Faber

## Other information

### 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 deficit. The profit appropriation is reflected in these financial statements.