

Financial Statement for the year ended 31 March 2021

Godavari Biorefineries B.V.

Hoofddorp, The Netherlands

Address of the Company : Hoofdweg 640, 2C-5 2nd Floor,
2132 MK Hoofddorp, The Netherlands

Chamber of Commerce : Amsterdam

File Number : 34 325 188

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Godavari Biorefineries B.V.

KVK Den Haag: 71372822
BTW-nr: 8586.90.408 B01

A. Report on the audit of the financial statements 2020-2021 included in the annual report

We were engaged to audit the accompanying financial statements for the year ended 31 March 2021 of Godavari Biorefineries B.V. based in Hoofddorp.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Godavari Biorefineries B.V. for the year ended as at 31 March 2021 and of its result for 2020/2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 March 2021;
- the profit and loss account for the period 1 April 2020 up to and including 31 March 2021 and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Godavari Biorefineries B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

Other matter paragraph

This auditor's report is intended solely for Godavari Biorefineries B.V. and shareholder's. This auditor's report is provided solely in the context of the Board of Directors and shareholder's and should therefore not be used for other purposes.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

We were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720.

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C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

For a further explanation of our responsibilities and audit procedures, we refer to the website of the NBA: Koninklijke Nederlandse Beroepsorganisatie van Accountants: <http://www.nba.nl/ENG> algemeen 01.

The Hague, 22th April 2021

Ramdas & Partners
IAC Audit & Assurance B.V.


drs. S. Ramdas RA

Initials for authentication purposes: 

Balance Sheet as at 31 March 2021*(Before appropriation of results)*

	Notes	<u>31-Mar-2021</u> EUR	<u>31-Mar-2020</u> EUR
Non- current assets			
Tangible fixed assets	1	<u>876</u>	<u>1,753</u>
		876	1,753
Current assets			
Receivables	2	368,275	307,406
Cash and cash equivalents	3	<u>362,091</u>	<u>468,944</u>
		730,366	776,350
Short-term liabilities and accrued liabilities	4	<u>123,391</u>	<u>380,760</u>
Balance of current assets less short-term liabilities		606,975	395,590
Balance of assets less short-term liabilities		<u>607,852</u>	<u>397,343</u>
Shareholders' equity			
	5		
Issued & paid up capital		1,217,761	1,217,761
Share premium		9,999	9,999
Accumulated deficits		(830,417)	(963,302)
Result for the year		<u>210,509</u>	<u>132,885</u>
		607,852	397,343
Total shareholders' equity		<u>607,852</u>	<u>397,343</u>

Income statement for the year ended 31 March 2021

	Notes	2020-21 EUR	2019-20 EUR
Revenue	6	2,219,800	2,053,991
Costs of goods	7	(1,826,904)	(1,699,982)
General and administrative expenses	8	(43,775)	(80,464)
Employment costs	9	(139,977)	(136,877)
Depreciation		(876)	(876)
Operating result		208,267	135,792
Finance income/ (costs)	10	(12,146)	(2,907)
Other income	11	14,387	-
Result before taxes		210,509	132,885
Taxation on result	12	-	-
Result after taxes		210,509	132,885

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 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 EUR 607,852.

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.

Notes to the financial statements (continued...)

2 Accounting policies for the balance sheet (continued...)

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.

Notes to the financial statements (continued...)

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.

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 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.

Notes to the financial statements (continued...)

1 Property, plant and equipment

	31 Mar 2021	31 Mar 2020
	Euro	Euro
Furniture & fixtures-		
Cost price	11,503	11,503
Accumulated depreciation	(9,750)	(8,873)
Carrying amount	1,753	2,629
Purchase during the year	-	-
Depreciation during the year	(876)	(876)
Balance as at 31 March	<u>876</u>	<u>1,753</u>

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

2 Receivables

Trade receivables	346,836	301,664
Other receivables, prepayments and accrued income	21,439	5,743
	<u>368,275</u>	<u>307,406</u>

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	750	750
Prepayments and accrued income	5,021	3,366
VAT	1,780	1,626
C/a Cayuga Investments B.V	13,888	-
	<u>21,439</u>	<u>5,743</u>

3 Cash and cash equivalents

Rabo bank EUR		205,009	377,859
Rabo bank USD	USD	184,179	157,082
		<u>362,091</u>	<u>468,944</u>

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

Notes to the financial statements (continued...)

4 Current liabilities

	31 Mar 2021	31 Mar 2020
	Euro	Euro
Trade payables	86,356	246,681
Payroll liabilities	11,536	11,426
Other debts and accruals	25,499	18,276
Loan from Cayuga Investments B.V.	-	15,632
Advance from Cayuga Investments B.V.	-	88,746
	<u>123,391</u>	<u>380,760</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 to repay € 12,880 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 loan of EUR 50,000 in the year 2017-18 from Cayuga Investments B.V. bearing interest at 1.5% + 3 month EURIBOR P.A. Termination date of the loan is 31st October 2020. On 8th 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 movements in the period under review can be summarised as follows:

	Issued & paid up share capital	Share premium	Other reserves	Result	Total
Balance as at 1 April 2020	1,217,761	9,999	(963,302)	132,885	397,343
Appropriation of result		-	132,885	(132,885)	-
Movement during the year	-	-	-	-	-
Result for the year	-	-	-	210,509	210,509
Balance as at 31 March 2021	<u>1,217,761</u>	<u>9,999</u>	<u>(830,417)</u>	<u>210,509</u>	<u>607,852</u>
Balance as at 1 April 2019	1,217,761	9,999	(963,302)	-	264,458
Movement during the year	-	-	-	-	-
Result for the year	-	-	-	132,885	132,885
Balance as at 31 March 2020	<u>1,217,761</u>	<u>9,999</u>	<u>(963,302)</u>	<u>132,885</u>	<u>397,343</u>

Notes to the financial statements (continued...)

	2020-21	2019-20
	Euro	Euro
6 Revenue	2,219,800	2,053,991
<i>Revenue from sales:</i>		
Sales - NL	458,139	280,422
Sales - EU	1,368,533	1,473,839
Sales - Non EU	190,980	84,436
	<u>2,017,653</u>	<u>1,838,697</u>
<i>Revenue from commission:</i>		
Commissions - NL	7,348	22,811
Commissions - EU	68,671	109,361
Commissions - Non EU	126,128	83,121
	<u>202,147</u>	<u>215,294</u>
7 Cost of goods sold		
Goods purchase	(1,826,904)	(1,699,982)
	<u>(1,826,904)</u>	<u>(1,699,982)</u>
8 General and administrative expenses		
Audit fees	(3,000)	(4,500)
Conference and seminar	(126)	(4,618)
Contribution and subscriptions	(503)	(1,894)
Fuel	(1,030)	(1,416)
Immigration expenses	-	(456)
Insurances general	(3,000)	-
Management fees	(10,000)	(10,000)
Office rent	(9,077)	(16,660)
Office supplies	(2,093)	(197)
Other general expenses	(334)	(1,143)
Postage and courier	(187)	(983)
Professional fees	(10,502)	(24,022)
Rounding off	26	49
Stationary	-	(288)
Telephone and internet costs	(1,645)	(3,072)
Travel and accomodation	(2,305)	(11,264)
	<u>(43,775)</u>	<u>(80,464)</u>

Notes to the financial statements (continued...)

	2020-21	2019-20
	Euro	Euro
9 Employment costs		
Salaries and wages	(129,600)	(126,107)
Social security contributions	(10,377)	(10,770)
	<u>(139,977)</u>	<u>(136,877)</u>
10 Finance income and costs		
Bank charges	(2,793)	(3,318)
Foreign exchange differences	(9,328)	754
Interest and similar expense	(25)	(342)
	<u>(12,146)</u>	<u>(2,907)</u>
11 Other income		
Benefit- NOW scheme	14,368	-
Other income	19	-
	<u>14,387</u>	<u>-</u>

The Company has received benefit of € 14,368 under NOW (Temporary Emergency Bridging Employment Measure) scheme from UWV for the 1st calculation period.

12 Income tax expense

A profit was realized in the amount of EUR 211,851 Due to the compensable losses of previous years there is no income tax payable for the year 2020/2021.

Profit/(loss) before tax	210,509	132,885
Income tax expense	-	-
	<u>210,509</u>	<u>132,885</u>

13 Board of Directors' remuneration

Current board of directors	129,600	119,199
	<u>129,600</u>	<u>119,199</u>

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

Supplementary information

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 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, _____ 2021

Prijesh 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.