

Financial Statement for the period ended 31st March 2022

**Godavari Biorefineries B.V.
Hoofddorp, The Netherlands**

Address of the Company : Opaallan 1180, 2132 LN 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 2022 included in the annual report

We were engaged to audit the accompanying financial statements for the period ended 31 March 2022 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 period ended 31 March 2022 and of its result for the period 1 April 2021 up to and including 31 March 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 March 2022;
- the profit and loss account for the period 1 April 2021 up to and including 31 March 2022 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, 25th April 2022

Ramdas & Partners
IAC Audit & Assurance B.V.


drs. S. Ramdas RA

Initials for authentication purposes: 

Balance Sheet as at 31st March 2022*(Before appropriation of results)*

	Notes	31-Mar-2022 EUR	31-Mar-2021 EUR
Non- current assets			
Tangible fixed assets	1	-	876
		-	876
Current assets			
Inventory	2	129,874	-
Receivables	3	548,545	368,275
Cash and cash equivalents	4	696,157	362,091
		1,374,576	730,366
Short-term liabilities and accrued liabilities	5	183,287	123,391
Balance of current assets less short-term liabilities		1,191,289	606,975
Balance of assets less short-term liabilities		1,191,289	607,852
Shareholders' equity			
Issued & paid up capital	6	1,217,761	1,217,761
Share premium		9,999	9,999
Accumulated deficits		(619,908)	(830,417)
Result for the period		583,437	210,509
		1,191,289	607,852
Total shareholders' equity		1,191,289	607,852

Profit and Loss account for the period 1st April to 31st March 2022

	Notes	<u>2021-22</u> EUR	<u>2020-21</u> EUR
Revenue	7	5,951,411	2,219,800
Costs of goods	8	(5,110,173)	(1,826,904)
General and administrative expenses	9	(97,738)	(43,775)
Employment costs	10	(176,425)	(139,977)
Depreciation		(876)	(876)
Operating result		<u>566,199</u>	<u>208,267</u>
Finance income/ (costs)	11	17,147	(12,146)
Other income	12	92	14,387
Result before taxes		<u>583,437</u>	<u>210,509</u>
Taxation on result	13	-	-
Result after taxes		<u><u>583,437</u></u>	<u><u>210,509</u></u>

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 period April 2021 to March 2022.

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 1,191,289

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 period-end exchange rates are recognized in the Profit and Loss account.

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 revalued figures. 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 profit and loss account 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 profit and loss account.

3.6 Employee benefits

Short-term employee benefits

Salaries, wages and social security contributions are taken to the profit and loss account 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 profit and loss account, taking into account any losses carried forward from previous financial years, tax-exempt items and non-deductible expenses.

Notes to the financial statements (continued...)

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, cash and 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 2022	31 Mar 2021
	Euro	Euro
Furniture & fixtures-		
Cost price	11,503	11,503
Accumulated depreciation	(10,626)	(9,750)
Carrying amount	876	1,753
Purchase during the period	-	-
Depreciation during the period	(876)	(876)
Balance as at 31 March 2022	-	876

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

2 Inventory

Goods in transit	129,874	-
	129,874	-

3 Receivables

Trade receivables	328,171	346,836
Other receivables, prepayments and accrued income	220,374	21,439
	548,545	368,275

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	1,029	750
Prepayments and accrued income	4,909	5,021
VAT	2,014	1,780
C/a Cayuga Investments B.V	23,985	13,888
Advance paid to supplier	187,926	-
Other receivables	511	-
	220,374	21,439

4 Cash and cash equivalents

Rabo bank EUR		139,173	205,009
Rabo bank USD	USD	618,308	556,984
		696,157	362,091

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

Notes to the financial statements (continued...)

5 Current liabilities

	31 Mar 2022	31 Mar 2021
	Euro	Euro
Trade payables	1,445	86,356
Advance received from customer	13,228	-
Payroll liabilities	17,660	11,536
Other debts and accruals	18,404	25,499
Loan from Cayuga Investments B.V	131,400	-
Interest on loan from Cayuga	1,150	-
	<u>183,287</u>	<u>123,391</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.

During the period, the Company took a loan of € 131,400 from Cayuga Investments B.V bearing interest at 1.5% + 3 Months EURIBOR p.a. The loan is taken for the duration of one year.

The Company has repaid € 12,880 received under NOW (Temporary Emergency Bridging Employment Measure) scheme to UWV for the 2nd calculation period.

6 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 2021	1,217,761	9,999	(830,417)	210,509	607,852
Appropriation of result		-	210,509	(210,509)	-
Movement during the period	-	-	-	-	-
Result for the period	-	-	-	583,437	583,437
Balance as at 31 March 2022	<u>1,217,761</u>	<u>9,999</u>	<u>(619,908)</u>	<u>583,437</u>	<u>1,191,289</u>
Balance as at 1 April 2020	1,217,761	9,999	(830,417)	-	397,343
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>

Notes to the financial statements (continued...)

	2021-22	2020-21
	Euro	Euro
7 Revenue	5,951,411	2,219,800
<i>Revenue from sales:</i>		
Sales - NL	915,118	458,139
Sales - EU	3,422,284	1,368,533
Sales - Non EU	1,387,134	190,980
	<u>5,724,535</u>	<u>2,017,653</u>
<i>Revenue from commission:</i>		
Commissions - NL	-	7,348
Commissions - EU	49,270	68,671
Commissions - Non EU	177,605	126,128
	<u>226,875</u>	<u>202,147</u>
8 Cost of goods sold		
Goods purchase	(5,110,173)	(1,826,904)
	<u>(5,110,173)</u>	<u>(1,826,904)</u>
9 General and administrative expenses		
Audit fees	(3,000)	(3,000)
Conference and seminar	(3,292)	(126)
Contribution and subscriptions	(700)	(503)
Commission expense	(41,412)	-
Fuel	(1,890)	(1,030)
Insurances general	(5,319)	(3,000)
Management fees	(10,000)	(10,000)
Office rent	(11,588)	(9,077)
Office supplies	(71)	(2,093)
Other general expenses	(3,399)	(334)
Postage and courier	(194)	(187)
Professional fees	(10,577)	(10,502)
Rounding off	25	26
Telephone and internet costs	(2,139)	(1,645)
Chamber of commerce	(15)	-
Business Promotion expenses	(960)	-
Travel and accomodation	(3,206)	(2,305)
	<u>(97,738)</u>	<u>(43,775)</u>

Notes to the financial statements (continued...)

	2021-22	2020-21
	Euro	Euro
10 Employment costs		
Salaries and wages	(166,520)	(129,600)
Social security contributions	(9,905)	(10,377)
	<u>(176,425)</u>	<u>(139,977)</u>
11 Finance income and costs		
Bank charges	(4,381)	(2,793)
Foreign exchange differences	22,679	(9,328)
Interest and similar expense	(1,150)	(25)
	<u>17,147</u>	<u>(12,146)</u>
12 Other income		
Benefit- NOW scheme	-	14,368
Other income	92	19
	<u>92</u>	<u>14,387</u>
<p>During the year 2020-21, the Company had received benefit of € 14,368 under NOW (Temporary Emergency Bridging Employment Measure) scheme from UWV for the 1st calculation period.</p>		
13 Income tax expense		
<p>A profit was realized in the amount of EUR 583,437 during the period but due to the compensable losses of previous years there is no income tax payable.</p>		
Profit/(loss) before tax	583,437	210,509
Income tax expense	-	-
	<u>583,437</u>	<u>210,509</u>
14 Board of Directors' remuneration		
Current board of directors	166,520	129,600
	<u>166,520</u>	<u>129,600</u>

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

Notes to the financial statements (continued...)

COVID-19 Impact

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, 2022. 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 period only one employee is on the payroll.

Events after the balance sheet date

No events which may substantially effect the financial position of the Company and which are relevant to announce in the annual accounts have occurred after the balance sheet date.

Amsterdam, _____ 2022

Prajesh 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 profit for the period ended 31 March 2022 has been included under result for the period in shareholder's equity. The result for the year 2020-21 has been appropriated in the retained earnings.

Auditor's report

Based on article 2:396 section 6 of the Dutch Civil Code, the company is exempt from the obligation to have the annual accounts audited. However, the company has get its accounts audited voluntarily.