



V S C & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Godavari Biorefineries Inc.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Godavari Biorefineries Inc. ("the Company"), which comprises of the Balance Sheet as at March 31 2021, and the Statement of Profit and Loss for the year April 1, 2020 to March 31 2021 and the related notes to the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in the United States of America of the state of affairs of the Company as at March 31 2021, its profit (financial performance including other comprehensive income) for the year ended on that date.

Basis for Opinion

We have reviewed the financial statements in accordance with the relevant Auditing and Assurance Standards. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these standalone Financial Statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), of the Company in accordance with the accounting principles generally accepted in the United States of America. This responsibility also includes the maintenance of adequate accounting records in accordance with the applicable provisions of the local law for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. 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 standalone financial statements. As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit.

We have reviewed the financial statements in accordance with the relevant Auditing and Assurance Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial Statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

For and on Behalf of,
M/s V S C & Company
(Chartered Accountants)

Vikas S. Chaturvedi
(Partner)
M. No.: 112241

Place: Gurugram
Date: 17-05-2021

UDIN: 21112241AAAAAA8461

Financial Statement for the year ended 31 March 2021

Godavari Biorefineries Inc.

Delaware, United State of America

Office address of the Company : 103, Carriegie Center Dr. Suite 300
369, Princeton, NJ 08540 USA

File Number : 4668799

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

	Notes	<u>31-Mar-2021</u>	<u>31-Mar-2020</u>
		\$	\$
Assets			
Non- current assets			
Tangible fixed assets	1	<u>-</u>	<u>-</u>
		-	-
Current assets			
Accounts receivables	2	49,252	1,45,367
Other receivables, prepayments and accrued income	3	5,383	17,741
Cash and cash equivalents	4	<u>2,78,592</u>	<u>63,428</u>
		3,33,227	2,26,536
Total Assets		<u>3,33,227</u>	<u>2,26,536</u>
Liabilities			
Shore term liabilities			
Accounts payable		729	2,550
Income tax payable	5	2,771	75
Accrued payroll and payroll taxes		<u>3,424</u>	<u>2,482</u>
		6,924	5,107
Shareholders' equity	6		
Common stock, \$100 per value, 5,000 share authorised, and 1,550 share issued		1,55,000	1,55,000
Retained earnings		66,427	44,759
Result for the year		<u>1,04,877</u>	<u>21,668</u>
		3,26,304	2,21,427
Total shareholders' equity		<u>3,33,227</u>	<u>2,26,536</u>

Income statement for the year ended 31 March 2021

	Notes	<u>2020-21</u>	<u>2019-20</u>
		\$	\$
Revenue	7	2,53,765	1,45,367
General and administrative expenses	8	(43,464)	(55,218)
Employment costs	9	(60,550)	(54,413)
Operating result		<u>1,49,751</u>	<u>35,736</u>
Finance income/ (costs)		-	-
Other income		-	264
Result before taxes		<u>1,49,751</u>	<u>36,000</u>
Taxation on result	10	(44,874)	(14,332)
Result after taxes		<u><u>1,04,877</u></u>	<u><u>21,668</u></u>

Notes to the financial statements

1 General

1.1 Operations

Godavari Biorefineries Inc (the Company) is a bulk and specialty chemical manufacturer subsidiary located in New Jersey. The company grants unsecured credit to its customers located throughout the United states on as limited basis. Godavari Biorefineris Inc. is the step down subsidiary of Cayuga Investment BV (registered under the law of the Netherlands). 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 Inc. 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 \$ 326,304.

2 Accounting policies for the balance sheet

2.1 General information

The Company accounts for uncertainty in income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, Income Taxes. The Guidance prescribes a minimum recognition threshold a tax position is required to meet before being recognised in the financial statements.

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 USD, which is the functional and presentation currency of Godavari Biorefineries Inc.

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 Furniture and Fixtures

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.

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

On April 1, 2019, the Company adopted FASB's Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers.

All of the Company's revenue from commissions is in the scope of ASC 606 and is recognized in 'Income from Operations' on the Income Statement.

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.

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.

Notes to the financial statements (continued...)**1 Furniture and Fixtures**

	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>
	\$	\$
Furniture & fixtures-		
Cost price	5,339	5,339
Accumulated depreciation	<u>(5,339)</u>	<u>(5,339)</u>
Carrying amount	-	-
Purchase during the year	-	-
Depreciation during the year	<u>-</u>	<u>-</u>
Balance as at 31 March	<u><u>-</u></u>	<u><u>-</u></u>

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

2 Accounts receivables

Commission receivable from Godavari Biorefineries Ltd	<u>49,252</u>	<u>1,45,367</u>
	<u><u>49,252</u></u>	<u><u>1,45,367</u></u>

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

3 Other receivables, prepayments and accrued income

Security deposits	60	1,240
Prepaid expenses	<u>5,323</u>	<u>16,501</u>
	<u><u>5,383</u></u>	<u><u>17,741</u></u>

4 Cash and cash equivalents

Chemung Canal- USD	<u>2,78,592</u>	<u>63,428</u>
	<u><u>2,78,592</u></u>	<u><u>63,428</u></u>

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

Notes to the financial statements (continued...)

5 Taxes payable	31 Mar 2021	31 Mar 2020
	\$	\$
Federal tax payable	2,426	-
State income tax payable	345	75
	<u>2,771</u>	<u>75</u>

6 Shareholders' equity

The share capital consists of 1,550 common shares of \$ 100 each.

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

	Issued share capital	Result for the year	Retained earnings	Total
Balance as at 1 April 2020	1,55,000	21,668	44,759	2,21,427
Appropriation of result	-	(21,668)	21,668	-
Result for the year	-	1,04,877	-	1,04,877
Balance as at 31 March 2021	<u>1,55,000</u>	<u>1,04,877</u>	<u>66,427</u>	<u>3,26,304</u>
Balance as at 1 April 2019	1,55,000	-	44,759	1,99,759
Result for the year	-	21,668	-	21,668
Balance as at 31 March 2020	<u>1,55,000</u>	<u>21,668</u>	<u>44,759</u>	<u>2,21,427</u>

Notes to the financial statements (continued...)

	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
7 Revenue		
Commission income	2,53,765	1,45,367
8 General and administrative expenses		
Rent expense	(5,268)	(7,845)
Professional fees	(20,679)	(14,308)
Travel and entertainment	-	(13,982)
Insurance, other taxes and licenses	(4,712)	(3,229)
Bank charges	(105)	(30)
Computer expenses	-	(117)
Dues and subscriptions	(12,093)	(10,291)
Education and conferences	-	(3,130)
Office supplies and postage	(227)	(710)
Telephone and internet costs	(69)	(90)
Miscellaneous expenses	(312)	(1,486)
	<u>(43,464)</u>	<u>(55,218)</u>
9 Employment costs		
Payroll, payroll taxes	(60,550)	(54,413)
	<u>(60,550)</u>	<u>(54,413)</u>
Employment cost during the year consists of salaries expense of \$ 54,742 and payroll raxes of \$ 5,808.		
10 Income tax expense		
Profit/(loss) before tax	1,49,751	36,000
Federal tax expense	(30,475)	(4,431)
State tax expense	(14,399)	(9,901)
	<u>1,04,877</u>	<u>21,668</u>

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.

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 result. The profit appropriation is reflected in these financial statements.

Signed on, _____ 2021

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Padmaja Ganapathy 5/18/2021
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Director

Padmaja Ganapathy

DocuSigned by:
Larry Walker 5/18/2021
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Director

Larry walker