

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD

**MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

(Unaudited)

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

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BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
COMPANY INFORMATION

| | | |
|---|---|--|
| DIRECTORS: | Ramakrishnan Mukundan Zakir Hussein Niamut John Mulhall | <i>Date of appointment</i> 17 February 2009 07 March 2014 30 September 2015 |
| REGISTERED OFFICE: | IFS Court, Bank Street TwentyEight, Cybercity Ebène 72201 Mauritius | |
| SECRETARY & ADMINISTRATION | SANNE Mauritius IFS Court Bank Street, TwentyEight Ebène 72201 Mauritius | |
| BANK: | HSBC Bank (Mauritius) Limited 6th Floor, HSBC Centre 18 CyberCity Ebène Mauritius | |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 (unaudited) USD | 2019 (audited) USD |
|---|-------|----------------------------|--------------------------|
| INCOME | | | |
| Dividend income | | 225,137 | 225,753 |
| Payable written back | | - | 171 |
| | | <u>225,137</u> | <u>225,924</u> |
| OPERATING EXPENSES | | | |
| Licence and processing fees | | 1,613 | 2,850 |
| Professional fees | 5 | 26,611 | 43,104 |
| Bank charges | | 224 | 731 |
| Audit fees | | 6,085 | 13,882 |
| Provision for impairment of receivable | 6 | 245,000 | - |
| Total expenses | | <u>279,532</u> | <u>60,567</u> |
| (LOSS) / PROFIT BEFORE TAX | | (54,395) | 165,357 |
| Tax expense | 7 | - | (5,241) |
| (LOSS) / PROFIT FOR THE YEAR | | (54,395) | 160,116 |
| OTHER COMPREHENSIVE INCOME | | | |
| | | - | - |
| TOTAL COMPREHENSIVE (LOSS) / (INCOME) FOR THE YEAR | | (54,395) | 160,116 |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

| | Notes | 2020 (Unaudited) USD | 2019 (Audited) USD |
|---------------------------------------|-------|----------------------------|---------------------------|
| ASSETS | | | |
| <u>Non - current assets</u> | | | |
| Investment in subsidiaries | 4 | <u>604,385,896</u> | <u>604,385,896</u> |
| | | 604,385,896 | 604,385,896 |
| <u>Current assets</u> | | | |
| Receivables and prepayments | 6 (a) | 8,207,118 | 8,451,781 |
| Loan to Gusiute Holdings (UK) Limited | 6 (b) | 300,000 | 300,000 |
| Cash at bank | | 909,796 | 723,196 |
| Tax recoverable | | - | 580 |
| Total current assets | | <u>9,416,914</u> | <u>9,475,557</u> |
| Total assets | | <u>613,802,810</u> | <u>613,861,453</u> |
| EQUITY AND LIABILITIES | | | |
| <u>Capital and reserves</u> | | | |
| Stated capital | 8 (a) | 575,381,426 | 575,381,426 |
| Accumulated losses | | <u>(111,595,858)</u> | <u>(111,541,463)</u> |
| Total equity | | <u>463,785,568</u> | <u>463,839,963</u> |
| <u>Non - current liabilities</u> | | | |
| Redeemable preference shares | 8 (b) | <u>150,001,400</u> | <u>150,001,400</u> |
| | | 150,001,400 | 150,001,400 |
| <u>Current liabilities</u> | | | |
| Accruals and other payables | 9 | <u>15,842</u> | <u>20,090</u> |
| | | 15,842 | 20,090 |
| Total equity and liabilities | | <u>613,802,810</u> | <u>613,861,453</u> |

Approved by the Board of Directors on 5 May 2020.



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Director

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

| | <u>Stated capital</u> USD | <u>Accumulated</u> <u>losses</u> USD | <u>Total</u> USD |
|---|------------------------------|--|---------------------|
| At 1 April 2018 | 575,381,426 | (111,701,579) | 463,679,847 |
| Total comprehensive income for the year | - | 160,116 | 160,116 |
| At 31 March 2019 | <u>575,381,426</u> | <u>(111,541,463)</u> | <u>463,839,963</u> |
| At 1 April 2019 | 575,381,426 | (111,541,463) | 463,839,963 |
| Total comprehensive loss for the year | - | (54,395) | (54,395) |
| At 31 March 2020 | <u>575,381,426</u> | <u>(111,595,858)</u> | <u>463,785,568</u> |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

| | 2020 (Unaudited) USD | 2019 (Audited) USD |
|---|----------------------------|--------------------------|
| Cash flows from operating activities | | |
| Profit/(loss) before tax | (54,395) | 165,357 |
| <i>Adjustments for:</i> | | |
| Dividend income | (225,137) | (225,753) |
| Provision for impairment of receivable | 245,000 | - |
| Payable written off | - | (171) |
| | <u>(34,532)</u> | <u>(60,567)</u> |
| <i>Changes in working capital:</i> | | |
| Increase/(decrease) in payables | (4,248) | 8,334 |
| Increase in receivables and prepayments | (337) | (243,851) |
| Cash used in operating activities | <u>4,585</u> | <u>(296,084)</u> |
| Tax paid | - | (5,821) |
| Tax refund | 580 | 186 |
| Net cash used in operating activities | <u>(4,005)</u> | <u>(301,719)</u> |
| Cash flows from investing activities | | |
| Dividend received | <u>225,137</u> | <u>225,753</u> |
| Net cash generated from investing activities | <u>225,137</u> | <u>225,753</u> |
| Net increase / (decrease) in cash and cash equivalents | 186,600 | (75,966) |
| Cash and cash equivalents at beginning of the year | 723,196 | 799,162 |
| Cash and cash equivalents at end of the year | <u>909,796</u> | <u>723,196</u> |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

1. BACKGROUND INFORMATION

The Company was incorporated in Mauritius under the Mauritius Companies Act 2001 on 31 October 2008 as a private company with limited liability by shares and has its registered office at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, 72201, Mauritius. The Company previously held a Category 1 Global Business Licence issued by the Financial Services Commission ("FSC"). The Company was subsequently converted into an Authorised Company on 26 April 2019 and a new Authorised Company Licence was issued by the FSC to that effect. The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench in India on 23 April, 2020 approved the Scheme of Amalgamation ('Scheme') between Tata Chemicals Limited and the Company, with an Appointed Date of 1 April 2019 (Refer note 11).

The principal activity of the Company is that of investment holding.

2. BASIS OF PREPARATION

The management accounts have been prepared on a historical cost basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied in these management accounts..

a) Foreign currency translation

(i) Functional and presentation currency

Items included in the management accounts of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The management accounts of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at statement of financial position date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured based on historical cost on a foreign currency are translated at the exchange rate at the date of the transaction.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty.

c) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on accrual basis. Interest expense is recognised in profit or loss, using the effective interest method.

e) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established and is recognised gross of withholding tax.

f) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of prior years. The amount of current tax payable on receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

i) Preference shares

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in the profit or loss as accrued.

j) Investment in subsidiary

Control in subsidiaries and entities (including structured entities) is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its return.

The Company does not prepare consolidated management accounts and investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

4. INVESTMENT IN SUBSIDIARIES

| Name of Company | Country of incorporation | Activity | Class of shares held | % Holding | Number of shares | Cost (net of impairment) USD |
|--------------------------------------|--------------------------|--|---|-----------|--|--|
| Tata Chemicals International Pte Ltd | Singapore | Investment holding | Ordinary shares fully paid of USD1 each | 100% | 2020 485,307,852 2019 485,307,852 | 2020 479,285,896 2019 479,285,896 |
| | | | Preference shares fully paid- 1,000,000 shares at USD100 each | 100% | 2020 16,100,000 2019 16,100,000 | 2020 115,100,000 2019 115,100,000 |
| Gusiute Holdings (UK) Limited | UK | Investment holding | Preference shares fully paid of USD1 each | 36% | 2020 10,000,000 2019 10,000,000 | 2020 10,000,000 2019 10,000,000 |
| Homefield Pvt. UK Ltd | UK | Engaged in the manufacture and sale of sodium, salt and related products | Preference shares fully paid of USD1 each | 76.12% | 2020 - 2019 - | 2020 - 2019 - |
| Total | | | | | | 2020 604,385,896 2019 604,385,896 |

Gusiute Holdings (UK) Limited is indirectly held and the Company has control through its subsidiary Tata Chemicals International Pte Ltd.

The investment in Homefield Pvt. UK Ltd ("HFUK") of USD17,850,000 and Loan to HFUK (including Interest thereon) of USD 92,517,673 were impaired previously. Management assessment has concluded that while business conditions remained the same as last year, there has been no substantial improvement during the year ended 31 March 2020. Therefore, there is no reversal of the impairment.

5. PROFESSIONAL FEES

| | 2020 (unaudited) USD | 2019 (Audited) USD |
|-------------------------|----------------------------|--------------------------|
| Administration fees | 15,794 | 27,111 |
| Tax filing fees | 2,000 | 2,000 |
| Director fees | 2,500 | 2,500 |
| Disbursements | 352 | 352 |
| Legal fees | - | 950 |
| Other professional fees | 4,465 | 8,691 |
| Secretarial fees | 1,500 | 1,500 |
| | 26,611 | 43,104 |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

6. RECEIVABLES AND PREPAYMENTS

| | 2020 (Unaudited) | 2019 (Audited) |
|---|-----------------------------------|--------------------------|
| | USD | USD |
| Receivable from Tata Chemicals International Pte. Ltd | 8,203,000 | 8,203,000 |
| Other receivable from Mr Rademan Janse Van Rensburg | - | 245,000 |
| Other receivable from Tata Chemicals Limited | 2,530 | 2,530 |
| Prepayments | 1,588 | 1,251 |
| | 8,207,118 | 8,451,781 |

(a) Other receivables

The balance receivable from Tata Chemicals International Pte. Ltd is unsecured, interest free and is repayable on demand.

The balance receivable from Mr Rademan Janse Van Rensburg relates to an amount due which was paid by the Company towards reimbursement expenses for setting up bio-ethanol facility on behalf of the latter to Tata Chemicals Limited. The balance receivable from Mr Rademan Janse Van Rensburg is unsecured, interest free and is repayable on demand.

A provision for impairment for the balance of the USD245,000 provided to Mr Rademan Janse Van Rensburg was made during the year ended 31 March 2020 as it was probable that the amount would not be recovered.

(b) Short term loan to Gusuite Holdings (Uk) Limited

The short term loan to Gusuite Holdings (UK) Limited amounting to USD300,000 (2019: USD 300,000) was unsecured, interest free and repayable on demand and is expected to be recovered within twelve months.

7. TAXATION

The Company does not have any tax liability as at 31 March 2020 (2019: taxation charge of USD5,241) As at 31 March 2019, the Company has a tax refund from the Mauritius Revenue Authority.

8. STATED CAPITAL

(a) Ordinary shares

| | 2020 (Unaudited) | 2019 (Audited) |
|---|-----------------------------------|--------------------------|
| | Number of shares | Number of shares |
| Ordinary shares of USD1 each held by Tata Chemicals Limited | 575,381,426 | 575,381,426 |
| | 2020 (Unaudited) | 2019 (Audited) |
| | USD | USD |
| Ordinary shares of USD1 each held by Tata Chemicals Limited | 575,381,426 | 575,381,426 |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT. LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

8. STATED CAPITAL (continued)

(b) Non-cumulative redeemable preference shares

| | 2020 (Unaudited) | 2019 (Audited) |
|--|----------------------------|--------------------------|
| | Number of shares | Number of shares |
| Non-cumulative redeemable preference shares of no par value held by Tata Chemicals Limited | 1,500,014 | 1,500,014 |
| | 1,500,014 | 1,500,014 |
| | 2020 USD (Unaudited) | 2019 USD (Audited) |
| Non-cumulative redeemable preference shares of no par value held by Tata Chemicals Limited | 150,001,400 | 150,001,400 |
| | 150,001,400 | 150,001,400 |

- The Non-cumulative redeemable preference shares (“NCRPS”) are redeemable at the option of the holder not later than 10 years from the issue date and carry a dividend rate of 5%. Dividends are accrued only when declared by the board of the Company;
- The NCRPS have priority for distribution over the ordinary shares on winding up; and
- No NCRPS was issued during the year under review.

9. ACCRUALS AND OTHER PAYABLES

| | 2020 (Unaudited) USD | 2019 (Audited) USD |
|----------------|----------------------------|--------------------------|
| Accruals | 15,842 | 20,090 |
| Other payables | - | - |
| | 15,842 | 20,090 |

10. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2020, the following transactions were carried out with related parties. The nature, volume of transactions and the balances with the entities are as follows:

| | 2020 (Unaudited) USD | 2019 (Audited) USD |
|--|----------------------------|--------------------------|
| <i>(i) SANNE Mauritius (Administrator and Secretary)</i> | | |
| Professional fees: | | |
| Directors fees | 2,500 | 2,500 |
| Secretarial fees | 1,500 | 1,500 |
| Administration expenses | 15,794 | 27,111 |
| Tax filing fees | 2,000 | 2,000 |
| Legal fees | - | 950 |
| Disbursement | 352 | 352 |
| Other professional fees | 4,465 | 8,691 |
| | 26,611 | 43,104 |

BIO ENERGY VENTURE - 1 (MAURITIUS) PVT LTD
NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

10. RELATED PARTY TRANSACTIONS (Continued)

| | 2020 (Unaudited) | 2019 (Audited) |
|--|-----------------------------------|--------------------------|
| <i>(ii) Gusiute Holdings (UK) Limited – subsidiary</i> Loan | 300,000 | 300,000 |
| <i>(iii) Tata Chemicals International Pte Ltd– Group company</i> Receivable | 8,203,000 | 8,203,000 |
| <i>(iv) Tata Chemicals Limited – Shareholder</i> Receivable | 2,530 | 2,530 |

KEY MANAGEMENT PERSONNEL

Since authority and responsibility for planning, directing and controlling the activities of the Company is with the board of directors, any person who was a director of the Company at any time during the year ended 31 March 2020 is considered to be key management personnel of the Company. Mr Zakir Hussein Niamut, one of the directors of the Company is also an officer of SANNE Mauritius (the “Secretary”) and hence is deemed to have beneficial interests in the Service Agreement between the Company and the Secretary.

No compensation was paid directly to key management personnel during the year ended 31 March 2020 (2019: USD Nil).

11. CONVERSION AND MERGER

The Board of the Company has approved the decision for a change in the licence of the Company from a Category 1 Global Business Licence (“GBC1”) to an Authorised Company Licence (“AC”) by way of a written resolution dated and approved on 11 March 2019. The Company was converted into an Authorised Company on 26 April 2019. Post the change in the business licence, the Company has the intention to merge with its immediate shareholder, Tata Chemicals Ltd, a listed entity on the BSE and NSE of India, whereby the latter would be surviving entity.

The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench in India has on 23 April 2020 approved the Scheme of Amalgamation ('Scheme') between Tata Chemicals Limited and the Company, a wholly owned subsidiary of Tata Chemicals Limited, with an Appointed Date of 1 April 2019 subject to completion of necessary filing and approvals in Mauritius and Registrar of Companies in India.

12. EVENTS AFTER THE REPORTING PERIOD

Other than as disclosed in Note 11 above, there have been no material events since the end of the reporting date which would require disclosure or adjustment to the management accounts for the year ended 31 March 2020, except for those already disclosed in the management accounts.