

Jayesh Sanghrajka & Co LLP

Chartered Accountants

Report of auditors on the restated consolidated summary statements of Assets and Liabilities as at August 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and Profit and Losses and Cash Flows for the five-month period ended August 31, 2022, each of the years ended March 31, 2022, 2021 and 2020 of **Organic Recycling Systems Limited** (Collectively, the "Restated Consolidated Summary Statements")

To,
The Board of Directors,
Organic Recycling Systems Limited
Office No -1401, Plot No- 19,
Sector No. 30A, Vashi,
Navi Mumbai – 400703.

Dear Sirs,

1. We, Jayesh Sanghrajka & Co. LLP, Chartered Accountants, ("we" or "us" or "JSC") have examined the Restated Consolidated Summary Statements of **Organic Recycling Systems Limited** ("Company") and its subsidiaries consisting of Solapur Bioenergy Systems Private Limited ("SBSPL"), Organic Waste India Private Limited ("OWIPL"), Pune Urban Recyclers Private Limited ("PURPL") and Meerut Bioenergy Systems Private Limited ("MBSPL") (together "the subsidiaries") and its associates - Blue Planet Kannur Waste Solution Private Limited ("BPKWSPL") and Blue Planet Palakkad Waste Solution Private Limited ("BPPWSPL") [together referred to as 'the Group'], as at and for the five month period ended August 31, 2022, for each of years ended March 31, 2022, March 31, 2021 and March 31, 2020 annexed to this report and prepared by the company for the purpose of inclusion in Draft Prospectus/Prospectus ("Draft Prospectus/Prospectus") in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of;
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's responsibility for the Restated Consolidated Summary Statements

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Summary Statements for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Consolidated Summary Statements has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Consolidated Summary Statements. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.



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Auditors' responsibilities

3. We have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate dated December 04, 2019 valid till December 03, 2022.
4. We have examined such Restated Consolidated Summary Statements taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company;
 - b. the Guidance Note on reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountant of India (the "ICAI") ("the Guidance Note").
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; and
 - d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The management has informed that the Company proposes to make an IPO, which comprises of fresh issue of equity shares having a face value of Rs.10 each, at such premium, arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Board of Directors of the Company.
6. These Restated Consolidated Summary Statements have been compiled by the management from the Audited Financial Statements of the Company for the five-month period ended August 31, 2022, each of the years ended March 31, 2022, 2021 and 2020 which has been approved by the Board of Directors. The financial statements of the Company for the five-month period ended August 31, 2022, each of the year ended March 31, 2022, and March 31, 2021 has been audited by us. The financial statements of the Company for the year ended March 31, 2020, were audited by Company's previous auditors, Sanghrajka & Associates, Chartered Accountants.

Restated Consolidated Summary Statements as per audited financial statements:

7. The Restated Consolidated Summary Statement of the Company have been compiled by the management:
 - a. The audited consolidated financial statement of the Company as at and for the five-month period ended August 31, 2022 and as at and for the year ended March 31, 2022 and March 31, 2021, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on October 12, 2022, September 3, 2022, and November 30, 2021 respectively and other financial records;
 - b. The audited consolidated financial statement of the Company as at and for year ended March 31, 2020, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on December 15, 2020, and other financial records.



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- c. the consolidated financial statements included information in relation to the Company's subsidiaries and associates as listed below:

Name of the entity	Relationship	Period covered
Solapur Bio Energy Systems Private Limited	Subsidiary	For five-month period ended August 31, 2022, year ended March 31, 2022, 2021 and 2020.
Organic Waste India Private Limited	Subsidiary	For five-month period ended August 31, 2022, year ended March 31, 2022, 2021 and 2020.
Pune Urban Recyclers Private Limited	Subsidiary	For five-month period ended August 31, 2022, year ended March 31, 2022, 2021 and 2020.
Meerut Bio Energy Systems Private Limited	Subsidiary	For five-month period ended August 31, 2022, year ended March 31, 2022, 2021 and 2020.
Blue Planet Palakkad Waste Solution Private Limited	Associates	For five-month period ended August 31, 2022, year ended March 31, 2022 and for the period from February 14, 2020 to March 31, 2021
Blue Planet Kannur Waste Solution Private Limited	Associates	For five-month period ended August 31, 2022, year ended March 31, 2022 and for the period from February 14, 2020 to March 31, 2021

8. For the purpose of our examination, we have relied on:

- a. Auditors' reports issued by us dated October 12, 2022, September 3, 2022, and November 30, 2021 on the financial statements of the Company as at and for the year ended August 31, 2022, March 31, 2022 and March 31, 2021 as referred in Para 7(a) above;



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As indicated in our audit reports referred to above, we did not audit the financial statements of subsidiaries as mentioned below and referred in Para 7(c) above:

Name of the entity	Relationship	Name of Auditor	Audit Report Date
Solapur Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	October 30, 2020 for the year ended March 31, 2020, August 26, 2021 for the year ended March 31, 2021, September 3, 2022 for the year ended March 31, 2022 and October 12, 2022 for the five month period ended August 31, 2022
Organic Waste India Private Limited	Subsidiary	Sanghrajka and Associates	December 15, 2020 for the year ended March 31, 2020, November 29, 2021 for the year ended March 31, 2021, September 3, 2022 for the year ended March 31, 2022 and October 12, 2022 for the five month period ended August 31, 2022
Pune Urban Recyclers Private Limited	Subsidiary	Sanghrajka and Associates	December 15, 2020 for the year ended March 31, 2020, November 29, 2021 for the year ended March 31, 2021, September 3, 2022 for the year ended March 31, 2022 and October 12, 2022 for the five month period ended August 31, 2022
Meerut Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	December 15, 2020 for the year ended March 31, 2020, November 29, 2021 for the year ended March 31, 2021, September 3, 2022 for the year ended March 31, 2022 and October 12, 2022 for the five month period ended August 31, 2022

These financial statements included the following amounts with the respect to such subsidiaries were audited by other auditors, whose reports have been provided to us by the management. Accordingly, our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of other auditors.

(INR in Lakhs)				
Particular	August 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Total Assets	8,002.79	8,320.76	8,598.90	9,056.64
Revenue	62.37	529.76	426.06	235.89
Cash Inflows/(outflow)	0.38	(10.12)	(1.38)	2.71
Group's share of net profit before tax	(445.83)	(659.17)	(664.34)	(2,274.45)

- b. Auditors' reports issued by the previous auditors, Sanghrajka & Associates, (hereinafter referred as "S&A"), dated December 15, 2020 on the Consolidated financial statements of the Company as at and for the year ended March 31, 2020 as referred in Para 7(b) above.
- c. The audit for the financial year ended March 31, 2020 was conducted by the Company's previous auditors', S&A and accordingly reliance has been placed on the Restated Consolidated Summary Statement of Asset and Liabilities and the Restated Consolidated Summary Statement of Profit and Loss and Cash Flow examined by the previous auditor for the said year. The examination report included for the said year is based solely on the examination report submitted by S&A dated October 12, 2022 for the year ended March 31, 2020. They have also confirmed that:



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- A. the accounting policies as at and for the period ended August 31, 2022 are materially consistent with the policy adopted for the year ended March 31, 2020. Accordingly, no adjustments have been made to the audited financial statements of the respective period presented on account of changes in accounting policy;
- B. this 2020 Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- C. this 2020 Restated Consolidated Summary Statements do not contain any qualifications requiring adjustments.
- d. The examination reports issued by the respective auditors of subsidiaries on the restated standalone summary statement as at and for the year/ period mentioned in the following table:

Name of the entity	Relationship	Name of Auditor	Examination Report Date
Solapur Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	October 12, 2022 for the year ended March 31, 2020, 2021, 2022 and for the five months period ended August 31, 2022
Organic Waste India Private Limited	Subsidiary	Sanghrajka and Associates	October 12, 2022 for the year ended March 31, 2020, 2021, 2022 and for the five months period ended August 31, 2022
Pune Urban Recyclers Private Limited	Subsidiary	Sanghrajka and Associates	October 12, 2022 for the year ended March 31, 2020, 2021, 2022 and for the five months period ended August 31, 2022
Meerut Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	October 12, 2022 for the year ended March 31, 2020, 2021, 2022 and for the five months period ended August 31, 2022

For the financial year ended March 31, 2020, March 31, 2021, March 31, 2022 and period ended August 31, 2022 above entities share of total assets, total revenues and net cash flows and Group's share of net profit, included in the Restated Consolidated Summary Statements, for the relevant years/period is tabulated below:

(INR in Lakhs)				
Particular	August 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Total Assets	8,002.79	8,320.76	8,603.02	9,056.83
Revenue	62.37	529.76	426.06	235.89
Cash Inflows/(outflow)	0.38	(10.12)	(1.38)	2.71
Group's share of net profit before tax	(445.83)	(659.17)	(695.22)	(2,274.45)

These restated standalone summary statements have been audited by another firm of Chartered Accountants S&A, whose examination reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely based on the examinations reports of the auditors. These other auditors have confirmed that:

- A. the accounting policies as at and for the period ended August 31, 2022 are materially consistent with the policy adopted for the year ended March 31, 2020. Accordingly, no adjustments have been made to the audited financial statements of the respective period presented on account of changes in accounting policy;
- B. this Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

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- C. this Restated Consolidated Summary Statements do not contain any qualifications requiring adjustments.
9. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part 1 of Chapter III of the Act, read with Rule 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note and terms of our engagements agreed with you, we report that:
- a. The Restated Consolidated Summary Statements of Asset and Liabilities of the Company, including as at March 31, 2020 examined and reported upon by the previous auditors, on which reliance has been placed by us and as at August 31, 2022, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
 - b. The Restated Consolidated Summary Statements of Profit and Loss of the Company, including for the year ended March 31, 2020 examined and reported upon by the previous auditors, on which reliance has been placed by us and for the five month period ended August 31, 2022, and for the year ended March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
 - c. The Restated Consolidated Summary Statements of Cash Flows of the Company, including for the year ended March 31, 2020 examined and reported upon by the previous auditors, on which reliance has been placed by us and for the five month period ended August 31, 2022, and for the year ended March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
10. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the report submitted by the Previous Auditors, as referred to in Para 8(b) above for the year, we further report that:
- a. The accounting policies for the five months period ended August 31, 2022, are materially consistent with the policies adopted for the year ended March 31, 2022, March 31, 2021 and March 31, 2020. Accordingly, no adjustments, have been made to the audited financial statements of the respective periods presented, on account of changes in accounting policies;
 - b. The Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amount in the respective financial years to which they relate;
 - c. There are no qualifications in the auditors' reports on the consolidated financial statements of the Company as at and for the five month period ended August 31, 2022, as at and for each of the years ended March 31, 2022, 2021 and 2020, which require any adjustments to the restated consolidated summary statements;



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11. We have not audited any financial statements of the Company for any period subsequent to August 31, 2022. Accordingly, we express no opinion on the financial position, results of the operations or cash flows of the Company as of any date or for any period subsequent to August 31, 2022.

Other Financial Information:

12. At the Company's request, we have also examined the following Other Consolidated Financial Information, as restated, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at August 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and for the five month ended August 31, 2022 and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020. In respect of the year ended March 31, 2020, this information has been included based upon the examination report submitted by the previous auditors', S&A, and relied upon by us:

- a. Restated Consolidated Statement of Share Capital, as annexure VI,
- b. Restated Consolidated Statement of Reserves and surplus, as annexure VII,
- c. Restated Consolidated Statement of Borrowings, as annexure VIII,
- d. Restated Consolidated Statement of Other liabilities, as annexure IX,
- e. Restated Consolidated Statement of Provisions, as annexure X,
- f. Restated Consolidated Statement of Trade payables, as annexure XI,
- g. Restated Consolidated Statement of Property, Plant and equipment, Intangible assets, Capital Work in Progress and Intangible Assets Under Development as annexure XII,
- h. Restated Consolidated Statement of Goodwill on Consolidation, as annexure XIII,
- i. Restated Consolidated Statement of Non-current investments, as annexure XIV,
- j. Restated Consolidated Statement of Deferred tax assets, as annexure XV,
- k. Restated Consolidated Statement of Loans and advances, as annexure XVI,
- l. Restated Consolidated Statement of Other assets, as annexure XVII,
- m. Restated Consolidated Statement of Inventories, as annexure XVIII,
- n. Restated Consolidated Statement of Trade receivables, as annexure XIX,
- o. Restated Consolidated Statement of Cash and cash equivalents, as annexure XX,
- p. Restated Consolidated Statement of Revenue from operations, as annexure XXI,
- q. Restated Consolidated Statement of Other income, as annexure XXII,
- r. Restated Consolidated Statement of Direct expenses, as annexure XXIII,
- s. Restated Consolidated Statement of (Increase)/Decrease in Inventories, as annexure XXIV,
- t. Restated Consolidated Statement of Employee benefit expenses, as annexure XXV,
- u. Restated Consolidated Statement of Depreciation and amortisation, as annexure XXVI,
- v. Restated Consolidated Statement of Finance cost, as annexure XXVII,
- w. Restated Consolidated Statement of Other expenses, as annexure XXVIII,
- x. Restated Consolidated Statement of Extraordinary Item, as annexure XXIX,
- y. Restated Consolidated Statement of Contingent liabilities, as annexure XXX,
- z. Restated Consolidated Statement of Related party transactions, as annexure XXXI,
- aa. Restated Consolidated Statement of Accounting ratios, as annexure XXXII,
- bb. Consolidated Capitalisation Statement, as annexure XXXIII,
- cc. Restated Consolidated Statement of Gratuity, as annexure XXXIV,
- dd. Restated Consolidated Statement of Segment Reporting, as annexure XXXV,
- ee. Restated Consolidated Statement of Registration of charges or satisfaction with Registrar of Companies, as annexure XXXVI,
- ff. Restated Consolidated Statement of Other Disclosure, as annexure XXXVII,



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13. According to the information and explanations given to us and also as per the reliance placed on the report submitted by previous auditors, in our opinion, the Restated Consolidated Summary Statements and the above Restated Financial Information contained in Annexure VI to XXXVII accompany this report, read with Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Statements of Profits and Losses and Statements of Cash Flows disclosed in Annexure IV, are prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rule 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
14. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
15. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
16. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 104184W/W100075

Pritesh Bhagat

Designated Partner

Membership No. 144424

UDIN: 22144424BALOZL4072

Place: Mumbai

Date: October 12, 2022



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