

Jayesh Sanghrajka & Co LLP

Chartered Accountants

Report of auditors on the restated standalone 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 Standalone 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,

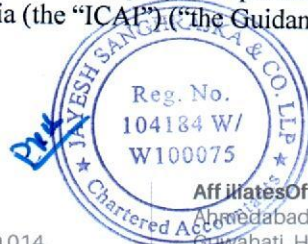
1. We, Jayesh Sanghrajka & Co. LLP, Chartered Accountants, ("we" or "us" or "JSC") have examined the Restated Standalone Summary Statements of **Organic Recycling Systems Limited** ('Company') as at and for the five month period ended August 31, 2022, for each of years ended March 31, 2022, March 31, 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 Standalone Summary Statements

2. The Company's Board of Directors is responsible for the preparation of the Restated Standalone 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 Standalone Summary Statements has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Standalone Summary Statements. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone 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.

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 Standalone 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").



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- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone 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 Standalone 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 Standalone Summary Statements as per audited financial statements:

7. The Restated Standalone Summary Statement of the Company have been compiled by the management:
- a. The audited standalone 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 29, 2021 respectively and other financial records;
 - b. The audited standalone 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 3, 2020, and other financial records.
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 29, 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;
 - b. Auditors' reports issued by the previous auditors, Sanghrajka & Associates, (hereinafter referred as "S&A"), dated December 3, 2020 on the on the 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 Standalone Summary Statement of Asset and Liabilities and the Restated Standalone 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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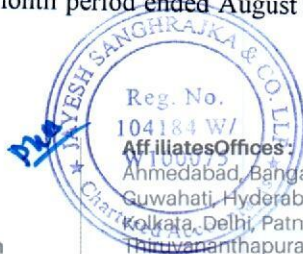
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- A. the accounting policies as at and for the period ended August 31, 2022 are materially consistent with the policy adopted for the year ended March 31, 2020. Accordingly, no adjustments have been made to the audited financial statements of the respective period presented on account of changes in accounting policy;
- B. this 2020 Restated Standalone 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 Standalone 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 Standalone 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 standalone financial statements.
- b. The Restated Standalone 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 standalone financial statements.
- c. The Restated Standalone 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 standalone 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(c) 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 Standalone 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 standalone 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

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ended March 31, 2022, 2021 and 2020, which require any adjustments to the restated standalone summary statements;

- d. Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order 2020 and Companies (Auditor's Report) Order 2016, as applicable, on the standalone financial statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 which do not require any corrective adjustments in the restated standalone summary statements, are as follows:

a. For the year ended March 31, 2022:

Para 3(vii) (a): There were certain undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Para 3(ix) (a): The Company has delayed in repayment of loans or borrowing or in the payment of interest thereon to any lender.

b. For the year ended March 31, 2021:

Para 3(vii) (a): The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, TDS and any other material statutory dues applicable to it with the appropriate authorities.

Para 3(vii) (b): There were certain undisputed amount of dues payable in respect of Tax deducted at source, Employee Provident Fund, Employee State Insurance and Maharashtra Labour Welfare Fund which were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

Para 3(viii); The Company has delayed in repayment of loans or borrowing to the banks or financial institutions.

c. For the year ended March 31, 2020:

Para 3(vii) (a): The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, TDS and any other material statutory dues applicable to it with the appropriate authorities.

Para 3(vii) (b): There were certain undisputed amount of dues payable in respect of Service Tax, Maharashtra Value Added Tax, Tax deducted at source, Employee Provident Fund and Employee State Insurance which were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

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.



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Other Financial Information:

12. At the Company's request, we have also examined the following Other Standalone 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:
- Restated Standalone Statement of Share Capital, as annexure VI,
 - Restated Standalone Statement of Reserves and surplus, as annexure VII,
 - Restated Standalone Statement of Borrowings, as annexure VIII,
 - Restated Standalone Statement of Other liabilities, as annexure IX,
 - Restated Standalone Statement of Provisions, as annexure X,
 - Restated Standalone Statement of Trade payables, as annexure XI,
 - Restated Standalone Statement of Property, Plant and equipment, Intangible assets, Capital Work in Progress and Intangible Assets Under Development, as annexure XII,
 - Restated Standalone Statement of Non-current investments, as annexure XIII,
 - Restated Standalone Statement of Deferred tax assets, as annexure XIV,
 - Restated Standalone Statement of Loans and advances, as annexure XV,
 - Restated Standalone Statement of Other assets, as annexure XVI,
 - Restated Standalone Statement of Trade receivables, as annexure XVII,
 - Restated Standalone Statement of Cash and cash equivalents, as annexure XVIII,
 - Restated Standalone Statement of Revenue from operations, as annexure XIX,
 - Restated Standalone Statement of Other income, as annexure XX,
 - Restated Standalone Statement of Direct expenses, as annexure XXI,
 - Restated Standalone Statement of Employee benefit expenses, as annexure XXII,
 - Restated Standalone Statement of Depreciation and amortisation, as annexure XXIII,
 - Restated Standalone Statement of Finance cost, as annexure XXIV,
 - Restated Standalone Statement of Other expenses, as annexure XXV,
 - Restated Standalone Statement of Contingent liabilities, as annexure XXVI,
 - Restated Standalone Statement of Related party transactions, as annexure XXVII,
 - Restated Standalone Statement of Accounting ratios, as annexure XXVIII,
 - Standalone Capitalisation Statement, as annexure XXIX,
 - Restated Standalone Statement of Details of Gratuity, as annexure XXX,
 - Restated Standalone Statement of Details of Ratio Analysis and its elements, as annexure XXXI,
 - Restated Standalone Statement of Segment Reporting, as Annexure XXXII,
 - Restated Standalone Statement of Registration of charges or satisfaction with Registrar of Companies, as Annexure XXXIII,
 - Restated Standalone Statement of Other Disclosures, as Annexure XXIV,
 - Restated Standalone Statement of Tax Shelter, as annexure XXXV,
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 Standalone Summary Statements and the above Restated Financial Information contained in Annexure VI to XXXV accompany this report, read with Notes to the Restated Standalone 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.

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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

Pr. Bhagat
Pritesh Bhagat
Designated Partner
Membership No. 144424
UDIN: 22144424BBLHUZ4854



Place: Mumbai
Date: October 12, 2022

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