

**Organic Recycling Systems Limited**  
("formerly known as Organic Recycling Systems Private Limited")  
CIN: U40106MH2008PLC186309  
Consolidated Balance Sheet as at March 31, 2023

(INR in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	535.67	45.78
Reserves and surplus	5	2,014.40	763.08
		<b>2,550.07</b>	<b>808.86</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	6,703.71	4,676.00
Other Long-term liabilities	7	453.75	453.75
Long-term provisions	8	48.01	43.40
		<b>7,205.47</b>	<b>5,173.15</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	277.70	742.38
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		733.69	739.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		118.36	125.01
Other current liabilities	7	1,041.88	3,077.02
Short-term provisions	8	3.94	3.52
		<b>2,175.56</b>	<b>4,687.34</b>
<b>Total</b>		<b>11,931.10</b>	<b>10,669.35</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment and Intangible assets			
-Property, Plant & Equipment	10	5,928.41	6,352.53
-Goodwill on Consolidation	11	93.81	93.81
-Capital Work in Progress	10	13.98	13.98
-Intangible assets	10	1.09	7.37
-Intangible assets under development	10	1,015.29	604.52
Non-current investments	12	0.10	0.10
Deferred Tax Assets	13	730.82	748.55
Long-term loans and advances	14	16.04	79.60
Other non current assets	15	310.75	405.29
		<b>8,110.29</b>	<b>8,305.75</b>
<b>Current assets</b>			
Inventories	16	89.70	120.36
Trade receivables	17	3,128.40	1,998.93
Cash and Bank Balance	18	22.98	26.99
Short-term loans and advances	14	131.39	217.08
Other current assets	15	448.33	0.23
		<b>3,820.81</b>	<b>2,363.60</b>
<b>Total</b>		<b>11,931.10</b>	<b>10,669.35</b>
Summary of significant accounting policies	3		

As per our report of even date.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 104184W/W100075

Pritesh Bhagat  
Designated Partner

Membership No.: 144424



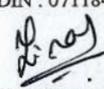
For and on behalf of the Board of Directors  
Organic Recycling Systems Limited

  
Sarang Bhand  
Managing Director

DIN : 01633419  
  
Jigar Gudka  
Chief Financial Officer

Place: Mumbai  
Date: June 09, 2023

  
Yasha Bhand  
Director and Chief Executive Officer

DIN : 07118419  
  
Zinal Shah  
Company Secretary

Place: Mumbai  
Date: June 09, 2023

Place: Mumbai  
Date: June 09, 2023

**Organic Recycling Systems Limited**  
("formerly known as Organic Recycling Systems Private Limited")  
CIN : U40106MH2008PLC186309  
**Statement of Consolidated Profit and Loss for the year ended March 31, 2023**

Particulars	Notes	(INR in Lakhs except earning per share)	
		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Income</b>			
Revenue from operations	19	2,471.93	1,461.37
Other income	20	62.18	295.30
<b>Total Income (i)</b>		<b>2,534.10</b>	<b>1,756.67</b>
<b>Expenses</b>			
Direct expense	21	526.08	687.25
Change in inventories of finished goods and work in progress	22	28.00	(16.85)
Employee benefits expense	23	359.06	275.40
Depreciation and amortization expense	24	495.82	595.99
Finance costs	25	187.95	152.74
Other expenses	26	471.52	596.78
<b>Total expenses (ii)</b>		<b>2,068.43</b>	<b>2,291.32</b>
<b>Profit / (Loss) before Exceptional and Extraordinary Items, Prior Period and Tax (iii = i-ii)</b>		<b>465.68</b>	<b>(534.65)</b>
Exceptional items (iv)		-	-
<b>Profit / (Loss) before Extraordinary Items, Prior Period and Tax (v = iii-iv)</b>		<b>465.68</b>	<b>534.65</b>
Extraordinary Items (vi)		-	-
<b>Profit / (Loss) before Prior Period and Tax (vii = v-vi)</b>		<b>465.68</b>	<b>534.65</b>
Prior Period Expenses (viii)		-	-
<b>Profit / (Loss) before tax (ix = vii-viii)</b>		<b>465.68</b>	<b>(534.65)</b>
<b>Tax Expenses (x)</b>			
Current tax		82.56	-
Deferred tax		17.73	-
Short/(Excess) provision of tax of earlier years		-	-
<b>Total tax expenses</b>		<b>100.30</b>	-
<b>Profit / (Loss) before Share of Profit / (Loss) of Associates (xi = ix-x)</b>		<b>365.38</b>	<b>(534.65)</b>
Share of Profit / (Loss) in Associates (xii)		-	1.17
<b>Profit/(Loss) for the period (before adjustment for Minority Interest) (xiii = xi-xii)</b>		<b>365.38</b>	<b>(533.48)</b>
Minority Interest (xiv)		-	-
<b>Profit / (Loss) for the year (xv = xiii - xiv)</b>		<b>365.38</b>	<b>(533.48)</b>
<b>Earnings per equity share (in INR) [nominal value of INR 10 per share (March 31, 2022 - INR 10 per share)]</b>			
Basic	27	7.83	(12.89)
Diluted		7.83	(12.06)
Summary of significant accounting policies	3		

As per our report of even date.

For **Jayesh Sanghrajka & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 104184W/W100075

**Pritesh Bhagat**  
Designated Partner

Membership No.: 144424



For and on behalf of the Board of Directors  
**Organic Recycling Systems Limited**

**Sarang Bhand**  
Managing Director

DIN : 01633419

**Jigar Gudka**  
Chief Financial Officer

Place: Mumbai  
Date: June 09, 2023

**Yashas Bhand**  
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DIN : 07118419

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**Organic Recycling Systems Limited**  
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**Consolidated Cash Flow Statement for the year ended March 31, 2023**

Particulars	(INR in Lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before Tax	465.68	(534.65)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	495.82	595.99
Finance cost	187.95	152.74
Interest income	(9.60)	(10.92)
Sundry balance written back	(50.71)	(276.07)
Bad debts and Balance written off	2.02	147.50
Provision for doubtful debts	-	74.16
Gain on sale of property, plant and equipment	(0.04)	(7.70)
Impairment of Goodwill	-	11.04
Share of Loss/ Profit of Associate	-	1.17
<b>Operating profit before working capital changes</b>	<b>1,091.12</b>	<b>153.25</b>
<b>Movement in working capital :</b>		
Increase/ (Decrease) in Trade payables	(10.43)	14.41
Increase/ (Decrease) in Other liabilities	(1,943.37)	1,308.93
Increase/ (Decrease) in Provisions	5.03	4.01
Decrease/ (Increase) in Loans and advances	9.85	39.00
Decrease/ (Increase) in Inventories	30.66	(13.60)
Decrease/ (Increase) in Trade receivables	(1,129.46)	(677.36)
Decrease/ (Increase) in Other current / non current assets	(423.88)	(43.11)
<b>Cash generated from/(used in) operations</b>	<b>(2,370.47)</b>	<b>785.52</b>
Direct Taxes paid (net of refunds)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(2,370.47)</b>	<b>785.52</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipments including capital advances	(126.21)	(364.17)
Purchase of intangible asset including capital advances	(0.24)	(0.75)
Sale of Property, Plant and Equipment	0.16	11.31
Increase in Capital work in progress	-	-
Term Deposit	57.71	(3.10)
Increase in Intangible Assets under development	(338.74)	(311.43)
Investment in Associates and Others	-	(1.17)
Interest received	21.33	-
<b>Net cash used in investing activities (B)</b>	<b>(385.99)</b>	<b>(669.31)</b>
<b>Cash flow from financing activities</b>		
Issue of Compulsory convertible Debentures	1385.00	-
Redemption of Optionally convertible Preference Shares	(9.17)	-
Proceeds /(Repayment) from long-term borrowings including current maturity, net	2,123.52	(19.89)
Proceeds /(Repayment) from short-term borrowings, net	(560.49)	(11.57)
Interest paid	(186.41)	(153.01)
<b>Net cash used in financing activities (C)</b>	<b>2,752.45</b>	<b>(184.47)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(4.01)</b>	<b>(68.26)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>23.89</b>	<b>92.15</b>
<b>Cash and cash equivalents at end of the year</b>	<b>19.88</b>	<b>23.89</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	2.73	3.05
Balances with banks:		
- on current accounts	17.15	20.84
<b>Total cash &amp; cash equivalents (Note 18)</b>	<b>19.88</b>	<b>23.89</b>

Summary of significant accounting policies

As per our report of even date.

For Jayesh Sanghrajka & Co. LLP  
 Chartered Accountants  
 ICAI Firm Registration No: 104184W/W100075

**Pritesh Bhagat**  
 Designated Partner

Membership No.: 144424



For and on behalf of the Board of Directors  
**Organic Recycling Systems Limited**

**Sarang Bhand**  
 Managing Director

DIN : 01633419

**Jigar Gudka**  
 Chief Financial Officer

Place: Mumbai  
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**Organic Recycling Systems Limited**

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CIN : U40106MH2008PLC186309

**Notes to Consolidated financial statements for the year ended March 31, 2023**

**1 Nature of Operation**

Organic Recycling Systems Limited ("the Company" or "the Holding Company") is a Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on August 29, 2008. The Company together with its subsidiaries and associates herein after collectively referred to as 'the Group'. The Company is a technology development company focused on pioneering in developing solutions focused on the Municipal Solid Waste (MSW) space. The Company is involved in the Construction, Development and Maintenance of Waste-to-Energy projects, particularly in the Municipal Solid Waste sector, through various Special Purpose Vehicles ("SPVs"). Further, the company has also started monetizing its technology through entering into EPC contracts with developers of MSW projects. The Company was incorporated as a private limited company and became a Limited Company in September, 2022.

The Company operates through bidding for waste management projects and has been awarded contracts by various Municipal Corporations. Some of this contract are executed through SPV.

**2 Basis of accounting and preparation of financial statements**

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these consolidated financial statements to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 and presentation requirements of Division I of Schedule III to the Companies Act, 2013. The consolidated financial statements have been prepared on going concern basis under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of previous year unless otherwise specified.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle, and other criteria set out in the schedule III to the companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

**Current-Non current classification**

All assets and liabilities are classified into current and non-current as follows:

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**3 Summary of significant accounting policies**

**a. Presentation and disclosure**

The Group has prepared the Consolidated Financial Statements along with the relevant notes with the requirements of Schedule III of the Act.

**b. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and disclosure that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in current and future periods.



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Notes to Consolidated financial statements for the year ended March 31, 2023

**3 Summary of significant accounting policies**

**c. Principles of Consolidation**

The consolidated financial statements relate to the Company, its subsidiaries and associates companies . The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

The difference between the cost of investment in the Subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Investments made by the parent company in subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statement.

Intragroup balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered, are eliminated to the extent of share of the parent company in full.

In case of associate where the Company has significant influence or hold directly or indirectly through subsidiaries 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified accounting standard by Companies (Accounting Standards) Rules, 2021. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates in the statement of profit and loss.

**d. Cash and Cash Equivalent**

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**e. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**f. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition, installation or construction including other direct expenses incurred to bring the assets to its working condition for its intended use less accumulated depreciation, amortization, impairment, discardation and compensation.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**g. Intangible assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognized only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Technology Development:

Expenditure incurred during research is charged to revenue when no intangible asset arises from such research.

Development expenditure is capitalised to the extent that it is expected that such asset will generate future economic benefits; adequate technical, financial and other resources required to complete the development and to use or sell the asset are available, and the expenditure attributable to the asset during its development can be measured reliably. The Group has filed its patent for 'DRYAD' Technology in June 2014. The company has received the patent on June 16, 2022.

Goodwill

Goodwill comprises the excess of purchase consideration over the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made.



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**Notes to Consolidated financial statements for the year ended March 31, 2023****3 Summary of significant accounting policies****h. Depreciation & Amortisation**

Depreciation on Property, Plant & Equipment is provided on the written down value method at the calculated rates on the basis of the useful life specified in Part C and in the manner prescribed under Schedule II of the Companies Act, 2013, as under:

Property, Plant & Equipment	Useful Life
Office Equipments	5 years
Furnitures & Fixtures	10 years
Computers	3 years
Vehicles	8 Years
Building	30 years
Plant and Machinery	35 years

During the year, depreciation is provided at 100% on the written down value of assets which have retired from active use.

Intangible assets in the nature of softwares are amortised on a Straight Line Method over their useful lives of 3 years.

The Group has amortized the Technology Development cost over its estimated life over 10 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

Goodwill has not been amortised because management is of the view that future economic benefits would be realised from the investment made in the subsidiaries.

**i. Intangible Assets under Development**

Intangible assets under development is stated at cost, net of accumulated impairment losses, if any. The cost comprises of direct cost, salary, professional fees and depreciation incurred for development of Marut Drum, Phosphate Rich Organic Manure (PROM), Activated Carbon, In-vessel composting, Sugar King/Sugarcane Plus-Products, Co-digestion of Agri residue and other feedstock/ HRT Reactor / Pre-treatment of mixed biomass or waste, H2S and Moisture scrubber Technology and Biochar to Brick/tiles application.

**j. Revenue Recognition**

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

**Revenue from Construction Contract**

a. For Engineering, Procurement and Construction (EPC) and construction contracts, contract prices are either fixed or subject to price escalation clauses.

b. Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.

c. Profit is recognised in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognized immediately.

d. Amounts due in respect of price escalation claims and/ or variation in contract work are recognised as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

**Accounting of Supply Contracts-Sale of goods**

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer.

**Service income**

Service income is recognised on the basis of completion of service method.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**k. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. All other investments are classified as long term investments. Long term investments are carried at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.



### 3 Summary of significant accounting policies

#### l. Inventories

Inventories are stated at lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises cost of raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### m. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding at the balance sheet date are restated at the rates prevailing on that date. The exchange differences arising on settlement / restatement of foreign currency monetary items are capitalized as part of the depreciable Property, Plant and Equipments to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable Property, Plant and Equipments, the exchange differences are charged to the Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### n. Retirement and other employee benefits

##### Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

##### Post-Employment Benefits:

Group's contribution for the period paid/payable to defined contribution retirement benefit schemes are charged to statement of Profit and Loss. Group's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date. The benefit is unfunded. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

#### o. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with AS 16.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset are determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

#### p. Operating Lease

Lease arrangements under the Group where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense in the statement of Profit and Loss as per terms of lease agreement.

#### q. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### r. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.



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Notes to Consolidated financial statements for the year ended March 31, 2023

**3 Summary of significant accounting policies**

**s. Impairment of Assets**

At each Balance Sheet date, the group assesses as to whether there is any indication that an asset is impaired. If any such indication exists, the group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. However, as per the assessment made by the company as on the balance sheet date, there is no such indication of any impairment of any asset during the year under report and therefore there is no effect of impairment loss in the financial statement for the year under report.

**t. Impairment of Goodwill**

Goodwill arising on acquisition represents a payment made by an acquirer in anticipation of future economic benefits. The future economic benefits may result from synergy between the identifiable assets acquired or from assets that individually do not qualify for recognition in the financial statements. Goodwill does not generate cash flows independently from other assets or groups of assets and, therefore, the recoverable amount of goodwill as an individual asset cannot be determined. As a consequence, if there is an indication that goodwill may be impaired, recoverable amount is determined for the cash-generating unit to which goodwill belongs. This amount is then compared to the carrying amount of this cash-generating unit and any impairment loss is recognised

**u. Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.



**Organic Recycling Systems Limited**

("formerly known as Organic Recycling Systems Private Limited")

CIN : U40106MH2008PLC186309

Notes to Consolidated financial statements for the year ended March 31, 2023

(INR in Lakhs)

4 Share capital	Number of Shares	As at	Number of Shares	As at
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
<b>Authorized capital</b>				
Equity shares of INR 10 each	20,040,000	2,004.00	20,040,000	2,004.00
0% Optionally convertible preference shares of INR 10 each	300,000	30.00	300,000	30.00
0% Non-cumulative redeemable preference shares of INR10 each	160,000	16.00	160,000	16.00
<b>Total</b>		<b>2,050.00</b>		<b>2,050.00</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of INR 10 each	5,199,075	519.91	13,750	1.38
0% Optionally convertible preference shares of INR 10 each	-	-	286,400	28.64
0% Non-cumulative redeemable preference shares of INR 10 each	157,632	15.76	157,632	15.76
<b>Total</b>		<b>535.67</b>		<b>45.78</b>

**(A) Equity Share Capital****Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
At the beginning of the year	13,750	1.38	13,750	1.38
Add:				
(i) Bonus Shares issued during the year	4,125,000	412.50	-	-
(ii) 0% Optionally convertible Preference shares converted during the year	194,700	19.47	-	-
(iii) Compulsorily Convertible Debenture converted during the year	865,625	86.56	-	-
Less: Shares Bought Back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,199,075</b>	<b>519.91</b>	<b>13,750</b>	<b>1.38</b>

**Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.



4 Share capital

Details of Shareholders holding more than 5% Equity Shares

Name of shareholder	March 31, 2023		March 31, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sarang Bhand	1,567,006	30.14%	5,206	37.86%
Suhrud Patel	571,443	10.99%	-	-
Harish Mehta	360,899	6.94%	-	-
Vipul Modi	259,763	5.00%	2,062	15.00%
Mahendra Modi	183,610	3.53%	2,062	15.00%
Niketa Modi	117,672	2.26%	2,063	15.00%
Leena Modi	-	-	2,063	15.00%

As per the records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Equity shares movement during the 5 years preceding March 31, 2023

• **Equity shares issued as pursuant to any contract for consideration other than cash**

The Company allotted 41,25,000 equity shares as fully paid up bonus shares by capitalisation of profits transferred from Securities Premium, pursuant to the passing of an Ordinary Resolution by the Shareholder in Extra Ordinary General Meeting held in September 8, 2022 for bonus equity in the ratio of 300:1 [300 (Three Hundred) equity shares to be issued for every 1 (one) equity shares].

• **Equity shares bought back**

The company had not bought back any shares during the 5 preceding years.

**Disclosure of Shareholding of Promoters**

Disclosure of shareholding of Promoter as at March 31, 2023 is as follow:

Name of Promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Sarang Bhand	1,567,006	30.14%	5,206	37.86%	-7.72%

Disclosure of shareholding of Promoter as at March 31, 2022 is as follow:

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Sarang Bhand	5,206	37.86%	5,000	36.36%	1.50%



**Organic Recycling Systems Limited**

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Notes to Consolidated financial statements for the year ended March 31, 2023

**4 Share capital**

**(B) 0% Optionally Convertible Preference Shares**

**Reconciliation of the 0% optionally convertible preference shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
At the beginning of the year	286,400	28.64	286,400	28.64
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
Less: Shares redeemed during the year	(91,700)	(9.17)	-	-
Less: Shares converted into equity shares during the year	(194,700)	(19.47)	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>286,400</b>	<b>28.64</b>

**Terms/Rights attached to 0% optionally convertible preference shares ("OCPS")**

During the year, out of 2,86,400 OCPS, 91,700 have been redeemed at Rs. 10 per OCPS and 1,94,700 have been converted into 1,94,700 Equity shares of Rs. 10 each.

**Details of Shareholders holding more than 5% optionally convertible preference shares**

Name of shareholder	March 31, 2023		March 31, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Intellivate Capital Ventures Limited	-	-	28,898	10.09%
Suhad Bhand	-	-	54,000	18.85%
Sarang Bhand	-	-	37,700	13.16%
Suhurd Patel	-	-	25,730	8.98%
K. A. Investments Consultancy LLP (Formerly known as Leena Investment Consultancy LLP)	-	-	79,535	27.77%

**Disclosure of Shareholding of Promoters**

Disclosure of shareholding of Promoter as at March 31, 2023 is as follow:

Name of Promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Sarang Bhand	-	-	37,700	13.16%	-13.16%

Disclosure of shareholding of Promoter as at March 31, 2022 is as follow:

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Sarang Bhand	37,700	13.16%	37,700	13.16%	-



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Notes to Consolidated financial statements for the year ended March 31, 2023

**4 Share capital****(C) 0% Non-Cumulative Redeemable Preference Shares****Reconciliation of the 0% non-cumulative redeemable preference shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
At the beginning of the year	157,632	15.76	157,632	15.76
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>157,632</b>	<b>15.76</b>	<b>157,632</b>	<b>15.76</b>

**Terms/Rights attached to 0% non-cumulative redeemable preference shares**

Preference shareholders shall be entitled to rights and privileges as are contained in the Preference Share Agreement dated September 16, 2013 and any subsequent addendums thereof subject to the Companies Act, 1956 and any subsequent re-enactments thereof.

Preference Shares are redeemable / transferable in accordance with the terms contained in the Preference Share Agreement dated September 16, 2013 and any subsequent addendums thereof. As per addendum dated September 30, 2018, the preference shares are redeemable on any date on or before March 31, 2024

No dividend is payable on the preference shares of the Company.

Each of the shares shall be redeemed at price calculated based on annual return of 18% p.a. for the Redemption period.

**Details of Shareholders holding more than 5% non-cumulative redeemable preference shares**

Name of shareholder	March 31, 2023		March 31, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Manish Modi	68,916	43.72%	52,116	33.06%
Mahendra Kumar Gupta	-	-	16,800	10.66%
Mahendra Modi	14,000	8.88%	14,000	8.88%
Rupal J Shah Trustee of J.P.S. Family Trust	12,000	7.61%	12,000	7.61%
Ami Modi	10,740	6.81%	10,740	6.81%
Milap C Shah	45,860	29.09%	45,860	29.09%

**Disclosure of Shareholding of Promoters**

Disclosure of shareholding of Promoter as at March 31, 2023 is as follow:

Name of Promoter	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
-	-	-	-	-	-

Disclosure of shareholding of Promoter as at March 31, 2022 is as follow:

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
-	-	-	-	-	-



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		(INR in Lakhs)	
5 Reserves and surplus		As at March 31, 2023	As at March 31, 2022
<b>Capital Redemption Reserve</b>			
Balance as at the beginning of the year		-	-
Add: Addition on account of redemption of preference shares		9.17	-
<b>Balance as at the end of the year</b>		<u>9.17</u>	<u>-</u>
<b>Securities premium account</b>			
Balance as at the beginning of the year		10,061.83	10,061.83
Add: Premium on Conversion of Compulsorily Convertible Debenture*		1,298.44	-
Less: Utilised on allotment of Bonus shares		(412.50)	-
<b>Balance as at the end of the year</b>		<u>10,947.76</u>	<u>10,061.83</u>
<b>Surplus in the Statement of Profit and Loss</b>			
Balance as at the beginning of the year		(9,298.75)	(8,765.27)
Add: Profit / (Loss) for the year		365.38	(533.48)
Less: Transferred to Capital Redemption Reserve**		(9.17)	-
<b>Balance as at the end of the year</b>		<u>(8,942.53)</u>	<u>(9,298.75)</u>
<b>Total reserves and surplus</b>		<u>2,014.40</u>	<u>763.08</u>

\*During the year the Company has converted 1,38,50,000, 0.01% Compulsorily Convertible Debenture Series I (CCD Series I) of INR 10 each into 8,65,625 Equity Shares of INR 10 each in the ratio of 0.0625:1 (0.0625 Equity Shares of INR 10 each for every 1 0.01% Compulsorily Convertible Debenture Series I held of INR 10 each) at INR 160 per share.

\*\*The Company had issued redeemable preference shares in 2013 which were redeemed out of profits in September 2022. In order to comply with the requirements of the then applicable Section 55 of the Companies Act, 2013, the Company had transferred amounts to the Capital Redemption Reserve.

		(INR in Lakhs)			
6 Borrowings		Short term		Long term	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Secured :</b>					
<b>Term loans</b>					
From Banks		180.68	87.66	278.97	458.56
<b>Loans repayable on demand</b>					
From Banks		93.94	654.10	-	-
		<u>274.62</u>	<u>741.76</u>	<u>278.97</u>	<u>458.56</u>
<b>Unsecured :</b>					
From Financial Institutions		2.79	-	19.45	22.24
Banks Overdraft		0.29	0.62	-	-
From Directors (Refer Note 29)		-	-	9.17	-
Inter-Corporate Deposit		-	-	6,396.13	4,195.20
		<u>3.08</u>	<u>0.62</u>	<u>6,424.74</u>	<u>4,217.45</u>
<b>Total</b>		<u>277.70</u>	<u>742.38</u>	<u>6,703.71</u>	<u>4,676.00</u>



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Notes to Consolidated financial statements for the year ended March 31, 2023

**6 Borrowings**

**Nature of Security :**

- (i) A Car loan from ICICI Bank is secured by hypothecation of the vehicle financed by the bank.
- (ii) Car loan from HDFC Bank is secured by hypothecation of the vehicle financed by bank.

**(iii) Term Loan from Bank of Baroda :**

Term loans are secured by :

- Hypothecation of Stock and Book Debts (Both Present and future).

- Hypothecation of Plant and Machineries.

- Equitable Mortgage of the Leasehold land and Building situated at Survey No. 68(1) (Old) & Survey No. 74/1 (New), Situating at Mouje Solapur, Tuljapur Road, Tahsil and District Solapur admeasuring area 09 Acres.

-Cash margin on bank Gurantee limit.

-Equitable Motgage on commercial Office premises situated at office No. 2 A, 2nd floor in Building No. 3 of City Mall, Link Road, Oshiwara, Link Road Andheri West, Mumbai belonging to Vision Corporation Limited.

-Pledge of 14,80,000 Redeemable Preference Shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited ("formerly known as Organic Recycling System Private Limited").

-Pledge of 37,00,000 fully paid up equity shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited ("formerly known as Organic Recycling System Private Limited").

The entire credit facility will further secured by Personal/Corporate Gurantee of the following individuals/ organizations :

- 1.Sarang Bhand
2. Organic Recycling System Limited ("formerly known as Organic Recycling System Private Limited")
- 3.Vision Corporation Limited
4. Five Elements Environment Venture Private Limited

**Terms of Repayment with interest**

- (a) Car Loan from ICICI Bank is repayable in 62 monthly instalment amounting to INR 0.41 Lakhs commencing from August 2018 along with interest at 8.75 % p.a.
- (b) Car Loan from HDFC Bank is repayable in 84 monthly instalment amounting to INR 0.38 Lakhs commencing from March 2022 along with interest at 7.10 % p.a.



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**Notes to Consolidated financial statements for the year ended March 31, 2023****6 Borrowings****(c) Term Loan from Bank of Baroda**

- (i) As per Original sanction letter, loan is repayable in 84 monthly instalment. As per revised Sanction letter dated October 30, 2021, the loan is repayable in 45 monthly instalment including moratorium period. Interest at BRLLR + 2.25% spread p.a. Spread to be reset linked to credit rating of the unit on completion of 24 months (including moratorium) from date of implementation of restructuring. Terms of repayment are as follow :

Financial Year	EMI (INR in Lakhs)
2021-22	7.49
2022-23	74.87
2023-24	137.41
2024-25	150.01
2025-26	47.80

- (ii) Term loan taken for the purpose to build up current assets for working capital requirements/to meet liquidity crunch/Cash flow mismatch. Term loan repayable in 36 monthly instalment with interest commencing from August 2020 and principal amount commencing from July 2021 along with interest at BRLLR + 1% p.a. with monthly rests. BRLLR is linked to RBI Repo rate and the same will change in line with movement of RBI repo rate. Terms of repayment are as follow :

Financial Year	EMI (INR in Lakhs)
2020-21	4.17
2021-22	29.14
2022-23	35.10
2023-24	32.65
2024-25	7.67

- (iii) Term loan taken for the purpose to build up current assets for working capital requirements/To meet liquidity crunch/Cash flow mismatch. Term loan repayable in 36 monthly instalment with interest commencing from December 2021 and principal amount commencing from December 2023 along with interest at BRLLR + 1% p.a. with monthly rests. BRLLR is linked to RBI Repo rate and the same will change in line with movement of RBI repo rate. Terms of repayment are as follow :

Financial Year	EMI (INR in Lakhs)
2021-22	0.92
2022-23	3.99
2023-24	9.15
2024-25	18.06
2025-26	16.68
2026-27	10.35

- (iv) Term loan taken for the purpose for additional funding under OTR 2.0 for purchase of Plant and Machineries (imported and indigenous). Term loan repayable in 60 monthly instalment with interest commencing from January 2022 and principal amount commencing from January 2023 along with interest at BRLLR + 2.25 % spread p.a. Spread to be reset linked to credit rating of the unit on completion of 24 months (including moratorium) from date of implementation of restructuring. Terms of repayment are as follow :

Financial Year	EMI (INR in Lakhs)
2021-22	1.22
2022-23	14.44
2023-24	35.94
2024-25	31.12



	<b>Terms of Repayment with interest</b>	<b>EMI (INR in Lakhs)</b>
<b>From Financial Institution :</b>		
(i) Business loan from Bajaj Finance	Repayable in 84 monthly instalments. The first 26 instalments will only pay interest, while the remaining 58 instalments will pay both principal and interest. Principal repayment commences from May 2023 along with interest at 18% p.a.	0.58
<b>Inter-Corporate Deposit</b>		
Aegis Warehousing Services Private Limited	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028. A simple interest at 12% p.a. will be charged on the outstanding balance during the year, which may be reduced or waived on the basis of mutual agreement between the parties without the approval of the members.	-
Indo Euro Indchem Limited	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.	-
La Fin Financial Services Private Limited	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.	-
Prash Builders Private Limited	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028. A simple interest at 6% p.a. will be charged on the outstanding balance during the year, which may be reduced or waived on the basis of mutual agreement between the parties without the approval of the members.	-
Sunil Equitrade Private Limited	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.	-
<b>From Director</b>		
(a) Sarang Bhand	There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid after March 31, 2028, which carries interest @ 0%.	-
Loan repayable on demand - Cash Credit from Bank of Baroda	Cash Credit taken from Bank of Baroda for working capital requirement. <b>Margin</b> : 25% of Stock and 40% on book debt up to 90 days. <b>Rate of Interest</b> : 6.00% over BRRLLR + plus strategic premium. Interest is payable with monthly rests and subject to change in credit rating of the account/Banks guidelines issued from time to time. <b>Security / Document</b> : i. Exclusive 1st charge by the way of supplementary Hypothecations of entire Stock and Book Debts of group, both present and future. ii. Irrevocable Power of Attorney for Books debts.	-



**Organic Recycling Systems Limited**

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**Notes to Consolidated financial statements for the year ended March 31, 2023**
**6 Borrowings**

Details of quarterly reporting done to lender :

Name of Bank and Quarter	Particulars of Securities Provided	Amount as per Books of Accounts (INR in Lakhs)	Amount as reported in quarterly return/statement (INR in Lakhs)	Amount of Difference (INR in Lakhs)	Reason for Material discrepancies
Bank of Baroda - June 2022	Inventory	123.21	123.21	-	
	Trade Receivable	129.23	37.90	91.33	The amount given to bank does not include trade receivable more than 90 days.
	Trade Payable	114.85	3.45	111.40	The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor
Bank of Baroda - September 2022	Inventory	123.33	123.33	-	
	Trade Receivable	84.56	20.92	63.63	The amount given to bank does not include trade receivable more than 90 days.
	Trade Payable	112.93	6.27	106.66	The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor
Bank of Baroda - December 2022	Inventory	127.62	127.62	-	
	Trade Receivable	742.68	40.53	702.15	The amount given to bank does not include trade receivable more than 90 days.
	Trade Payable	125.46	19.74	105.73	The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor
Bank of Baroda - March 2023	Inventory	89.70	89.70	-	
	Trade Receivable	1,064.97	1,067.38	(2.42)	The amount given to bank was based on the unaudited books of accounts.
	Trade Payable	133.59	13.64	119.95	The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor



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(INR in Lakhs)

7 Other Liabilities	Current		Long-term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security Deposits* (Refer Note 29)	-	-	291.75	291.75
<b>Trade Advance</b>				
From Related Party (Refer Note 29)	36.65	36.65	-	-
From Others	-	2,135.80	162.00	162.00
Employee benefits payable	113.86	166.23	-	-
Statutory dues including provident fund and tax deducted at source	261.84	75.27	-	-
Sundry Creditors for Capital Goods**	137.83	182.39	-	-
Sundry Creditors for Expenses	311.30	317.60	-	-
Advance to Customer	0.63	-	-	-
Payable for expenses	103.13	64.13	-	-
Interest Accrued but not due on Term Loan	1.54	-	-	-
Other Payable	75.09	98.96	-	-
<b>Total</b>	<b>1,041.88</b>	<b>3,077.02</b>	<b>453.75</b>	<b>453.75</b>

\*Security deposit of INR 191.75 Lakhs (PY INR 191.75 Lakhs) has been taken from Blue Planet Yasasu Solutions Private Limited for Performance Bank Guarantee, Earnest money deposit and Tender deposit as per the terms of the contract.

\*Security deposit of INR 100.00 Lakhs (PY INR 100.00 Lakhs) has been taken from Blue Planet Environmental Solutions India Private Limited for Earnest money deposit for Kerala State Industrial Development Corporation Project.

\*\* Out of the total payable, INR 59.13 Lakhs (PY INR 59.13 Lakhs) is under dispute. Out of the total amount under dispute, INR 18.02 Lakhs (P.Y. INR 18.02 Lakhs) is under arbitration at Mumbai which is at its final stage. Remaining amount of INR 41.11 Lakhs (P.Y. INR 41.11 Lakhs) is under dispute under the MSME law at Pune and is at its initial stage.

(INR in Lakhs)

8 Provisions	Short term		Long term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Provision for gratuity (Note 30)	3.94	3.52	48.01	43.40
<b>Total</b>	<b>3.94</b>	<b>3.52</b>	<b>48.01</b>	<b>43.40</b>



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**Notes to Consolidated financial statements for the year ended March 31, 2023**

	(INR in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>9 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer ageing schedule below)*	733.69	739.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	118.36	125.01
<b>Total</b>	<b>852.05</b>	<b>864.42</b>

\*Includes payable to related party INR 718.46 Lakhs (P.Y. INR 739.42 Lakhs)

**The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the group is as under:**

	(INR in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due and remaining unpaid	733.69	739.42
Interest accrued and due on above and the unpaid interest	8.11	0.03
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	<b>741.80</b>	<b>739.45</b>

**Trade Payable ageing schedule as at March 31, 2023:**

Particulars	Outstanding for following periods from due date of payment				As at
	Less than 1 year	1-2 years	2-3 years	more than 3 years	March 31, 2023
MSME	197.95	107.67	318.40	109.66	733.69
Others	26.49	16.06	10.76	65.05	118.36
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>224.44</b>	<b>123.73</b>	<b>329.16</b>	<b>174.71</b>	<b>852.05</b>

**Trade Payable ageing schedule for as at March 31, 2022:**

Particulars	Outstanding for following periods from due date of payment				As at
	Less than 1 year	1-2 years	2-3 years	more than 3 years	March 31, 2022
MSME	294.10	318.40	103.24	23.68	739.42
Others	34.96	12.75	27.50	49.79	125.01
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>329.06</b>	<b>331.16</b>	<b>130.74</b>	<b>73.47</b>	<b>864.42</b>



**Organic Recycling Systems Limited**

("formerly known as Organic Recycling Systems Private Limited")

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Notes to Consolidated financial statements for the year ended March 31, 2023

**Note - 10 - Property, Plant & Equipment and Intangible assets**

(INR in Lakhs)

Particulars	Property, Plant & Equipment						Total Property, Plant & Equipment	Intangible assets		Total Intangible assets
	Furnitures & Fixtures	Computers	Building	Vehicles	Office Equipments	Plant and Machinery		Technology Development	Software	
<b>At April 01, 2021</b>	103.32	23.29	2,000.55	65.99	39.83	8,641.12	10,874.10	60.99	16.71	77.70
Addition	0.22	2.37	-	25.62	3.16	168.66	200.03	-	0.75	0.75
Disposals	(37.70)	(10.25)	-	(33.81)	(16.69)	-	(98.45)	-	(13.51)	(13.51)
<b>At March 31, 2022</b>	65.83	15.42	2,000.55	57.79	26.30	8,809.78	10,975.68	60.99	3.95	64.94
Addition	1.78	2.05	18.78	6.61	1.79	106.34	137.34	-	0.24	0.24
Disposals	-	-	-	(2.37)	-	-	(2.37)	-	-	-
<b>At March 31, 2023</b>	67.61	17.46	2,019.33	62.03	28.09	8,916.13	11,110.65	60.99	4.19	65.18
<b>Depreciation/Amortisation</b>										
<b>At April 1, 2021</b>	66.75	22.18	879.99	53.52	34.09	3,072.56	4,129.10	48.49	15.49	63.98
Charge for the Year	9.50	1.04	107.89	4.73	2.61	463.12	588.88	6.10	1.00	7.10
Disposals	(37.70)	(10.25)	-	(30.20)	(16.69)	-	(94.84)	-	(13.51)	(13.51)
<b>At March 31, 2022</b>	38.54	12.97	987.88	28.06	20.01	3,535.69	4,623.15	54.59	2.97	57.57
Charge for the period	7.09	1.85	97.91	10.51	3.17	440.79	561.34	6.10	0.42	6.52
Disposals	-	-	-	(2.25)	-	-	(2.25)	-	-	-
<b>At March 31, 2023</b>	45.64	14.82	1,085.79	36.32	23.18	3,976.48	5,182.24	60.69	3.39	64.08
<b>Net Book Value</b>										
<b>At March 31, 2022</b>	27.29	2.45	1,012.67	29.74	6.29	5,274.10	6,352.53	6.40	0.97	7.37
<b>At March 31, 2023</b>	21.97	2.64	933.54	25.71	4.91	4,939.65	5,928.41	0.30	0.79	1.09



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Notes to Consolidated financial statements for the year ended March 31, 2023

**Note - 10 - Intangible Asset Under Development**

Particular	(INR in Lakhs) Amount
<b>Gross Value</b>	
At April 1, 2021	293.09
Addition	311.43
Disposals	-
<b>At March 31, 2022</b>	<b>604.52</b>
Addition	410.77
Disposals	-
<b>At March 31, 2023</b>	<b>1,015.29</b>
<b>Depreciation/Impairment</b>	
At April 1, 2021	-
Addition	-
Disposals	-
<b>At March 31, 2022</b>	<b>-</b>
Addition	-
Disposals	-
<b>At March 31, 2023</b>	<b>-</b>
<b>Net Carrying Value</b>	
At March 31, 2022	604.52
At March 31, 2023	1,015.29

**Intangible Assets under Development completion schedule :**

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Project in progress	410.77	311.43	293.09	-	1,015.29

Above cost comprise of Direct Cost INR 33.35 Lakhs, Salary INR 304.02 Lakhs, Professional Fees INR 1.37 Lakhs and Depreciation INR 72.03 Lakhs (P.Y. Salary INR 311.43 Lakhs) have been incurred for development of Marut Drum, Phosphate Rich Organic Manure (PROM), Activated Carbon , In-vessel composting, Sugar King/Sugarcane Plus-Products, Co-digestion of Agri residue and other feedstock/ HRT Reactor / Pre-treatment of mixed biomass or waste, H2S and Moisture scrubber Technology and Biochar to Brick/tiles application.



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Notes to Consolidated financial statements for the year ended March 31, 2023

**Note - 10 - Capital Work in Progress**

(INR in Lakhs)

Capital Work in Progress	Amount
<b>Gross Value</b>	
At April 1, 2021	13.98
Addition	-
Disposals	-
<b>At March 31, 2022</b>	<b>13.98</b>
Addition	-
Disposals	-
<b>At March 31, 2023</b>	<b>13.98</b>
<b>Depreciation/Amortisation</b>	
At April 1, 2021	-
Charge for the Year	-
Disposals	-
<b>At March 31, 2022</b>	<b>-</b>
Charge for the period	-
Disposals	-
<b>At March 31, 2023</b>	<b>-</b>
<b>Net Book Value</b>	
At March 31, 2022	13.98
At March 31, 2023	13.98

(a) For Capital-work-in progress, following ageing schedule shall be given:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects temporarily suspended	-	-	-	13.98	13.98

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

(INR in Lakhs)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	13.98



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		(INR in Lakhs)	
		As at	As at
		March 31, 2023	March 31, 2022
<b>11</b>	<b>Goodwill on Consolidation</b>		
	Goodwill on Consolidation	93.81	104.85
	Less : Impairment of Goodwill	-	(11.04)
		<u>93.81</u>	<u>93.81</u>

				(INR in Lakhs)	
		Number of Shares	Number of Shares	As at	As at
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>12</b>	<b>Non Current Investment</b>				
	<b>Trade Investments - Unquoted (Valued At Cost Unless Stated Otherwise)</b>				
	<b>Investment in Associates :</b>				
	Blue Planet Kannur Waste Solution Private Limited	2,600	2,600	-	0.38
	Add/(Less): Group's Share of Profits / (Losses)			-	(0.38)
				<u>-</u>	<u>-</u>
	Blue Planet Palakkad Waste Solution Private Limited	2,600	2,600	-	(1.55)
	Add/(Less): Group's Share of Profits / (Losses)			-	1.55
				<u>-</u>	<u>-</u>
	<b>Investment in Others :</b>				
	Five Elements Environment Ventures Private Limited	1,000	1,000	0.10	0.10
	<b>Total</b>			<u>0.10</u>	<u>0.10</u>
	<b>Aggregate amount of</b>				
	Quoted Investments			-	-
	Market value of Quoted Investments			-	-
	Unquoted Investments			0.10	0.10

		(INR in Lakhs)	
		As at	As at
		March 31, 2023	March 31, 2022
<b>13</b>	<b>Deferred Tax Assets (Net)</b>		
	<b>Deferred tax liability</b>		
	Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,055.93	1,119.28
	<b>Gross deferred tax liability (B)</b>	<u>1,055.93</u>	<u>1,119.28</u>
	<b>Deferred tax assets</b>		
	On account of disallowance of TDS under Section 40(a)	2.74	2.39
	Provision for employee benefit expenses	13.21	11.93
	On unabsorbed depreciation and business loss	3,297.10	3,381.99
	<b>Gross deferred tax assets (A)</b>	<u>3,321.44</u>	<u>3,396.32</u>
	<b>Net deferred tax Assets (A-B)</b>	<u>2,265.51</u>	<u>2,277.03</u>
	<b>Deferred Tax Assets to be extent recognised (refer note below)</b>	<u>730.82</u>	<u>748.55</u>

According to the Accounting Standard AS-22, deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



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**Notes to Consolidated financial statements for the year ended March 31, 2023**

		(INR in Lakhs)			
14	Loans and Advances	Short term		Long term	
		As at	As at	As at	As at
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Other Loans &amp; Advances</b>					
	Advance to Employees for Expenses	5.64	4.93	-	-
	Advance to vendors	53.89	31.78	-	-
	Capital Advance	-	-	0.05	55.73
	Loans to Related parties (Refer Note 29)	-	-	4.96	-
	Balance with Government Authorities * (Net of Provision for Income Tax of INR 82.56 Lakhs (P.Y. Nil))	61.24	171.59	11.03	23.87
	Loan to Employees	4.04	0.36	-	-
	Prepaid expenses	6.58	8.42	-	-
	<b>Total</b>	<b>131.39</b>	<b>217.08</b>	<b>16.04</b>	<b>79.60</b>

\* Balance with Government Authorities includes VAT Refund amounting to INR 23.38 Lakhs. The assessment order has been passed by VAT authorities in the month of June 2022.

		(INR in Lakhs)			
15	Other Assets	Current		Non-Current	
		As at	As at	As at	As at
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Security Deposits	-	-	35.68	32.54
	Earnest Money Deposit	-	-	113.00	139.65
	Term Deposit with bank with maturity more than 12 months*	-	-	118.04	175.75
	Tender deposits	-	-	15.00	15.00
	Margin Money for Bank Gurantee- for MPCB	-	-	2.25	2.25
	TDS Reimbursible from Bajaj Finance	0.12	0.19	-	-
	Unbilled Revenue** (Refer Note 29)	432.00	-	-	-
	Interest accrued but not due on term deposits	0.76	0.04	26.78	40.10
	Others Assets***	15.45	-	-	-
	<b>Total</b>	<b>448.33</b>	<b>0.23</b>	<b>310.75</b>	<b>405.29</b>

**Notes :**

\* The term deposits are given to various customer as a performance guarantees.

\*\*The Holding Company had received an EPC Contract from Blue Planet Palakkad Waste Solutions Private Limited for the 200 TPD waste-to-energy plant for processing of solid waste located at Kanjikode in Palakkad district, Kerala ("Palakkad Project"). However, the parties to the contract have decided to foreclose the contract due to significant delay at the regulators end to allot land for the aforesaid projects and grant the related approvals. As per the terms of the framework agreement dated December 31, 2022, Blue Planet Palakkad Waste Solutions Private Limited has agreed to pay the Holding company a sum of INR 1,000 Lakhs for payments towards detailed engineering works and other consultancy services provided by the Holding company as per the EPC Contract. Out of INR 1,000 Lakhs, the Company has already billed INR 600 Lakhs during the year.

\*\*\* This included expenses incurred primarily for upcoming Initial Public Offering

		(INR in Lakhs)	
16	Inventories	As at	As at
		March 31, 2023	March 31, 2022
	Work in progress	51.60	85.60
	Finished goods	15.66	9.66
	Stores & spares	22.44	25.10
	<b>Total</b>	<b>89.70</b>	<b>120.36</b>



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	(INR in Lakhs)	
17 Trade receivables	As at March 31, 2023	As at March 31, 2022
Unsecured considered good (Refer ageing schedule below)	3,128.40	1,998.93
Doubtful	74.16	74.16
(-) Provision for doubtful debts	(74.16)	(74.16)
<b>Total</b>	<b>3,128.40</b>	<b>1,998.93</b>

Trade Receivables ageing schedule as at March 31, 2023:							(INR in Lakhs)
Particulars	Outstanding for following periods from due date of payments					As at	
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	more than 3 years	March 31, 2023	
Undisputed Trade receivables- considered good	1,417.82	158.90	137.56	0.82	0.73	1,715.81	
Undisputed Trade receivables- considered doubtful	-	-	-	-	-	-	
Disputed Trade receivables- considered good	-	138.58	556.08	539.90	178.02	1,412.59	
Disputed Trade receivables- considered doubtful	-	-	-	43.78	30.39	74.16	
(-) Provision for doubtful debts	-	-	-	(43.78)	(30.39)	(74.16)	
<b>Total</b>	<b>1,417.82</b>	<b>297.48</b>	<b>693.64</b>	<b>540.71</b>	<b>178.75</b>	<b>3,128.40</b>	

Trade Receivables ageing schedule as at March 31, 2022:							(INR in Lakhs)
Particulars	Outstanding for following periods from due date of payments					As at	
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	more than 3 years	March 31, 2022	
Undisputed Trade receivables- considered good	627.40	49.01	5.64	-	-	682.05	
Undisputed Trade receivables- considered doubtful	-	-	-	-	-	-	
Disputed Trade receivables- considered good	209.88	389.09	539.90	131.80	46.23	1,316.88	
Disputed Trade receivables- considered doubtful	-	-	43.78	18.83	11.56	74.17	
<b>Total</b>	<b>837.28</b>	<b>438.10</b>	<b>545.54</b>	<b>131.80</b>	<b>46.23</b>	<b>1,998.93</b>	

\* In respect of disputed trade receivable, the holding company has received an order dated June 30, 2022 from Municipal Corporation of Delhi whereby it has instructed its officer to terminate the contract given to the company and recover the penalties. The holding Company has filed petition on June 30, 2022 with Hon'ble High Court of Delhi to recover outstanding dues from Municipal Corporation of Delhi. Based on the opinion of the Holding Company's advocate, the Group is hopeful to recover the entire amount along with claim for cost escalation.



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Notes to Consolidated financial statements for the year ended March 31, 2023

		(INR in Lakhs)	
		As at	As at
		March 31, 2023	March 31, 2022
<b>18</b>	<b>Cash and Bank Balance</b>		
	<b>Cash and cash equivalents</b>		
	Cash on Hand	2.73	3.05
	Bank Balances		
	- In current accounts	17.15	20.84
	(A)	<u>19.88</u>	<u>23.89</u>
	<b>Other Bank Balance</b>		
	Term Deposit with bank with maturity less than 12 months	3.10	3.10
	(B)	<u>3.10</u>	<u>3.10</u>
	<b>Total (A+B)</b>	<u>22.98</u>	<u>26.99</u>



	(INR in Lakhs)	
19 Revenue from operations	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Contract revenue (Refer note below)	1,126.66	507.78
Revenue from Operation and Maintenance	33.28	373.83
Consultancy fees	335.00	50.00
Sale of Products	362.56	525.14
<b>Other Operating Income</b>		
Sale of Scrap	14.43	4.62
Technology License Fees*	600.00	-
<b>Total</b>	<b>2,471.93</b>	<b>1,461.37</b>
<b>Details of Sale of Products</b>		
Compost	340.93	511.50
Electricity	21.62	13.64
<b>Total</b>	<b>362.56</b>	<b>525.14</b>

**Note:**

(i) Includes INR 1,000 Lakhs (P.Y.- INR 328.71 Lakhs) for which the Holding Company had received an EPC Contract from Blue Planet Palakkad Waste Solutions Private Limited for the 200 TPD waste-to-energy plant for processing of solid waste located at Kanjikode in Palakkad district, Kerala ("Palakkad Project"). However, the parties to the contract have decided to foreclose the contract due to significant delay at the regulators end to allot land for the aforesaid projects and grant the related approvals. As per the terms of the framework agreement dated December 31, 2022, Blue Planet Palakkad Waste Solutions Private Limited has agreed to pay the Holding company a sum of INR 1,000 Lakhs for payments towards detailed engineering works and other consultancy services provided by the Holding company as per the EPC Contract.

(ii) Includes uncertified revenue of INR 67.53 Lakhs (P.Y. - Nil) as on March 31, 2023 which is subsequently certified by the client in the month of May 2023.

\*Income received for use of Group's Technical sub-licensing, operational and Technical know how by other company in providing solutions for Agro Waste processing plant.

	(INR in Lakhs)	
20 Other income	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income :		
- On Fixed Deposit	9.60	10.92
- On Others	0.61	0.61
Profit on Sale of Property, Plant and Equipment	0.04	7.70
Interest on Income Tax Refund	1.21	-
Sundry balance written back (Refer Note 37)	50.71	276.07
<b>Total</b>	<b>62.18</b>	<b>295.30</b>

	(INR in Lakhs)	
21 Direct expense	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase (Refer Note 29)	60.20	166.75
Power and fuel	136.78	173.88
Labour Charges	64.77	88.69
Water Charges	0.29	2.39
Security Charges	53.16	76.86
Packing & Forwarding Charges	14.42	19.34
Plant & Machinery - Hiring Charges	128.34	126.04
Transportation Charges	1.78	5.11
Loading & Unloading Charges	1.04	1.49
Testing & Laboratory Expenses	1.55	3.89
Site Cleaning Charges	0.82	4.36
Other Direct Cost	12.05	7.86
Diesel Generator - Hiring Charges	1.45	0.65
Repairs and maintenance	12.64	9.96
Sub-Contract Charges	36.78	-
<b>Total</b>	<b>526.08</b>	<b>687.25</b>

	(INR in Lakhs)	
22 (Increase)/Decrease in Inventories	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Stock in process</b>		
Stock in process at the beginning of the year	85.60	71.10
Less : Stock in process at the end of the year	51.60	85.60
	<b>34.00</b>	<b>(14.50)</b>
<b>Finished Goods</b>		
Finished goods at the beginning of the year	9.66	7.31
Less : Finished goods at the end of the year	15.66	9.66
	<b>(6.00)</b>	<b>(2.35)</b>
<b>Total</b>	<b>28.00</b>	<b>(16.85)</b>



	(INR in Lakhs)	
23 Employee benefits expense	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
*Salaried, wages and bonus*	301.81	221.29
Contributions to provident and other funds	27.73	20.86
Stipend	2.88	4.64
Recruitment expense	-	3.27
Gratuity	8.66	13.21
Staff Training Expenses	0.01	0.55
Staff welfare expenses	17.98	11.57
<b>Total</b>	<b>359.06</b>	<b>275.40</b>

\*includes Director remuneration of INR 32.87 Lakhs (P.Y INR 26.33 Lakhs)

	(INR in Lakhs)	
24 Depreciation and amortization expense	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on Property, Plant & Equipment	489.31	588.89
Amortisation of intangible assets	6.52	7.10
<b>Total</b>	<b>495.82</b>	<b>595.99</b>

	(INR in Lakhs)	
25 Finance costs	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on loan	129.20	101.32
Interest on overdraft	47.72	39.81
Interest on cash credit	9.80	7.29
Other borrowing cost	1.23	4.32
<b>Total</b>	<b>187.95</b>	<b>152.74</b>

	(INR in Lakhs)	
26 Other expenses	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Bank Charges	1.10	1.40
Rent	48.76	28.61
Rates and taxes	52.28	62.64
Electricity expenses	7.84	4.46
Insurance charges	8.64	7.44
Interest on MSME	8.11	3.77
Business promotion expenses	3.25	7.14
Legal and professional charges	128.27	94.66
Payment to auditor (Refer details below)	6.55	4.50
Travelling and conveyance expenses	33.91	31.22
Internet expenses	2.43	2.70
Lodging and Boarding expenses	14.81	13.27
Communication cost	2.82	2.89
Interest and penalties	28.54	9.39
Office expenses	19.12	12.07
Testing charges	0.21	2.25
Carriage Outward	27.01	31.73
Selling & Distribution	2.57	0.62
Repairs & Maintenance		
-Building	7.31	0.54
-Plant and Machinery	8.17	5.67
Consumption of Stores and spares	39.01	27.62
Donation	0.38	0.15
Brokerage & Commission	2.53	0.14
Bad debts and Balance written off (Refer Note 38)	2.02	147.50
Provision for doubtful debts	-	74.16
Impairment of Goodwill	-	11.04
Telephone Expense	0.92	0.82
Miscellaneous expenses	6.00	5.34
Listing Fees	1.00	0.00
Director Sitting Fees	1.80	0.00
ROC Fees	6.15	3.08
<b>Total</b>	<b>471.52</b>	<b>596.78</b>

**\* Payment to Auditors**

As Auditors:		
Audit Fees	6.30	4.50
Certificate	0.25	-
Tax matters	-	-
<b>Total</b>	<b>6.55</b>	<b>4.50</b>



**Organic Recycling Systems Limited**

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**Notes to Consolidated financial statements for the year ended March 31, 2023****27. Earning Per Share**

Net profit attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earning per share are as summarised below:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net profit for calculation of basic and diluted EPS (INR in Lakhs) (A)	365.38	(533.48)
Weighted average number of equity shares for calculating basic EPS, Nominal value of Shares Rs. 10 each (B)	4,668,051	4,138,750
Weighted average number of equity shares for calculating diluted EPS, Nominal value of Shares Rs. 10 each (C)	4,668,051	4,425,150
<b>Basic Earning per Share (A/B)</b>	<b>7.83</b>	<b>(12.89)</b>
<b>Diluted Earning per Share (A/C)</b>	<b>7.83</b>	<b>(12.06)</b>

**28. Contingent Liabilities & Commitments**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b>		
Service tax demand as per Show Cause Notice	307.18	307.18
Maharashtra Value Added Tax demand as per Show Cause Notice (Refer Note a)	-	24.27
Performance Bank Guarantee	181.79	239.50
Income Tax Demand for FY 2019-20. The Company has filed online rectification request and its expects that the due rectification will be done by the department and no liability will arise.	404.28	376.74
Bank of Baroda's Right to Recompense on restructure term loan - The rights to recompense may be excersied by Bank of Baroda from the second anniversary date of the implementation of restructured package, if it is revived and surplus cash is generated after meeting the repayment obligation under the restructure package.	49.10	49.10
Income Tax demand for FY 2014-15. The appeal has been filed and management expects that no liability will arise	411.68	385.26
Bank Guarantee - Bank Gurantee is given by Bank of Baroda in favour of Maharashtra Pollution Control Board	10.00	10.00
Income Tax demand for FY 2017-18. The appeal has been filed and management expects that no liability will arise	2.10	-
TDS Default	0.24	-
<b>Commitments</b>		
Capital Commitments	124.62	172.29

(a) The Company has paid the arrear towards Maharashtra Value Added Tax under the the Amensty Scheme and the demand has been withdrawn by the Dy. Commissioner as per the orders dated September 26, 2022.



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**29. Related party disclosures****Names of related parties and related party relationship****Related parties under AS 18**

Key Management Personnel	Sarang S. Bhand (Managing Director)
	Yashas Bhand (Director and Chief Executive Officer w.e.f. October 1, 2022)
	Janaki Sarang Bhand ( Director w.e.f September 01, 2022)
	Jigar Gudka (Chief Financial Officer w.e.f. October 01, 2022)
	Zinal Shah (Company Secretary w.e.f. February 01, 2022)
Relatives of Key Management Personnel	Suhas Bhand (Relative of Director)
Associates	Blue Planet Kannur Waste Solution Private Limited
	Blue Planet Palakkad Waste Solution Private Limited
Entities in which Key Management Personnel exercise significant influence	Blue Planet Yasasu Solutions Private Limited
	Blue Planet Yasasu Process Engineers Private Limited
	Five Elements Environment Ventures Private Limited
	Five Elements Research Foundation

**i) Related Party transactions (including provisions and accruals)**

(INR in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sarang Bhand	Director	Director Remuneration	32.87	26.33
		Director Remuneration capitalised as Technology development	10.00	24.00
		Consultancy Charges	23.33	-
		Loan received	9.17	-
Yashas Bhand	Director	Director Remuneration capitalised as Technology development	18.00	12.00
Janaki Sarang Bhand	Director	Director Sitting Fees	1.20	-
Suhas Bhand	Relative of Director	Salary capitalised as Technology development	15.00	30.00
		Consultancy Charges	15.00	-
Blue Planet Yasasu Solutions Private Limited	Entities in which Key Management Personnel exercise significant influence	Purchase of material	55.58	166.75
		Trade Advance received	-	0.89
Blue Planet Palakkad Waste Solution Private Limited	Associate Company	Revenue from operation	1,000.00	328.71
Five Elements Environment Ventures Private Limited	Entities in which Key Management Personnel exercise significant influence	Loan Given	4.96	-
Jigar Gudka	Chief Financial Officer	Salary	24.53	-
Zinal Shah	Company Secretary	Salary	2.13	0.35



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Notes to Consolidated financial statements for the year ended March 31, 2023

**29. Related party disclosures****ii) Closing Balances of Related Parties (including provisions and accruals)****(INR in Lakhs)**

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2023	As at March 31, 2022
Sarang Bhand	Director	Director Remuneration payable	1.38	2.63
		Advance for Expenses Receivable	3.50	3.50
		Consultancy Charges payable	3.05	-
		Loan payable	9.17	-
Yashas Bhand	Director	Director Remuneration payable	2.10	2.59
Janaki Sarang Bhand	Director	Director Sitting Fees	1.08	-
Suhas Bhand	Relatives of Key Management Personnel	Salary payable	0.28	6.33
		Consultancy Charges payable	2.26	-
Five Elements Environment Ventures Private Limited	Entity in which Key Management Personnel exercise significant influence	Loan Receivable	4.96	-
		Investment in Equity Shares	0.10	0.10
Blue Planet Yasasu Solutions Private Limited	Entity in which Key Management Personnel exercise significant influence	Trade payable	718.46	739.42
		Security Deposit Payable	191.75	191.75
		Trade Advance Payable	36.65	36.65
Blue Planet Palakkad Waste Solution Private Limited	Associate Company	Trade Receivable	225.56	197.56
		Unbilled Revenue	432.00	-
		Investment in Equity Shares	0.26	0.26
Blue Planet Kannur Waste Solution Private Limited	Associate Company	Investment in Equity Shares	0.26	0.26
Jigar Gudka	Key Management Personnel - Chief Financial Officer	Salary payable	0.42	-
Zinal Shah	Key Management Personnel - Company Secretary	Professional fees receivable	-	0.04
		Salary payable	0.16	0.16



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Notes to Consolidated financial statements for the year ended March 31, 2023

**30. Gratuity**

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**a. Statement of Profit and Loss****Net employee benefit expense recognized in the employee cost**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	6.65	6.02
Interest cost on benefit obligation	3.38	2.82
Expected Gain on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Loss / (Gain)	(1.38)	4.37
Recognised Past Service Cost - Vested	-	-
Recognised Past Service Cost - Unvested	-	-
<b>Net benefit expense</b>	<b>8.66</b>	<b>13.21</b>

**b. Balance Sheet**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Defined Benefit Liability	51.95	46.92

**c. Reconciliation of Net Liability**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation (i)	51.95	46.92
Fair Value of Plan Assets(ii)	-	-
<b>Net Benefit Liability</b>	<b>51.95</b>	<b>46.92</b>

**c (i) . Reconciliation of defined benefit obligation**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Defined Benefit Obligation	46.92	42.91
Transfer in / (out) obligation	-	-
Current Service Cost	6.65	6.02
Interest cost on benefit obligation	3.38	2.82
Actuarial Loss / (Gain)	(1.38)	4.37
Past Service Cost	-	-
Benefits paid	(3.62)	(9.20)
<b>Present Value of Defined Benefit Obligation</b>	<b>51.95</b>	<b>46.92</b>



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Notes to Consolidated financial statements for the year ended March 31, 2023

**30. Gratuity****c (ii) . Reconciliation of plan assets**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Value of Plan Assets	-	-
Transfer in / (out) plan assets	-	-
Expected Return	-	-
Actuarial Gain / (Loss)	-	-
Contributions by employer	-	-
Benefits paid	-	-
<b>Fair Value of Plan Assets</b>	<b>-</b>	<b>-</b>

**d. Bifurcation of Current - Non Current Liability**

(INR in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Liability	3.94	3.52
Non Current Liability	48.01	43.40
<b>Total</b>	<b>51.95</b>	<b>46.92</b>

**e. Composition of Plan Assets**

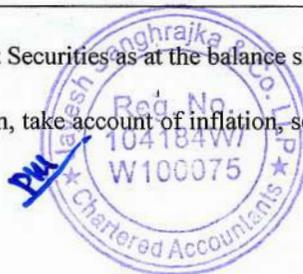
Particulars	As at March 31, 2023	As at March 31, 2022
Policy of Insurance	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>

**f. Principal Assumptions for determining Gratuity Plan**

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.31%	6.98%
Rate of Salary Increase	5.00%	5.00%
<b>Attrition rate</b>		
For service 4 years and below	15.00% p.a.	15.00% p.a.
For service 5 years and above	5.00% p.a.	5.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality Rate After Employment	N.A.	N.A.

The discount rate is based on the prevailing market yields of Government Securities as at the balance sheet date for the estimated terms of the obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



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**31. Outflow in Foreign Currency**

(INR in Lakhs)

Particulars	For the Year Ended	
	March 31, 2023	March 31, 2022
Staff Training Expenses*	-	0.55
<b>Total</b>	<b>-</b>	<b>0.55</b>

\* The payment was made by a director on behalf of the Subsidiary Company.

**32. Inflow in Foreign Currency**

There were no foreign currency earnings during the period (Previous Year INR Nil)

**33. Segment Reporting**

In accordance with the requirements of Accounting Standard 17 - "Segment Reporting", the Company has single reportable segment namely "Construction, Development and Maintenance of Waste-to-Energy projects, particularly in the Municipal Solid Waste sector. Hence AS-17 - "Segment Reporting" is not applicable.

**34. Disclosure relating to entities considered in the Consolidation Financial Statements :****Subsidiaries Considered for Consolidation:**

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest	
		March 31, 2023	March 31, 2022
Solapur Bioenergy Systems Private Limited	India	100%	100%
Organic Waste India Private Limited	India	100%	100%
Pune Urban Recyclers Private Limited	India	100%	100%
Meerut Bioenergy Systems Private Limited	India	100%	100%

**Associates Considered for Consolidation:**

Name of Associates	Country of Incorporation	Proportion of ownership interest	
		March 31, 2023	March 31, 2022
Blue Planet Palakkad Waste Solutions Private Limited	India	26%	26%
Blue Planet Kannur Waste Solutions Private Limited	India	26%	26%



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Notes to Consolidated financial statements for the year ended March 31, 2023

**34. Disclosure relating to entities considered in the Consolidation Financial Statements :**

Additional information as required by para 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity in the Group	Net Assets i.e Total Assest minus Total Liabilities		Share of Profit / (Loss)	
	As % of consolidated net assets	INR in Lakhs	As % of consolidated Profit/Loss	INR in Lakhs
<b>Parent Company</b>				
<b>Organic Recycling Systems Limited</b>				
Balance as at March 31, 2023	432.63%	11,032.49	129.21%	472.12
Balance as at March 31, 2022	1135.49%	9,184.54	-25.41%	135.56
<b>Subsidiaries (Indian)</b>				
<b>Solapur Bioenergy Systems Private Limited</b>				
Balance as at March 31, 2023	-288.77%	(7,363.85)	-24.90%	(90.97)
Balance as at March 31, 2022	-899.15%	(7,272.88)	130.47%	(696.05)
<b>Organic Waste India Private Limited</b>				
Balance as at March 31, 2023	-33.73%	(860.15)	-2.64%	(9.63)
Balance as at March 31, 2022	-105.36%	(852.21)	-5.62%	29.96
<b>Pune Urban Recyclers Private Limited</b>				
Balance as at March 31, 2023	-9.24%	(235.55)	-0.38%	(1.38)
Balance as at March 31, 2022	-28.95%	(234.18)	0.18%	(0.94)
<b>Meerut Bioenergy Systems Private Limited</b>				
Balance as at March 31, 2023	-0.88%	(22.35)	-1.30%	(4.77)
Balance as at March 31, 2022	-2.17%	(17.58)	0.60%	(3.19)
<b>Associates (Indian)</b>				
<b>Blue Planet Palakkad Waste Solutions Private Limited</b>				
Balance as at March 31, 2023	-0.01%	(0.26)	0.00%	-
Balance as at March 31, 2022	0.19%	1.55	-0.29%	1.55
<b>Blue Planet Kannur Waste Solutions Private Limited</b>				
Balance as at March 31, 2023	-0.01%	(0.26)	0.00%	-
Balance as at March 31, 2022	-0.05%	(0.38)	0.07%	(0.38)
<b>Balance as at March 31, 2023</b>	<b>100.00%</b>	<b>2,550.07</b>	<b>100.00%</b>	<b>365.38</b>
<b>Balance as at March 31, 2022</b>	<b>100.00%</b>	<b>808.86</b>	<b>100.00%</b>	<b>(533.48)</b>



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**Notes to Consolidated financial statements for the year ended March 31, 2023****35. Registration of charges or satisfaction with Registrar of Companies**

During the year, charge yet to be register with the Registrar of Companies

Asset under charge	Lender	Date of Creation	Reason
Car Loan taken by Holding Company	ICICI Bank	July 6, 2018	As per the common practice, charge on vehicle loan is created by the bank. The management was under impression that bank would have created the charge. However it is learnt that the bank failed to create charge as well as informed the management to create. Since the current outstanding is hardly INR 2.09 Lakhs and the same will be repaid in FY 2023-24. Hence no charge is created.

**36. Other Disclosures**

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Wilful defaulter

(d) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

**37. Write Back of Liabilities**

The group has written back following balances because they are outstanding since long period and not payable :

Particular	(INR in Lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Trade Payable	2.25	150.38
Forfeiture of Trade Advance	-	79.40
Other Liabilities	48.46	46.15
Statutory dues because of of PT Registration	-	0.09
Borrowing - Director	-	0.05
<b>Total</b>	<b>50.71</b>	<b>276.07</b>



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Notes to Consolidated financial statements for the year ended March 31, 2023

**38. Sundry Balance and Bad Debts written off**

The group has written off following balances because they are outstanding since long period and not recoverable :

Particular	(INR in Lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Advance to vendors and others	2.02	81.73
Trade Receivable	-	56.46
Security Deposits	-	7.25
TDS Receivable	-	2.05
<b>Total</b>	<b>2.02</b>	<b>147.50</b>

**39. Disclosure in accordance in Accounting Standard- 7 (Revised)**

Particulars	(INR in Lakhs)	
	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Contract revenue recognised in an accounting period	67.53	-
Aggregate amount of cost incurred till date	46.46	-
Aggregate amount of net profit recognised till date	21.07	-
Advance received from customer	-	-
Amount of retentions	-	-

40. In the opinion of the Board, the provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

41. In the opinion of the Board, all assets other than property, plant and equipment and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.



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**Notes to Consolidated financial statements for the year ended March 31, 2023**

**42. Previous year figure**

Previous year's figures have been regrouped where necessary to confirm to current year's classification.

As per our report of even date.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 104184W/W100075

*PXBhagat*  
**Pritesh Bhagat**  
Designated Partner  
Membership No.: 144424



For and on behalf of the Board of Directors

**Organic Recycling Systems Limited**

*Sarang Bhand*  
**Sarang Bhand**  
Managing Director  
DIN : 01633419

*Jigar Gudka*  
**Jigar Gudka**  
Chief Financial Officer

*Yashas Bhand*  
**Yashas Bhand**  
Director and Chief Executive Officer  
DIN : 07118419

*Zinal Shah*  
**Zinal Shah**  
Company Secretary

Place: Mumbai  
Date: June 09, 2023

Place: Mumbai  
Date: June 09, 2023