

# Jayesh Sanghrajka & Co LLP

Chartered Accountants

Report of auditors on the restated consolidated summary statements of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and Profit and Losses and Cash Flows for the year ended March 31, 2023, March 31, 2022 and March, 2021 of **Organic Recycling Systems Limited** (Collectively, the "Restated Consolidated Summary Statements")

To,  
The Board of Directors,  
**Organic Recycling Systems Limited**  
1003, 10th Floor,  
The Affaires Plot No 9,  
Sector No 17, Sanpada,  
Navi Mumbai 400705

Dear Sirs,

1. We, Jayesh Sanghrajka & Co. LLP, Chartered Accountants, ("we" or "us" or "JSC") have examined the Restated Consolidated Summary Statements of **Organic Recycling Systems Limited** ('Company') and its subsidiaries consisting of Solapur Bioenergy Systems Private Limited ("SBSPL"), Organic Waste India Private Limited ("OWIPL"), Pune Urban Recyclers Private Limited ("PURPL") and Meerut Bioenergy Systems Private Limited ("MBSPL") (together "the subsidiaries") and its associates - Blue Planet Kannur Waste Solution Private Limited ("BPKWSPL") and Blue Planet Palakkad Waste Solution Private Limited ("BPPWSPL") [together referred to as 'the Group'], as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 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), as amended issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

## Management's responsibility for the Restated Consolidated Summary Statements

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



## Auditors' responsibilities

Head Office :  
405 - 408, Hind Rajasthan Building,  
Dadasaheb Phalke Road, Dadar (E), Mumbai - 400 014.  
Branch Office at Vashi (Navi Mumbai)  
Tel.: +91 22 40774602  
info@jsandco.in www.jsandco.in

Affiliates Offices :  
Ahmedabad, Bangalore, Chennai, Delhi,  
Guwahati, Hyderabad, Indore, Jaipur, Kochi,  
Kolkata, Patna, Silchar, Siliguri and  
Thiruvananthapuram.

**Batgach**  
& AFFILIATES  
A NETWORK APPROVED BY ICAI



# Jayesh Sanghrajka & Co LLP

Chartered Accountants

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 May 4, 2023 valid till May 31, 2026.
4. We have examined such Restated Consolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company.
  - b. the Guidance Note on reports in Company Prospectuses (Revised 2019), as amended issued by the Institute of Chartered Accountant of India (the "ICAI") ("the Guidance Note").
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; and
  - d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The management has informed that the Company proposes to make an IPO, which comprises of fresh issue of equity shares having a face value of Rs.10 each, at such premium, arrived at a price (referred to as the 'Offer'), as may be decided by the Board of Directors of the Company.
6. These Restated Consolidated Summary Statements have been compiled by the management from the Audited Financial Statements of the Company for the year ended March 31, 2023, March 31, 2022, and March, 2021 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 have been audited by us.

## Restated Consolidated Summary Statements as per audited financial statements:

7. The Restated Consolidated Summary Statement of the Company have been compiled by the management:
  - a. The audited consolidated financial statement of the Company as at and for the year ended March 31, 2023, 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 June 9, 2023, September 3, 2022, and November 30, 2021 respectively and other financial records;





# Jayesh Sanghrajka & Co LLP

Chartered Accountants

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

Name of the entity	Relationship	Period covered
Solapur Bio Energy Systems Private Limited	Subsidiary	For year ended March 31, 2023, March 31, 2022, and March 2021.
Organic Waste India Private Limited	Subsidiary	For year ended March 31, 2023, March 31, 2022, and March 2021.
Pune Urban Recyclers Private Limited	Subsidiary	For year ended March 31, 2023, March 31, 2022, and March 2021.
Meerut Bio Energy Systems Private Limited	Subsidiary	For year ended March 31, 2023, March 31, 2022, and March 2021.
Blue Planet Palakkad Waste Solution Private Limited	Associates	For year ended March 31, 2023, March 31, 2022, and for the period from February 14, 2020, to March 31, 2021
Blue Planet Kannur Waste Solution Private Limited	Associates	For year ended March 31, 2023, March 31, 2022, and for the period from February 14, 2020, to March 31, 2021

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

- a. Auditors' reports issued by us dated June 9, 2023, September 3, 2022, and November 30, 2021, on the financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 as referred in Para 7(a) above;

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

Name of the entity	Relationship	Name of Auditor	Audit Report Date
Solapur Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	August 26, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023
Organic Waste India Private Limited	Subsidiary	Sanghrajka and Associates	November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023
Pune Urban Recyclers Private Limited	Subsidiary	Sanghrajka and Associates	November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023
Meerut Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023



Head Office :  
405 - 408, Hind Rajasthan Building,  
Dadasaheb Phalke Road, Dadar (E), Mumbai - 400 014.  
Branch Office at Vashi (Navi Mumbai)  
Tel.: +91 22 40774602  
info@jsandco.in www.jsandco.in

Affiliates Offices :  
Ahmedabad, Bangalore, Chennai, Delhi,  
Guwahati, Hyderabad, Indore, Jaipur, Kochi,  
Kolkata, Patna, Silchar, Siliguri and  
Thiruvananthapuram.

**Batgach**  
& AFFILIATES  
A NETWORK APPROVED BY ICAI



# Jayesh Sanghrajka & Co LLP

Chartered Accountants

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

(INR in Lakhs)

Particular	March 31, 2023	March 31, 2022	March 31, 2021
Total Assets	8,667.79	8,320.76	8,598.90
Revenue	1,166.99	529.76	426.06
Cash Inflows/(outflow)	1.52	(10.12)	(1.38)
Group's share of net profit before tax	(106.74)	(659.17)	(664.34)

- b. The examination reports issued by the respective auditors of subsidiaries on the restated standalone summary statement as at and for the year mentioned in the following table:

Name of the entity	Relationship	Name of Auditor	Examination Report Date
Solapur Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023.
Organic Waste India Private Limited	Subsidiary	Sanghrajka and Associates	August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023.
Pune Urban Recyclers Private Limited	Subsidiary	Sanghrajka and Associates	August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023.
Meerut Bio Energy Systems Private Limited	Subsidiary	Sanghrajka and Associates	August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023.

For the financial year ended March 31, 2021, March 31, 2022, and March 31, 2023 above entities share of total assets, total revenues and net cash flows and Group's share of net profit, included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

(INR in Lakhs)

Particular	March 31, 2023	March 31, 2022	March 31, 2021
Total Assets	8,667.79	8,320.76	8,603.02
Revenue	1,166.99	529.76	426.06
Cash Inflows/(outflow)	1.52	(10.12)	(1.38)
Group's share of net profit before tax	(106.74)	(659.17)	(695.22)





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

- A. The accounting policies as at and for the year ended March 31, 2023 are materially consistent with the policy adopted for the year ended March 31, 2022, and March 31, 2021. Accordingly, no adjustments have been made to the audited financial statements of the respective period presented on account of changes in accounting policy;
  - B. This Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - C. This Restated Consolidated Summary Statements do not contain any qualifications requiring adjustments.
9. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part 1 of Chapter III of the Act, read with Rule 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note and terms of our engagements agreed with you, we report that:
- a. The Restated Consolidated Summary Statements of Asset and Liabilities of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
  - b. The Restated Consolidated Summary Statements of Profit and Loss of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
  - c. The Restated Consolidated Summary Statements of Cash Flows of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustment to the audited consolidated financial statements.
10. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the report submitted by the Previous Auditors, as referred to in Para 8(b) above for the year, we further report that:
- a. The accounting policies for the year ended March 31, 2023, are materially consistent with the policies adopted for the year ended March 31, 2022 and March 31, 2021. Accordingly, no adjustments, have been made to the audited financial statements of the respective periods presented, on account of changes in accounting policies;
  - b. The Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amount in the respective financial years to which they relate;
  - c. There are no qualifications in the auditors' reports on the consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 which require any adjustments to the restated consolidated summary statements;





# Jayesh Sanghrajka & Co LLP

Chartered Accountants

11. We have not audited any financial statements of the Company for any period subsequent to March 31, 2023. 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 March 31, 2023.

## Other Financial Information:

12. At the Company's request, we have also examined the following Other Consolidated Financial Information, as restated, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

- a. Restated Consolidated Statement of Share Capital, as annexure VI,
- b. Restated Consolidated Statement of Reserves and surplus, as annexure VII,
- c. Restated Consolidated Statement of Borrowings, as annexure VIII,
- d. Restated Consolidated Statement of Other liabilities, as annexure IX,
- e. Restated Consolidated Statement of Provisions, as annexure X,
- f. Restated Consolidated Statement of Trade payables, as annexure XI,
- g. Restated Consolidated Statement of Property, Plant and equipment, Intangible assets, Capital Work in Progress and Intangible Assets Under Development as annexure XII,
- h. Restated Consolidated Statement of Goodwill on Consolidation, as annexure XIII,
- i. Restated Consolidated Statement of Non-current investments, as annexure XIV,
- j. Restated Consolidated Statement of Deferred tax assets, as annexure XV,
- k. Restated Consolidated Statement of Loans and advances, as annexure XVI,
- l. Restated Consolidated Statement of Other assets, as annexure XVII,
- m. Restated Consolidated Statement of Inventories, as annexure XVIII,
- n. Restated Consolidated Statement of Trade receivables, as annexure XIX,
- o. Restated Consolidated Statement of Cash and cash equivalents, as annexure XX,
- p. Restated Consolidated Statement of Revenue from operations, as annexure XXI,
- q. Restated Consolidated Statement of Other income, as annexure XXII,
- r. Restated Consolidated Statement of Direct expenses, as annexure XXIII,
- s. Restated Consolidated Statement of (Increase)/Decrease in Inventories, as annexure XXIV,
- t. Restated Consolidated Statement of Employee benefit expenses, as annexure XXV,
- u. Restated Consolidated Statement of Depreciation and amortisation, as annexure XXVI,
- v. Restated Consolidated Statement of Finance cost, as annexure XXVII,
- w. Restated Consolidated Statement of Other expenses, as annexure XXVIII,
- x. Restated Consolidated Statement of Contingent liabilities, as annexure XXIX,
- y. Restated Consolidated Statement of Related party transactions, as annexure XXX,
- z. Restated Consolidated Statement of Accounting ratios, as annexure XXXI,
- aa. Consolidated Capitalisation Statement, as annexure XXXII,
- bb. Restated Consolidated Statement of Gratuity, as annexure XXXIII,
- cc. Restated Consolidated Statement of Segment Reporting, as annexure XXXIV,
- dd. Restated Consolidated Statement of Registration of charges or satisfaction with Registrar of Companies, as annexure XXXV,
- ee. Restated Consolidated Statement of Other Disclosure, as annexure XXXVI,
- ff. Restated Consolidated Statement of Disclosure in accordance with Accounting Standard- 7 (Revised), as annexure XXXVII,
- gg. Restated Consolidated Statement of Previous period figures, as annexure XXXVIII.





# Jayesh Sanghrajka & Co LLP

Chartered Accountants

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

## For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 104184W/W100075

*PK Bhagat*  
**Pritesh Bhagat**

Designated Partner

Membership No. 144424

UDIN: 23144424BGRNMB6839



Place: Navi Mumbai

Date: August 11, 2023

### Head Office :

405 - 408, Hind Rajasthan Building,  
Dadasaheb Phalke Road, Dadar (E), Mumbai - 400 014.

Branch Office at Vashi (Navi Mumbai)

Tel.: +91 22 40774602

info@jsandco.in www.jsandco.in

### Affiliates Offices :

Ahmedabad, Bangalore, Chennai, Delhi,  
Guwahati, Hyderabad, Indore, Jaipur, Kochi,  
Kolkata, Patna, Silchar, Siliguri and  
Thiruvananthapuram.

**Batgach**  
& AFFILIATES  
A NETWORK APPROVED BY ICAI