

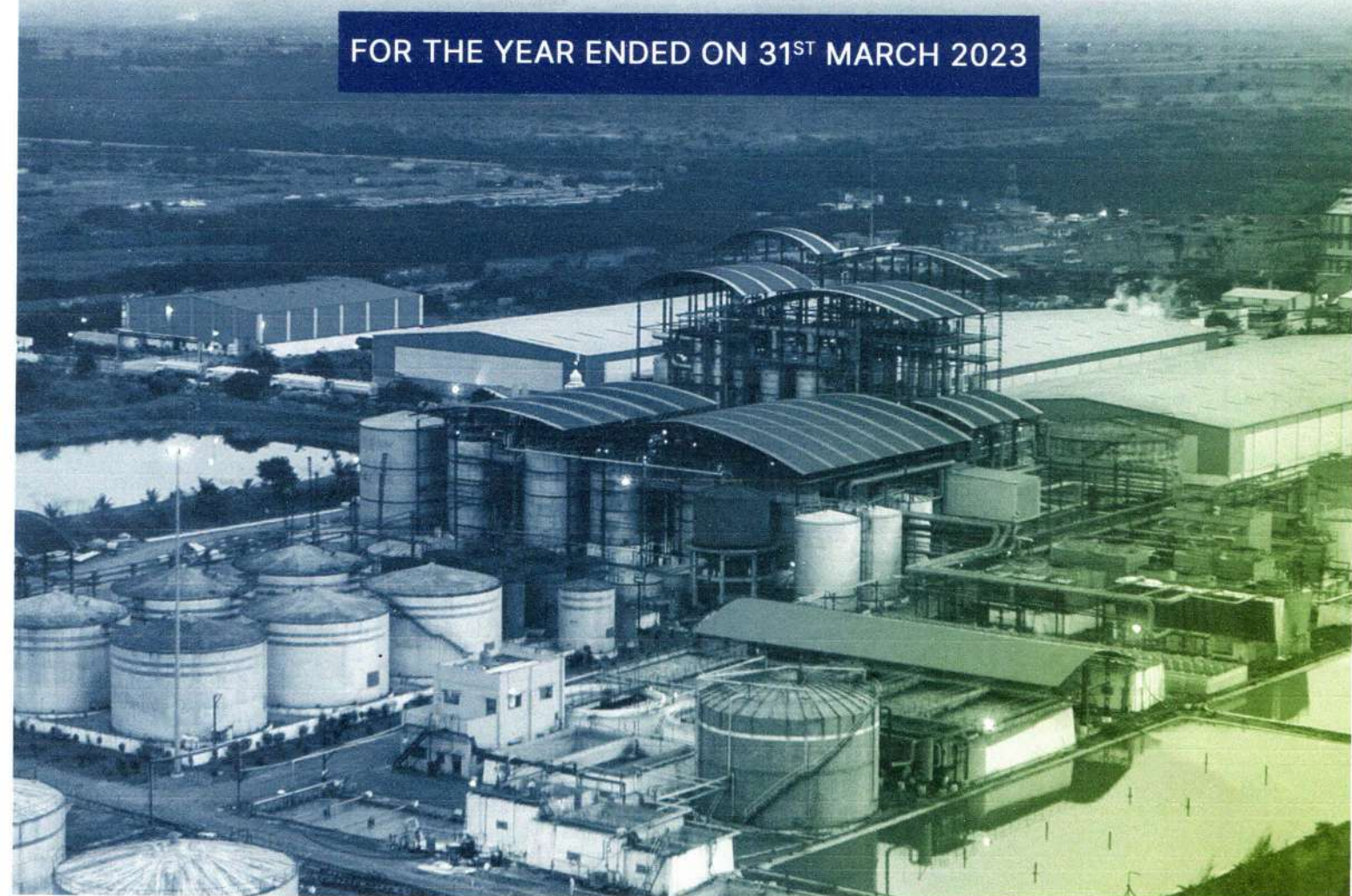


TRUALT
BIOENERGY
LIMITED

FORMERLY KNOWN AS TRUALT ENERGY LIMITED

FINANCIAL STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH 2023



TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Balance Sheet as at 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	1,14,864	-
Capital work-in-progress	6	962	-
Goodwill	7	4,786	-
Other intangible assets	7	10,508	-
Other non-current assets	8	8,068	-
Total non-current assets		1,39,188	-
Current assets			
Inventories	9	15,348	-
Financial assets			
Trade receivables	10	8,654	-
Cash and cash equivalents	12	478	6
Other financial assets	11	16,936	-
Other current assets	13	4,994	0
Total current assets		46,410	6
Total assets		1,85,598	6
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	6,108	6
Other equity	15	17,941	(1)
Total equity		24,050	5
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	1,07,033	-
Other financial liabilities	17	1,120	-
Provisions	18	65	-
Deferred tax liability (net)	33	9,077	-
Total non-current liabilities		1,17,295	-
Current liabilities			
Financial liabilities			
Borrowings	19	7,977	-
Trade payables	20	-	-
i) total outstanding dues of micro enterprises and small enterprises		138	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		30,734	-
Other financial liabilities	21	5,188	1
Other current liabilities	22	211	-
Provisions	18	5	-
Total current liabilities		44,253	1
Total liabilities		1,61,548	1
Total equity and liabilities		1,85,598	6

The accompanying notes 1 to 51 are an integral part of the financial statements.

As per our report of even date
For N. M. Rajji & Co.,
Chartered Accountants
Firm Registration No.: 108296W

Santosh Burande
Partner
Membership No.: 214451

Place: Bengaluru
Date: November 06, 2023



For and on behalf of the Board of Directors
TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
CIN: U15400KA2021PLC145978

Vijay Kumar M Nirani
Director
DIN: 07413777

Vishal M Nirani
Director
DIN: 08434032



Debnath Mukhopadhyay
Chief Financial Officer

Sudheer Sannapaneni
Company Secretary
Membership No: 55105

Place: Bengaluru
Date: November 06, 2023

TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Statement of Profit and Loss for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	23	76,238	-
Total income		76,238	-
Expenses			
Cost of material consumed	24	56,733	-
Purchase of Stock-in-Trade		1,678	-
Changes in inventories of finished goods	25	(8,271)	-
Employee benefits expenses	26	859	-
Finance costs	27	3,531	-
Depreciation and amortization expense	28	2,075	-
Other expenses	29	14,734	1
Total expenses		71,339	1
Profit/(Loss) before tax		4,899	(1)
Tax expense			
Current tax	30	-	-
Deferred tax	30	(1,353)	-
Total income tax expense		(1,353)	-
Profit/(Loss) for the year		3,546	(1)
Other comprehensive income			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		3,546	(1)
Earnings/(Loss) per share			
Basic earnings/(loss) per share (INR)	32	7.10	(2.03)
Diluted earnings/(loss) per share (INR)	32	7.10	(2.03)

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Chief Financial Officer

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Date: November 06, 2023

Vishal M Nirani
Director
DIN: 08434032

Sudheer Sannapaneni

Company Secretary
Membership No: 55105



TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Statement of cash flows for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit/ (Loss) before tax	4,899	(1)
Adjustments for:		
Depreciation and amortization expenses	2,075	-
Finance cost	3,531	-
Allowances for trade receivable	6	-
Provision for gratuity and leave encashment	19	-
Operating Profit/ (Loss) before working capital changes	10,530	(1)
Changes in working capital		
Increase / (Decrease) in trade payables	28,756	-
(Increase) / Decrease in inventories	(11,074)	-
(Increase) / Decrease in trade receivables	(6,807)	-
Increase / (Decrease) in other current liabilities	84	-
Increase / (Decrease) in other financial liabilities	(10,453)	1
(Increase) / Decrease in other financial assets	(1,751)	(0)
(Increase) / Decrease in other assets	14,064	-
Cash generated used in operations	23,349	(0)
Income tax paid	-	-
Net cash flows used in operating activities (A)	23,349	(0)
Cash flow from Investing activities		
Cash outflow on acquisition of distillery business	(87,304)	-
Purchase of property plant and equipment including CWIP	(27,554)	-
Net cash flow from investing activities (B)	(1,14,858)	-
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	6,101	6
Commitment charges paid	(450)	-
Proceeds from loans (net of transaction cost)	86,353	-
Repayment of loans	(23)	-
Net cash flow from financing activities (C)	91,981	6
Net increase in cash and cash equivalents (A+B+C)	472	6
Cash and cash equivalents at the beginning of the year	6	-
Cash and cash equivalents at the end of the year	478	6
Cash and cash equivalents comprise (Refer note 12)		
Balances with banks		
On current accounts	478	6
Total cash and bank balances at end of the year	478	6

The accompanying notes 1 to 51 are an integral part of the financial statements.

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Membership No: 55105

Place: Bengaluru
Date: November 06, 2023

TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Statement of changes in equity for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

(A) Equity share capital

For the year ended 31 March 2023
Equity shares of INR 10 each issued, subscribed and fully paid
Balance as at 1 April 2022
Changes in equity share capital during the current year
Balance as at 31 March 2023

31 March 2023	
No. of shares	Amount
61,000	6
6,10,14,820	6,102
6,10,75,820	6,108

For the year ended 31 March 2022
Equity shares of INR 10 each issued, subscribed and fully paid
Balance as at 1 April 2021
Changes in equity share capital during the previous year
Balance as at 31 March 2022

31 March 2022	
No. of shares	Amount
61,000	6
-	-
61,000	6

(B) Other equity

For the year ended 31 March 2023

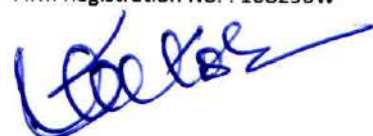
Particulars	Equity component of compound financial instruments	Retained Earnings	Other items of Other Comprehensive Income	Total
Balance as at 1 April 2022	-	(1)	-	(1)
Restated balance as at April 2022	-	(1)	-	(1)
Profit/(Loss) for the year	-	3,546	-	3,546
Other comprehensive income	-	-	-	-
Total Comprehensive Income	-	3,546	-	3,546
Transfer to/(from) retained earnings	-	-	-	-
Issue of Compulsorily Convertible Preference Shares (Refer note 14 B)	14,690	-	-	14,690
Dividend on Compulsorily Convertible Preference Shares (Refer note 14 B)	-	(293)	-	(293)
Balance as at 31 March 2023	14,690	3,252	-	17,942

For the year ended 31 March 2022

Particulars	Equity component of compound financial instruments	Retained Earnings	Other items of Other Comprehensive Income	Total
Balance as at 1 April 2021	-	-	-	-
Restated balance as at 1 April 2021	-	-	-	-
Profit/(Loss) for the year	-	(1)	-	(1)
Other comprehensive income	-	-	-	-
Total Comprehensive Income	-	(1)	-	(1)
Transfer to/(from) retained earnings	-	-	-	-
Balance as at 31 March 2022	-	(1)	-	(1)

The accompanying notes 1 to 51 are an integral part of the financial statements.

As per our report of even date
For N. M. Raiji & Co.,
Chartered Accountants
Firm Registration No. : 108296W



Santosh Burande
Partner
Membership No. : 214451

Place: Bengaluru
Date: November 06, 2023



For and on behalf of the Board of Directors of
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(Formerly known as TruAlt Energy Limited)
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Chief Financial Officer


Sudheer Sannapaneni
Company Secretary
Membership No: 55105

Place: Bengaluru
Date: November 06, 2023

1 Corporate Information

TruAlt Bioenergy Limited (the "Company") (formerly known as TruAlt Energy Limited) is a public company domiciled in India. It was incorporated on March 31, 2021 under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at Kulali Cross, Jamkhandi Mudhol Road, Mudhol, Karnataka. The Company is primarily engaged in the business of producing ethanol and other products derived from distillery processes.

With effect from July 1, 2022 the name of the Company was changed from TruAlt Energy Limited to TruAlt Bioenergy Limited.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter. The Company has adopted Ind AS voluntarily, with the transition date being April 1, 2021. Given that the Company was incorporated on March 31, 2021, there are no significant transactions for the year ended March 31, 2021 and comparative year ended March 31, 2022. Accordingly, the equity and profit & loss reconciliation, setting out the impact of Ind AS on the transition date and the comparative period has not been provided. The impact of the business combination transaction during the current year has been explained in note 31.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention, using the accrual basis of accounting, except for the following material items that have been measured at fair value, as required by the relevant Ind AS:-

- Certain financial assets and liabilities are measured at fair value (refer accounting policy on financial instruments)
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- Accounting for business combination as set out in note 31.

(c) Use of estimates

In preparation of these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively. Refer note 3 for details of the key estimates and judgments.

2.2 Summary of Significant Accounting Policies

(a) Business Combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured, at acquisition date fair value and the amount of any NCI in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



(b) Current versus Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months from the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

* All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months from the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue contracts are on a principal to principal basis and the Company is primarily responsible for fulfilling the identified performance obligation.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, on delivery of the goods. Payment for the sale is made as per the credit terms in the agreements with the customers. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods and services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Contract balances - Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(e) Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

(g) Property, plant and equipment and Capital work-in progress

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. For this purpose, cost includes deemed cost on the date of transition and acquisition price, including nonrecoverable duties and taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. In addition, interest on borrowings used to finance the construction of qualifying assets is capitalized as part of the asset's cost until such time that the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under Other Non-current Assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Years
Factory Building	30-40
Other Buildings	40-50
Plant & Machinery	10-25
Furniture and Fixtures	8-10
Vehicles	8-10
Office Equipment	5
Computers	3

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives, different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on a pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount. These are included in the Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and are adjusted prospectively, as appropriate.



(h) **Other Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The Company amortizes intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Years
Customer relationship	10

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

(i) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and stores and spare parts:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

- **Finished goods and work-in-progress:** cost is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(k) **Impairment of non-financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in the Statement of Profit and Loss and are reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(l) **Provisions and contingent liabilities**

- (a) Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

- (b) Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

- (c) Contingent asset is not recognized in the standalone financial statements; however, is disclosed where an inflow of economic benefits is probable.

- (d) Provisions, Contingent liabilities, and Contingent assets are reviewed at each balance sheet date.



(m) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Defined contribution plan

Contribution towards Provident Fund and Employees' State Insurance Scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company provides for gratuity, a defined benefit unfunded plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides for a lump sum payment to be made to vested employees at the time of retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the OCI in the year in which they arise.

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are, therefore, measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as Current Liabilities in the Balance Sheet, if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

The financial assets include trade receivables, cash and cash equivalents, and other financial assets. Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified under the following categories:

- a) at amortized cost; or
- b) at fair value through OCI; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income, using the effective interest rate method.

Fair Value Through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.



Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade and contract revenue receivables, loans and other financial assets.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if the credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the right to receive cash flows from the financial asset is transferred; or
- the Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where a financial asset is transferred, it is derecognized only if substantially all risks and rewards of ownership of the financial asset are transferred. Where the entity has not transferred substantially all risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as a finance costs.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(d) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise of cash at banks only.

(p) Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company after deducting preference dividend by the weighted average number of equity shares outstanding during the financial year.

Diluted EPS is calculated by adjusting the figures used in the determination of basic EPS to consider:

- The interest associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



(q) **Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company bases its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) **Taxes**

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that taxable profit would probably be available against which the losses could be utilized. Significant judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company reviews the carrying amount of deferred tax assets and liabilities at each balance sheet date with consequential change being given effect to in the year of determination.

(b) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on a long term basis. For details refer note 33.

(c) **Estimation of Net Realizable value for Inventories**

Inventory is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

(d) **Useful life of Property, Plant and Equipment and Intangible Asset**

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

4 New and Amended Standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April 2021. The Company has not opted for early adoption of any other standard or amendment that has been issued but is not yet effective.

(a) **Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an Interbank Offered Rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- Contractual changes or changes to cash flows that are directly required by the reform, are to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permits changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provides temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments have no impact on the financial statements of the Company.



(b) Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in the following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments have no impact on the financial statements of the Company.

(c) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore the acquirer does not recognise those costs as part of applying the acquisition method. Instead the acquirer recognises those costs in its post combination financial statements in accordance with other Ind AS.

These amendments have no impact on the financial statements of the Company.

(d) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

(e) Amendment to Ind AS 12-Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. These amendments have no impact on the financial statements of the Company.

(f) Amendment to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Error

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. These amendments have no impact on the financial statements of the Company.

5 First time adoption of Ind-AS

The Company has voluntarily adopted Ind AS with the transition date being April 1, 2021 and, therefore, these are the first Ind AS financial statements. Given that the Company was incorporated on March 31, 2021, there are no significant transactions for the year ended March 31, 2021 (and therefore the transition date i.e., April 1, 2021) and the comparative year ended March 31, 2022. Accordingly, profit and loss reconciliation setting out impact of Ind AS has not been provided.



6 Property, Plant and Equipment and Capital work-in progress (CWIP)

	Gross Block				
	As at 1 April 2022	Acquisition through Business Combination (Refer note 31)	Additions	Deductions	As at 31 March 2023
Owened assets					
Land	-	4,576	97	-	4,673
Building-Factory	-	10,935	313	-	11,248
Building-Others	-	288	4	-	292
Temporary sheds	-	35	-	-	35
Plant and machinery	-	46,944	52,986	-	99,930
Furniture and fixtures	-	11	1	-	12
Office Equipment	-	3	-	-	3
Computers	-	5	188	-	193
Vehicle	-	2	-	-	2
Total	-	62,799	53,589	-	1,16,388
Capital work-in progress	-	26,401	27,682	(53,121)	962

Footnotes:

- a) The Company does not own any property, plant and equipment and capital work-in progress as of March 31, 2022.
b) The Company has availed loans from banks against security of the fixed assets (i.e. property, plant and equipment), refer note 47.
c) For capital commitment with regards to property plant and equipment, refer note 48.

6.1 Capital work-in progress (CWIP)

Capital-work-in progress ageing schedule
As at the end of 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	962	-	-	-	962
Projects temporarily suspended	-	-	-	-	-

	Depreciation				Net block	
	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	-	-	-	-	4,673	-
	-	197	-	197	11,051	-
	-	5	-	5	287	-
	-	4	-	4	31	-
	-	1,306	-	1,306	98,624	-
	-	1	-	1	11	-
	-	0	-	0	3	-
	-	11	-	11	182	-
	-	0	-	0	2	-
	-	1,524	-	1,524	1,14,864	-
	-	-	-	-	962	-



TruAlt Bioenergy Limited

(Formerly known as TruAlt Energy Limited)

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

(Amount in Indian Rupees Lakhs, unless otherwise stated)

7 Other intangible assets and Goodwill

	Gross block			
	As at 1 April 2022	Acquisition through Business Combination (Refer note 31)	Additions	Deductions
				As at 31 March 2023
Customer relationship	-	11,059	-	-
Total	-	11,059	-	11,059
Goodwill	-	4,786	-	-
				4,786

Amortisation				Net block	
As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
-	551	-	551	10,508	-
-	551	-	551	10,508	-
-	-	-	-	4,786	-

Footnotes:

a) The Company does not own any intangible assets as of March 31, 2022.



TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Notes to the financial statements for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

8 Other non-current assets

31 March 2023 31 March 2022

Capital advance	7,648	-
Prepaid expenses	420	-
	8,068	-

9 Inventories

31 March 2023 31 March 2022

Raw material	6,026	-
Finished goods	8,271	-
Store and spares parts including packing material	1,051	-
	15,348	-

10 Trade receivable

31 March 2023 31 March 2022

Unsecured	8,660	-
- Considered good	(6)	-
Less: Loss allowance	8,654	-

Ageing of Trade Receivables*

31 March 2023	Current							
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years years	More than 3 years	
Trade receivables – considered good	-	6,408	1,978	222	52	-	-	8,660
Less: Loss allowance	-	-	-	-	(6)	-	-	(6)
	-	6,408	1,978	222	46	-	-	8,654

*Trade receivables balance includes retention money.

11 Other financial assets

31 March 2023 31 March 2022

Receivable from related parties	3,571	-
Receivable from third parties*	13,365	-
	16,936	-

*Receivable from third parties are capital advances recoverable from vendors

12 Cash and cash equivalents

31 March 2023 31 March 2022

Balances with banks:		
On current accounts	478	6
	478	6

13 Other current assets

31 March 2023 31 March 2022

Balance with Government authorities	4,589	0
Advance to third parties	242	-
Prepaid expenses	163	-
	4,994	0



TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Notes to the financial statements for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

14 Share capital

(A) Equity shares

Authorised share capital

7,00,00,000 (31 March 2022: 1,00,000) Equity Shares of INR 10 each

31 March 2023

7,000

31 March 2022

10

Issued, subscribed and paid up

6,10,75,820 (31 March 2022: 61,000) equity shares of INR 10 each fully paid

6,108

6,108

6

6

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

31 March 2023

Number of shares	Amount
61,000	6
6,10,14,820	6,102
6,10,75,820	6,108

31 March 2022

Number of shares	Amount
61,000	6
-	-
61,000	6

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends which if declared is payable in Indian Rupees.

In the event of liquidation of the company, the holders of equity 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 equity shares held by the shareholders.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31 March 2023		31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR 10 each fully paid				
Vijaykumar Murugesh Nirani	89,21,437	14.61%	10,000	16.39%
Sangamesh Rudrappa Nirani	90,10,000	14.75%	10,000	16.39%
Vishal Murugesh Nirani	89,13,383	14.59%	10,000	16.39%
Kamala Murugesh Nirani	1,63,54,000	26.78%	10,000	16.39%
Murugesh Rudrappa Nirani	10,66,000	1.75%	10,000	16.39%
Dhraksayani S Nirani	84,10,000	13.77%	10,000	16.39%
Sushmita Vijay Nirani	84,00,000	13.75%	-	-

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

(iv) Details of Shares held by Promoters at the end of the year	31 March 2023			31 March 2022		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Vijaykumar Murugesh Nirani	89,21,437	14.61%	(1.79%)	10,000	16.39%	-
Sangamesh Rudrappa Nirani	90,10,000	14.75%	(1.64%)	10,000	16.39%	-
Vishal Murugesh Nirani	89,13,383	14.59%	(1.80%)	10,000	16.39%	-
	2,68,44,820	43.95%		30,000	49.17%	-

(v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(vi) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(vii) Right issue of shares

The Board of Directors approved a resolution on June 30, 2022, for allotment of a rights issue of equity shares and allotted 6,00,00,000 equity shares at par on a rights basis. The Company utilized the proceeds amounting to INR 6,000 lakhs from the right issue for general corporate purposes. Such right issue of shares shall rank pari passu with the existing Equity Shares of the Company.

The Board of Directors approved a resolution on September 12, 2022, for allotment a rights issue of equity shares and allotted 10,14,820 equity shares at par on a rights basis. The company utilized the proceeds amounting to INR 101 lakhs from the right issue against existing unsecured loans received from directors. Such right issue of shares shall rank pari passu with the existing Equity Shares of the Company.



(B) Compulsorily Convertible Preference Shares

	31 March 2023	31 March 2022
Authorised share capital		
4,70,00,000 (31 March 2022: NA) Preference Shares of INR 100 each	47,000	-
	47,000	-
Issued, subscribed and paid up		
4,69,19,000 (31 March 2022: NA) Compulsorily Convertible Preference Shares (CCPS) of INR 100 each	46,919	-
	46,919	-

(i) Reconciliation of preference shares outstanding at the beginning and at the end of the year

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	-	-
Add: Issued during the year	4,69,19,000	46,919	-	-
Outstanding at the end of the year	4,69,19,000	46,919	-	-

(ii) Details of preference shares held by shareholders holding more than 5% of the aggregate preference shares in the Company

	31 March 2023		31 March 2022	
Name of the shareholders	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Nirani Sugars Limited	1,40,94,000	30.04%	-	-
Shri Sai Priya Sugars Limited	2,25,25,000	48.01%	-	-
MRN Cane Power India Limited	1,03,00,000	21.95%	-	-

(iii) Terms of CCPS

The Company has issued Compulsorily Convertible Preference Shares (CCPS) amounting to INR 46,919 lakhs at par value of INR 100 per CCPS, in October 2022 as part of purchase consideration for the acquisition of the distillery business as discussed in note 31. The CCPS are compulsorily convertible into equity shares at the end of 5 years from the date of allotment. The number of equity shares to be issued would be determined based on the Fair Market Value (FMV) as per the valuation done by IBBI Registered Valuer as on that date and therefore the conversion ratio is not fixed. The CCPS also carry a discretionary and cumulative dividend of 1.25% p.a. The dividend when declared and approved will be recognised as distribution, resulting in charge to distributable reserves. The CCPS shall rank senior to all classes of shares currently existing or established hereafter, with respect to distributions and shall not have any voting rights.

The CCPS have been accounted for as a compound financial instrument rather than an equity instrument given that the conversion ratio is not fixed. The financial liability component represents the net present value of the total proceeds from CCPS discounted using the incremental borrowing rate of the company and balance has been recognised as equity.

Equity component of CCPS (Refer note 15)
Liability component of CCPS (Refer note 16)

31 March 2023
14,690
28,680
43,370

15 Other equity

	31 March 2023	31 March 2022
Retained earnings	3,252	(1)
Equity component of Compound Financial Instruments [Refer note 14 (B)]	14,690	-
	17,942	(1)

Retained earnings

	31 March 2023	31 March 2022
Opening balance	(1)	-
Add: Net Profit/(loss) for the current year	3,546	(1)
Less: Dividend on Compulsorily Convertible Preference Shares [Refer note 14 (B)]	(293)	-
Closing balance	3,252	(1)
	17,942	(1)



16 Non-current borrowings

Secured

Term loan

From Bank and financial institution

Indian Renewable Energy Development Authority

(IREDA)

Union Bank of India

Less: Current maturities of Indian Renewable Energy Development Authority (IREDA) (Refer note 19)

Less: Current maturities of Union Bank of India (Refer note 19)

Unsecured

Compulsorily Convertible Preference Shares [Refer note 14 (B)]

Terms of repayment

The Company has obtained a consortium term loan from Indian Renewable Energy Development Agency (IREDA) and Union Bank of India (UBI) during the financial year 2022-23, amounting to INR 88,400 lakhs with a distribution ratio of 70:30. The loan carries an interest rate of 1 year MCLR plus 2.80% p.a. and the disbursed amount of INR 87,306 lakhs is scheduled for repayment in 28 quarterly installments, with monthly interest payments commencing from March 27, 2023. As per the loan agreement, the said loan was taken for the purpose of acquisition of 2000 KLPD ethanol distilleries located at 6 different locations in Karnataka (Refer note 31). The Company has used such borrowings for the purposes as stated in the loan agreement.

Repayment schedule for secured loan taken during the year

Number of instalments due (Nos)	28
Rate of Interest (%)	11.45%
Within one year	7,977
After one year but not more than 5 years	66,000
More than 5 years	12,353
	<u>86,330</u>

Term loans contain certain debt covenants relating to limitation on indebtedness, fixed asset coverage ratio, and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has satisfied all other debt covenants prescribed in the terms of loan. The Company has not defaulted on any loans payable.

17 Other financial liabilities

Refundable Deposits

Payable towards purchase consideration to related parties [Refer note 34 (C)]

18 Provisions

Provision for gratuity (unfunded) [Refer note 33 (B)]

Provision for leave encashment

19 Current borrowings

Secured

Current maturities of long-term borrowings (Refer note 16)

Net Debt Reconciliation

Analysis of net debts and movement in net debts for each of the period presented:

Non-current borrowings

Net Debt

	Other Assets	Liabilities from financing activities		Total
	Cash and Bank Overdraft	Non Current Borrowings	Current Borrowings	
Net debt as on April 1, 2021	-	-	-	-
Net debt as at March 31, 2022	-	-	-	-
Proceeds from loans (net of transaction cost)	-	86,353	-	86,353
Repayment of loans	-	(23)	-	(23)
Net debt as at March 31, 2023 excluding accrued interest recognised as other financial liabilities in note 21	-	86,330	-	86,330

The details of financial and non financial assets pledged as security for current and non-current borrowings are disclosed in Note 47.



20 Trade payables

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises*

31 March 2023 31 March 2022

138 -

30,734 -

30,872 -

* INR 22,397 lakhs of the trade payable balance is payable to related parties (Refer note 34).

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31 March 2023	31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	138	-
Interest	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Trade Payables ageing schedule

31 March 2023	Current				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	134	2	2	-	138
(ii) Disputed dues – MSME	-	-	-	-	-
(iii) Others	29,330	1,359	4	41	30,734
(iv) Disputed dues - Others	-	-	-	-	-
	29,464	1,361	6	41	30,872



21 Other financial liabilities (carried at amortised cost)	31 March 2023	31 March 2022
Interest payable	119	-
Due to related parties [Refer note 34 (C)]	4,723	-
Other financial liabilities	346	1
	5,188	1
22 Other current liabilities	31 March 2023	31 March 2022
Statutory dues payable	211	-
	211	-
23 Revenue from operations	31 March 2023	31 March 2022
Sale of products	74,493	-
Sale of traded goods	1,745	-
	76,238	-
A. Disaggregation of revenue from contracts with customers		
Revenue from sale of products is attributable to sale of ethanol, power and allied products and it is recognised upon satisfaction of the performance obligations which is typically upon delivery (i.e., point in time). The Company's primary customers for ethanol sales are public sector Oil Marketing Companies (OMC) in India.		
As of March 31, 2023, there are no unsatisfied performance obligations or contractual liabilities.		
24 Cost of material consumed	31 March 2023	31 March 2022
Inventory at the beginning of the year	-	-
Add: Purchases	62,759	-
Less: Inventory at the end of the year (Refer note 9)	6,026	-
	56,733	-
25 Changes in inventories of finished goods	31 March 2023	31 March 2022
Inventories at the beginning of the year	-	-
-Finished goods	-	-
Less: Inventories at the end of the year	-	-
-Finished goods (Refer note 9)	8,271	-
	8,271	-
Net decrease/ (increase)	(8,271)	-
26 Employee benefits expense	31 March 2023	31 March 2022
Salaries, wages, bonus and other allowances	803	-
Contribution to Provident Fund and ESI	34	-
Gratuity and compensated absence expenses (Refer note 33)	12	-
Leave encashment	7	-
Staff welfare expenses	3	-
	859	-
27 Finance costs	31 March 2023	31 March 2022
Interest on borrowings	2,024	-
Interest on liability component of CCPS	1,395	-
Bank charges	74	-
Others	38	-
	3,531	-
28 Depreciation and amortization expense	31 March 2023	31 March 2022
Depreciation (Refer note 6)	1,524	-
Amortization (Refer note 7)	551	-
	2,075	-



29 Other expenses

Consumption of stores, spares and consumables
Manufacturing expenses
Power and fuel
Service fee (Refer note 31)
Selling and distribution expenses
Repairs and maintenance - Plant and Machinery
Repairs and maintenance - others
Legal and professional charges*
Business promotion expenses
Rates and taxes
Insurance expenses
Security charges
Travel and conveyance
Miscellaneous expenses

31 March 2023	31 March 2022
1,591	-
1,832	-
6,040	-
1,152	-
2,860	-
104	-
65	-
234	1
335	-
393	0
15	-
33	-
25	-
55	1
14,734	1

*Note : Following is the break-up of Auditors remuneration (exclusive of GST)

As auditor:

Statutory audit

In other capacity:

Tax audit

Other matters

Reimbursement of expenses

31 March 2023	31 March 2022
25	0
-	-
10	-
-	-
-	-
35	0

30 Income Tax and Deferred Tax

(A) Deferred Tax Liabilities (Net)

Deferred tax assets

On provision for employee benefits

On unabsorbed depreciation and carry forward business losses

Current year losses

On others

Total Deferred tax asset

31 March 2023	31 March 2022
5	-
1,074	-
7	-
1,086	-

Deferred tax liabilities

On customer relationship recognised as part of business acquisition [Refer note 30 B (i)]

On property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting

On compulsorily convertible preference shares [Refer note 14 (B)]

On others

Total Deferred tax liabilities

Deferred tax asset/(liability), net

(2,783)	-
(2,551)	-
(4,590)	-
(239)	-
(10,163)	-
(9,077)	-

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

Opening balance as of 1 April

Tax liability recognized in Statement of Profit and Loss

Tax liability recognized directly in equity

On compulsorily convertible preference shares

Others [Refer note 30 B (i)]

Closing balance as at 31 March

31 March 2023	31 March 2022
-	-
(1,353)	-
(4,941)	-
(2,783)	-
(9,077)	-

- (i) On the acquisition date, deferred tax liability of INR 2,783 lakhs on customer relationship has been recognised with a corresponding increase in goodwill. Subsequent amortisation of the customer relationship so recognised for the financial reporting purposes has resulted in reversal of the deferred tax liability amounting to INR 139 lakhs which has been recognised through statement of profit and loss.

(C) Income tax expense

- Current tax taxes

- Adjustments in respect of current income tax of previous year

- Deferred tax charge / (income)

Income tax expense reported in the statement of profit or loss

31 March 2023	31 March 2022
-	-
-	-
1,353	-
1,353	-



(D) Reconciliation of tax charge

	31 March 2023	31 March 2022
Profit before tax	4,899	-
Tax rate	25.17%	-
Income tax expense at tax rates applicable	1,233	-
Tax effects of:		
- Expenses of capital nature disallowed	70	-
- Other disallowed expenses	50	-
Income tax expense	1,353	-

The tax rate used for 31 March 2023 is 25.17%, consequent to adopting the option under section 115BAA of the Income Tax Act, 1961.

31 Business combinations

The Company acquired the distillery business from Shri Sai Priya Sugars Limited (SPSL), Nirani Sugars Limited (NSL) and MRN Cane Power India Limited (MRNCPI) (collectively referred to as Sellers) through a Business Transfer Agreement (BTA) effective October 1, 2022. The distillery business represents manufacturing and sale of ethanol which is the principal business activity of the company. The acquisition has been accounted for in accordance with the principles of acquisition method as set out in Ind AS 103 - Business combinations. Transaction cost directly attributable with the acquisition has been expensed through the statement of profit and loss. The consideration has been settled partly through cash and issuance of CCPS. A portion of consideration payable in cash is expected to be settled within a year from the acquisition date. Details of the fair value of the identifiable tangible and intangible assets alongside the goodwill have been set out in the table below:

Property, plant and equipment	62,799
Capital Work in Progress (CWIP)	26,401
Intangible assets (customer relationship)	11,059
Capital advances	36,582
Net working capital	(3,518)
Total Fair value of Net Assets acquired (A)	1,33,323
Less: Consideration transferred	
Cash paid (Reflected in cash flow under Investing activities)	87,304
Cash consideration to be paid [Refer note 34 (C)]	1,102
CCPS (Refer note 14 (B) for details)	46,919
Total consideration paid (B)	1,35,325
Goodwill / (Capital Reserve) (excluding deferred tax liability) (B)-(A)	2,002
Add: Deferred tax liability (Refer note 30)	2,783
Goodwill / (Capital Reserve)	4,785

Pursuant to the acquisition, the Company also executed a Transition Services Agreement (TSA) with the sellers whereby the sellers continued to facilitate the sale of ethanol to the customers on behalf of the company alongside providing other relevant services to facilitate the business. The sellers were paid a fixed service fee per litre of ethanol produced and sold aggregating to INR 1,152 lakhs which has been disclosed as part of the "other expenses" in note 29.

32 Earnings/ (Loss) per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders (after adjusting for preference dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting for interest and dividend on the compulsorily convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2023	31 March 2022
Profit / (Loss) for the year	3,546	(1)
Less: Dividend on Compulsorily Convertible Preference Shares (Refer note 15)	(293)	-
Profit / (Loss) attributable to equity holders	3,253	(1)
Add: Dividend on Compulsorily Convertible Preference Shares (Refer note 15)	293	-
Add: Interest on liability component of CCPS (Refer note 27)	1,395	-
Profit / (Loss) attributable to equity holders adjusted for the effect of dilution	4,941	(1)
Weighted average number of equity shares for basic EPS	4,58,25,326	61,000
Weighted average number of equity shares and potential equity shares for diluted EPS*	6,92,20,553	61,000
Basic earnings / (loss) per share (INR)	7.10	(2.03)
Diluted earnings / (loss) per share (INR)**	7.10	(2.03)

*The weighted average number of equity shares and potential equity shares for diluted EPS have been computed considering the CCPS issued pursuant to the acquisition of the distillery business as set out in note 31.

**During the current year, earning per share is anti-dilutive hence both Basic and Diluted earnings per share is equal.



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33 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 26)

31 March 2023 **31 March 2022**

34 **-**

(B) Defined benefit plans

- a) Gratuity payable to employees
b) Compensated absences for Employees

i) Actuarial assumptions

31 March 2023 **31 March 2022**

Discount rate (per annum) 7.45%
Rate of increase in Salary 7.50%
Expected average remaining working lives of employees (years) 28
Attrition rate 7.50%

ii) Changes in the present value of defined benefit obligation

31 March 2023 **31 March 2022**

Present value of obligation at the beginning of the year

Current service cost 15
Benefits paid -
Actuarial (gain)/ loss on obligations -
Past Service cost 47

Present value of obligation at the end of the year*

*Included in provision for employee benefits (Refer note 26)

62 **-**

iii) Expense recognized in the Statement of Profit and Loss

31 March 2023 **31 March 2022**

Current service cost 9
Past Service cost 3
Total expenses recognized in the Statement Profit and Loss

12 **-**

iv) Assets and liabilities recognized in the Balance Sheet:

31 March 2023 **31 March 2022**

Present value of unfunded obligation as at the end of the year 62
Unrecognized actuarial (gains)/losses -

Unfunded net asset / (liability) recognized in Balance Sheet*

*Included in provision for employee benefits (Refer note 26)

(62) **-**

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

Impact on defined benefit obligation

31 March 2023 **31 March 2022**

Discount rate
1% increase (8.80%)
1% decrease 10.40%

Rate of increase in salary
1% increase 10.20%
1% decrease (8.90%)

vi) Maturity profile of defined benefit obligation

Expected future cash flows

31 March 2023 **31 March 2022**

1 Year 4
2-5 years 22
6-10 years 30
More than 10 years 99

- **-**



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34 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

(i) Affiliates - Companies in which Key Management Personnel (KMP) have significant influence:

Badami Sugars Limited
Shri Sai Priya Sugars Limited
Nirani Sugars Limited
MRN Cane Power India Limited
Shree Kedarnath Sugar And Agro Products Limited

(ii) KMP

Vijaykumar Nirani, Chief Executive officer and Managing Director
Vishal Murugesh Nirani, Director
Sangamesh Rudrappa Nirani, Director
Debnath Mukhopadhyay, Chief Financial Officer with effective from May 8, 2023
Sannapaneni Sudheer, Company Secretary with effective from July 1, 2023

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	31 March 2023	31 March 2022
Sale of Power		
- Nirani Sugar Limited	1	-
- Shri Sai Priya Sugars Limited	62	-
- MRN Cane Power India Limited	440	-
Total	503	-
Purchase of raw material		
- Nirani Sugar Limited	13,775	-
- Badami Sugar Limited	3,421	-
- Shree Kedarnath Sugar & Agro Products Limited	1,194	-
- Shri Sai Priya Sugars Limited	29,512	-
- MRN Cane Power India Limited	10,401	-
Total	58,303	-
Purchase consideration paid in cash (Refer note 31)		
- Nirani Sugar Limited	40,906	-
- MRN Cane Power India Limited	18,716	-
- Shri Sai Priya Sugars Limited	27,682	-
Total	87,304	-
Issue of CCPS (Refer note 31)		
- Nirani Sugar Limited	14,094	-
- MRN Cane Power India Limited	10,300	-
- Shri Sai Priya Sugars Limited	22,525	-
Total	46,919	-
Service fees (Refer note 29 and 31)		
- Nirani Sugar Limited	309	-
- MRN Cane Power India Limited	287	-
- Shri Sai Priya Sugars Limited	556	-
Total	1,152	-
Corporate guarantee charges		
- Nirani Sugar Limited	6	-
Total	6	-
Issue of shares*		
-Vijaykumar M Nirani	51	-
-Vishal Murugesh Nirani, Director	50	-
Total	101	-
* Refer note 14 (A) (vii). The company issued equity shares through a right issue. The cash consideration was adjusted against the loan amount, including accrued interest.		
Dividend on CCPS [Refer note 15 (A)]		
- Nirani Sugar Limited	88	-
- MRN Cane Power India Limited	64	-
- Shri Sai Priya Sugars Limited	141	-
Total	293	-



(C) Amount (due to)/from related party as on:

	31 March 2023	31 March 2022
Trade payables to related party (Refer note 20)		
- Badami Sugars Limited	(16)	-
- Shree Kedarnath Sugar And Agro Products Limited	(232)	-
- Nirani Sugars Limited	(12,345)	-
- MRN Cane power India Limited	(1,630)	-
- Shri Sai Priya Sugars Limited	(8,173)	-
Total	(22,396)	-
Payable towards purchase consideration to related parties (Refer note 31)		
- MRN Cane Power India Limited*	16	-
- Shri Sai Priya Sugars Limited	(1,118)	-
Total	(1,102)	-
*The amount receivable from MRN Cane Power India Limited relates to GST related balances		
Balance dues from/(to) related parties for transactions undertaken on behalf of the Company (Refer note 31 & 21)*		
- Nirani Sugar Limited	(5,035)	-
- MRN Cane Power India Limited	(447)	-
- Shri Sai Priya Sugars Limited	759	-
Total	(4,723)	-
*Transactions in relation to the distillery business post the acquisition date were undertaken by the Sellers on behalf of the Company. Such transactions mainly include sale of ethanol to OMCs and payment of salary to employees. The balance disclosed here represents the net balance due from / (to) the Sellers on account of this arrangement. It also includes dividend payable to holders of CCPS (Refer note 21).		
Receivable from related parties (Refer note 11)		
- Nirani Sugar Limited	1,823	-
- MRN Cane Power India Limited	1,142	-
- Shri Sai Priya Sugars Limited	607	-
Total	3,571	-

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Segment reporting

The Company's operations predominantly relate to manufacturing and selling of ethanol. The Chief Operating Decision Maker (CODM) reviews and confirms the operations of the Company as one operating segment. Hence, management is of the view that the segment reporting is not applicable.

36 Fair values of financial assets and financial liabilities

The Company has subsequently measured financial assets and liabilities at amortised cost and therefore there are no financial instruments which are subsequently measured at fair value. The financial liabilities is primarily relates to floating rate borrowings. The management has assessed that fair value of financial assets and Financial liabilities is not significantly different from amortised cost.



37 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
 - Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
- No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(a) Fair value measurement hierarchy for liabilities:

No Financial instrument subsequently has been measured at FV.

There have been no transfers between Level 1 and Level 2 during the period

(b) Financial assets measured at amortized cost

	31 March 2023	31 March 2022
Trade receivables	8,654	-
Cash and cash equivalents	478	-
Other financial assets	16,936	-

(c) Financial liabilities measured at amortized cost

Liability component of Compulsorily convertible preference shares (Refer note 16)	28,680	-
Borrowings (non-current) (Refer note 16)	78,353	-
Current maturity of long-term borrowings (Refer note 19)	7,977	-
Trade payables (Refer note 20)	30,872	-
Other financial liabilities (Refer note 17 and 21)	6,308	-

38 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax (INR)
2023		
INR	+40	(6)
INR	-40	6
2022		
INR	+40	-
INR	-40	-

(ii) Foreign currency risk

There are no Foreign currency risk since the company has no foreign currency transaction in current and previous years

(B) Commodity price risk

The Company is exposed to commodity price risk as it operates in production and selling of ethanol to customers. The ethanol prices are announced by the Central Government which are based on Fair and Remunerative Price (FRP) of sugarcane, cost of production of sugar and realisation of by-products.



(C) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Company conduct thorough credit assessments before granting credit terms and limits to customers, who are then monitored closely for adherence. The Company's ethanol sales are primarily made to Public Oil Marketing Companies ("OMCs") thereby the credit default risk is significantly mitigated. Further, the Company keeps a close watch on the realisation of the outstanding amounts which are collected within 12 months and has not experienced any significant default.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Trade receivables including retention money

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit terms of 21 to 27 days. The Company follows 'simplified approach' for recognition of loss allowance on Trade receivables. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data of expected credit loss, actual credit loss and party-wise review of credit risk. The Company does not hold collateral as security. Given that the trade receivables are from public sector OMC companies, no credit risk is observed and the payments are usually settled within one year and therefore the loss from time value of money is also not significant. Accordingly, no loss allowance is computed for the period ending March 31, 2023.

The customers retain 3% of the invoice amount which is settled at the end of the season which is typically within a year. Retention money that is not settled within a year is tested for impairment. The provision amount is determined by company-set parameters in its provisioning policy. However, the loss allowance for retention money as of March 31, 2023, is not significant.

The ageing analysis of trade receivables (net of loss allowance) as of the reporting date is as follows:

	As at 31st March 2023	As at 31st March 2022
Upto 6 months	8,386	-
More than 6 months	268	-

(D) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 12 months	1 to 5 years	More than 5 years	Total
31 March 2023				
Borrowings	7,977	66,000	12,353	86,330
Trade payables	30,872	-	-	30,872
Other financial liabilities	5,188	1,120	-	6,308
	44,036	67,120	12,353	1,23,510
31 March 2022				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	1	-	-	1
	1	-	-	1

* Long-term borrowings is excluding CCPS - financial liability as it will be settled by issuing variable number of equity shares [Refer note 14(B)]. Borrowings have quarterly instalments payments.



39 Title deeds of Immovable Properties not held in name of the Company

31 March 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held in the name of the Company since	Reason for not being held in the name of the company
Property, plant and equipment	Land	3,627	TruAlt Bioenergy Ltd-Unit-1	NA	NA	01-Aug-23	The Company has acquired the distillery business from the Sellers through a Business Transfer Agreements (BTA) effective 1 October 2022 as set out in note 31. Hence, immovable properties were held in the name of Sellers as on March 31, 2023. It is further transferred/registered in the name of the Company.
Property, plant and equipment	Land	384	TruAlt Bioenergy Ltd-Unit-2	NA	NA	31-Aug-23	
Property, plant and equipment	Land	565	TruAlt Bioenergy Ltd-Unit-3	NA	NA	12-Sep-23	

40 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

41 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

42 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

43 Utilisation of Borrowed funds and

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), :

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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44 Ratios

S No.	Ratio	Formula	Particulars		31 March 2023		31 March 2022		Ratio as on	Ratio as on	Variation(In %)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31 March 2023	31 March 2022	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	46,410	36,276	6	1	1.28	4.84	(278)
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings	Equity= Equity + Reserve and Surplus	86,330	24,050	-	5	3.59	-	100
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	10,507	10,001	(1)	-	1.05	-	-
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	3,253	24,050	(1)	5	0.14	(0.26)	286
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	48,462	7,148	-	-	6.78	-	100
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	76,238	4,327	-	-	17.62	-	100
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	62,759	15,436	-	-	4.07	-	100
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	76,238	1,081	-	2	70.51	-	100
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	3,546	76,238	(1)	-	0.05	-	100
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	8,430	1,41,345	(1)	5	0.06	(0.26)	533
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	3,546	24,050	(1)	5	0.15	(0.26)	273
(l)	Fixed assets coverage ratio	Net fixed assets/ Total long term debts	Net fixed assets	Total long term debts	1,14,864	86,330	-	-	1.33	-	100

*The variation is primarily due to acquisition of distillery business during the year. Refer note 31 on Business combinations



TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
Notes to the financial statements for the year ended 31 March 2023
(Amount in Indian Rupees Lakhs, unless otherwise stated)

45 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year March 31, 2023 (Previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Compulsorily Convertible Preference Shares (CCPS) and term from IREDA and UBI Bank. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2023	31 March 2022
Equity		6,108	6
CCPS (Equity component - Refer note 14 (B) (iii))		14,690	-
Total equity	(i)	20,798	6
Borrowings other than CCPS		86,330	-
CCPS (Financial liability - Refer note 14 (B) (iii))		28,680	-
Less: Cash and cash equivalents		(478)	6
Total debt	(ii)	1,14,532	6
Total financing	(iii) = (i) + (ii)	1,35,330	12
Gearing ratio	(ii) / (iii)	0.85	0.50

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022

47 Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	31 March 2023	31 March 2022
Current assets			
Inventories	9	15,348	-
Trade receivables	10	8,654	-
Cash and cash equivalents	12	478	-
Total Current assets pledged as security		24,480	-
Non-Current assets			
Freehold land	6	4,673	-
Building	6	11,338	-
Plant and machinery	6	98,624	-
Total Non-Current assets pledged as security		1,14,635	-
Shares pledged		1,560	-
Total Assets pledged as security		1,40,675	-

Sanctioned limit with IREDA and Union Bank has been secured by pari-pasu first charge on the entire fixed assets i.e., mortgaged project lands and building/immovable properties and hypothecation of all movable fixed assets viz. Plants and Machineries of Ethanol units. The loan is also secured by second pari-pasu first charge on current asset of the Company (including stocks and receivables) both present and future.



48 Acquisition of Distillery Business

- (a) On October 1, 2022, the Company under the Business Transfer Agreement (BTA) acquired the distillery business of three of its group companies, viz. Nirani Sugars Limited, Shri Sai Priya Sugars Limited and MRN Cane Power India Limited (collectively referred to as 'Sellers') under Slump Sale Agreements entered into separately with the said companies for an aggregate consideration of INR 1,35,325 lakhs.
- (b) The said consideration was to be settled partly by issue of Compulsorily Convertible Preference Shares of INR 100/- each for an aggregate amount of INR 46,919 lakhs, and the balance consideration was to be settled by actual payment.
- (c) Since getting the transfer of the manufacturing (M2) license effected from each of the Sellers in the name of the Company, was going to be a time consuming process, in order to ensure an uninterrupted supply of ethanol to the Oil Companies the Sellers entered into a Transition Services Agreement (TSA) under which it was agreed by and between the Company and the Sellers that they would continue to manufacture ethanol under their respective licenses, however that they would be acting as agents on behalf of the Company under an principal -agent relationship. The manufacturing licenses of the Sellers were eventually transferred in the name of the Company on April 24, 2023.
- (d) Consequently, during the period from October 1, 2022, to March 18, 2023, the Sellers continued to bill the Oil Companies in their own name under their respective GST registrations and also continued to make purchases from the Vendors in their own name.
- (e) On March 19, 2023, the Sellers, with the concurrence of the Oil Companies, suspended the sale of ethanol to them, so as to enable the Oil Companies to onboard the Company as a supplier in place of the Sellers. The supplies were resumed by the Company in its own name after it obtained the M2 licenses for all the three distilleries on April 24, 2023.
- (f) The Company has, by virtue of the BTA and the TSA entered into with the Sellers, recognized the sale of Ethanol effected by the Sellers to the Oil Companies, during the period from October 1, 2022, to April 18, 2023, as its own revenue since the TSA has created a principal - agent relationship between the Company and the Sellers. Similarly, it has recognized all expenses incurred by the Sellers on the distillery business as its own. This is in accordance with the requirements of Ind AS 115 - Revenue from contracts with customers.
- (g) As part of the BTA, all contracts entered into by the Sellers with counterparties were transferred to the Company with the due concurrence and approval of the counterparties concerned. The contracts included a turnkey contract entered into by Nirani Sugars Limited in the year 2021 for the expansion of its distillery capacity from 150 KLPD to 700 KLPD for a total cost of INR 37,402 lakhs (including GST). A similar contract was entered into by Shri Sai Priya Sugars Limited in the year 2021 for the expansion of its distillery capacity from 240 KLPD to 500 KLPD for a total cost of INR 14,602 lakhs (including GST) for which the advances were paid by them to the contractor undertaking the turnkey contract prior to the date on which the BTA came into effect.

While the capitalization of the expansion of the distillery taken over from Nirani Sugars Limited was effected on January 26, 2023, the capitalization of the expansion of the distillery taken over from Shri Sai Priya Sugars Limited was effected on November 30, 2022.

While the capitalization has been completed in all respects, to the extent assets were received and put to use, the componentization thereof in terms of Ind AS 16 - Property, Plant and Equipments is in progress. The delay is on account of the delay in receipt of complete information from the contractor. Consequently, the preparation of the fixed asset register with all relevant details such as asset description, quantity, cost and location is also pending.

49 Commitments

Particulars

Estimated Amount of contracts remaining to be executed on capital account and not provided for
Advance paid against above

31 March 2023

31 March 2022

6,914

7,648

50 Contingent liabilities and contingent assets

The Company does not have any contingent liabilities and contingent assets as at the end of 31 March 2023.



51 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

As per our report of even date
For N. M. Rajji & Co.,
Chartered Accountants
Firm Registration No. : 108296W



Santosh Burande
Partner
Membership No. : 214451

Place: Bengaluru
Date: November 06, 2023



For and on behalf of the Board of Directors of
TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
CIN: U15400KA2021PLC145978



Vijaykumar M Nirani
Director
DIN: 07413777



Debnath Mukhopadhyay
Chief Financial Officer

Place: Bengaluru
Date: November 06, 2023



Vishal M Nirani
Director
DIN: 08434032



Sudheer Sannapaneni
Company Secretary
Membership No: 55105

