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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRUALT BIOENERGY LIMITED (FORMERLY KNOWN AS TRUALT ENERGY LIMITED)

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial Statements of **TruAlt Bioenergy Limited** (formerly known as TruAlt Energy Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

In respect of the distilleries taken over by the Company from its group companies, viz. Nirani Sugars Limited and Shri Sai Priya Sugars Limited on October 1, 2022, under a Business Transfer Agreement (BTA) entered into with each of the said companies, the expansion of the distillery facilities which was undertaken by the said companies in the year 2021 under a turnkey contract was completed between



November 2022 and January 2023, the componentization of the assets in terms of Ind AS 16 – Property Plant and Equipment is in progress. Consequently, the updation of the fixed assets register is pending [refer note 48(g) for details].

Our opinion is not modified in respect of the said matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor Response
1.	Valuation of Inventories The Company has significant inventory balance of Ethanol as at March 31, 2023. The inventory is valued at the lower of cost or net realizable value. Inventory management, stocktaking routines and costing of inventories are underlying key factors in determining the value of inventories. Due to complexity of the inventory valuation calculations, the valuation of inventories is considered as a key audit matter.	Audit Procedures Our audit procedures related to valuation of inventories included: - Evaluating the appropriateness of the accounting policies applied by reference to IND AS. - Assessing functionality of the key IT systems of inventory management. - Testing of controls over inventory management and accuracy of inventory amounts. - Performing substantive audit procedures in order to test the accuracy of inventory valuation at the lower of cost or net realization value at reporting date by testing selected inventory items to relevant components of valuation.
2.	Revenue Recognition as per IND AS 115 Refer note no. 48 (a) to (f) to the financial statements.	Audit Procedures Our audit procedures related to the identification of distinct performance obligations and determination of whether the Company is acting as a principal or agent included the following, among others: We tested the effectiveness of controls relating to the identification of distinct performance obligations and determination of whether the Company is acting as a principal or an agent.



		• We selected a sample of contracts with customers and performed the following procedures: – Obtained and read contract documents for each selection, including master service agreements and other documents that were part of the agreement. – Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations and (ii) whether the Company is acting as a principal or an agent.
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company, in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Cash Flows and Statement of Change in Equity, dealt with by this Report, are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at March 31, 2023.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding



Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has proposed preference dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of Dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable with effect from April 1, 2023 to the Company, and accordingly reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India, in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For N. M. Raiji & Co.

Chartered Accountants

Firm Registration Number: 108296W



Santosh Burande

Partner

Membership Number: 214451

UDIN: 23214451BGVQAB6717



Place: Bengaluru

Date: November 6, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TRUALT BIOENERGY LIMITED (FORMERLY KNOWN AS TRUALT ENERGY LIMITED)
(Referred to in Paragraph 1 point (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TruAlt Bioenergy Limited (Formerly known as TruAlt Energy Limited) ("the Company") as at March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

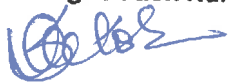
Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, *except that strengthening of processes and controls in relation to accounting for fixed assets, including componentization, needs to be significantly enhanced, so as to be commensurate with the nature and size of the operations of the Company.*

For N. M. Raiji & Co.

Chartered Accountants

Firm Registration Number: 108296W



Santosh Burande

Partner

Membership Number: 214451

UDIN: 23214451BGVQAB6717



Place: Bengaluru

Date: November 6, 2023

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS of TRUALT BIOENERGY LIMITED (FORMERLY KNOWN AS TRUALT ENERGY LIMITED)
(Referred to in Paragraph 3 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. (a) (A) The Company is in the process of preparing the fixed asset register showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is in the process of preparing the fixed asset register showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Property, Plant & Equipment and right-of-use assets, in a phased manner once in three years, which, in our opinion, is commensurate with the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the records such as property tax receipts, registered sale deed/ transfer deed/ conveyance deed etc. provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, including the Property, Plant & Equipment (other than properties where the Company is the lessee), are held in the name of the Company, as at the balance sheet date, except for the following title deeds wherein the title deeds were transferred in the name of the Company subsequent to the balance sheet date:

Description of item of property	Gross carrying value (In lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	3,627	Nirani Sugars Limited	N.A.	October 1, 2022	Transferred in the name of the Company on August 1, 2023
Land	384	Shri Sai Priya Sugars Limited	N.A.	October 1, 2022	Transferred in the name of the Company on August 31, 2023
Land	565	MRN Cane Power India Limited	N.A.	October 1, 2022	Transferred in the name of the Company on September 12, 2023

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and/ or intangible assets and accordingly reporting under clause (i)(d) of paragraph 3 of the Order is not applicable to the Company.

(e) Based on the examination of the financial statements and explanations received from the Company, no proceedings have been initiated or are pending against the Company for holding



any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- ii. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No discrepancies were noticed on physical verification of stocks.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships, or any other parties during the year. Consequently, sub-clauses (a), (b), (c), (d), (e) and (f) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided guarantees and securities to parties covered under section 185 and 186. Consequently, clause (iv) of paragraph 3 of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year. Consequently, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Hence, reporting under clause (vi) of para 3 of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues, applicable to it, with the appropriate authorities.

There were no undisputed amounts payable in respect of the above statutory dues in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

 - (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. Based on an examination of intimations received from the income tax authorities and information provided to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



- ix. (a) The Company has generally been regular in the repayment of dues towards loans and borrowings.
- (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and according to the information and explanations given to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) To the best of our knowledge and according to the information and explanations given to us, there are no funds raised on short term basis. Accordingly, reporting under clause (ix) (d) of paragraph 3 of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause (ix) (e) of paragraph 3 of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause (ix) (f) of paragraph 3 of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Consequently, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) During the year the Company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and the requirements of the Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-Section (12) of Section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and upto the date of this report.
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and corresponding details have been disclosed in the financial Statements, as required by the applicable Indian accounting standards.
- xiv. In our opinion and based on our examination, the Company does not require to comply with the provision of section 138 of the Act. Hence clause (xiv) (a) & (b) of paragraph 3 of the Order are not applicable to the Company.



- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected with its directors; hence provisions of section 192 of the Act are not applicable. Consequently, requirement under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and belief, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, requirement under clause (xvi) (a), (b), (c) and (d) of paragraph 3 of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year. However, cash loss of Rs. 1.24 lacs. was incurred in the immediately preceding financial year.
- xviii. There have been resignations of the statutory auditors during the year. We have duly taken into consideration issues, objections / concerns raised by the outgoing auditors while carrying out our audit.
- xix. In our opinion and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of evidence and supporting the assumptions, nothing has come to our attention, which causes us to believe that material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet, as and when they fall due, within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company. Hence, reporting under sub-clause (a) and (b) of clause (xx) of para 3 of the Order is not applicable to the Company.
- xxi. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable to the Company.

For N. M. Raiji & Co.,
Chartered Accountants
Firm Registration Number: 108296W



Santosh Burande
Partner
Membership Number: 214451
UDIN: 23214451BGVQAB6717



Place: Bengaluru
Date: November 6, 2023

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRUALT BIOENERGY LIMITED

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial Statements of **TruAlt Bioenergy Limited** ("the Holding Company") and its subsidiary (the holding company and its subsidiary together referred to as the Group), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2025, its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor Response
1.	Valuation of Inventories The Holding Company has considerable inventory balance as at March 31, 2025. The inventory is valued at the lower of cost or net realizable value. Inventory management, stocktaking routines and costing of inventories are underlying key factors in determining the value of inventories. Due to complexity of the inventory valuation calculations, the valuation of inventories is considered as a key audit matter.	Audit Procedures Our audit procedures related to valuation of inventories included: • Evaluating the appropriateness of the accounting policies applied by reference to IND AS. • Assessing functionality of the key IT systems of inventory management. • Testing of controls over inventory management and accuracy of inventory amounts. • Performing substantive audit procedures for testing the accuracy of inventory valuation at the lower of cost or net realization value, at the reporting date, by testing selected inventory items to relevant components of valuation.
2.	Revenue Recognition as per IND AS 115 Refer note no. 26 to the Consolidated Financial Statements.	Audit Procedures Our audit procedures related to the identification of distinct performance obligations included the following, among others: • We tested the effectiveness of controls relating to the identification of distinct performance obligations. • We selected a sample of contracts with customers and performed the following procedures: (a) obtained and read contract documents for each selection, including master service agreements and other documents that were part of the agreement; and (b) Identified significant terms and deliverables in the contract to assess management's conclusions regarding the identification of distinct performance



		obligations.
3.	Interest Subvention Income The Holding Company has, during the period, recognised interest subvention income of Rs.5,897.91 lakhs. Further, the amount of interest subvention receivable as at March 31, 2025 is Rs. 2,943.84 lakhs. Refer note no. 27 & 14 to the Consolidated Financial Statements.	Audit Procedures Our audit procedures included the following: • We verified the sanction letters received from National Bank for Agriculture and Rural Development (NABARD) with respect to eligibility of the government grant • We verified the underlying calculations used to arrive at the amount of interest subvention. • We further assessed the impact of interest subvention in accordance with IND AS 16 and IND AS 23.
4.	Performance Linked Incentive (PLI) The Holding Company has during the period recognised PLI Income of Rs. 6,617.66 lakhs in the Consolidated Statement of Profit and Loss. Such income is recognised pursuant to sanction of Special Incentives and Concessions to the Company under the Industrial Policy 2020-2025 by the Commerce and Industries Department, Government of Karnataka vide order dated May 11, 2023. Refer note no. 26 to the Consolidated Financial Statements.	Audit Procedures Our audit procedures included the following: • We verified the special sanction letters received by the Company from the Commerce and Industries Department, Government of Karnataka. • We verified the claim documents submitted to the Ministry under the policy for the FY 2022-2023 and FY 2023-2024. • We verified the underlying calculations used to arrive at the amount of the Incentive, in accordance with the Industrial Policy 2020-2025. • We have obtained confirmation from the department of Commerce and Industries acknowledging the submission of the claim documents and its process.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements, standalone financial statements and auditor's report(s) thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of the consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group, in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management and board of directors of the companies included in the group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Holding Company or its subsidiary or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing each of Company's financial reporting process.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also



responsible for expressing our opinion on whether the Company and its subsidiary has an adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its subsidiary to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements

We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated financial statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account, as required by law, have been kept by the Holding Company and its subsidiary so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Change in Equity, dealt with by this Report, are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31, 2025, and taken on record by respective Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on adequacy and operating effectiveness of the Holding Company and its subsidiary on internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has no pending litigations as at March 31, 2025.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.
 - iv. (a) The respective Managements of the Holding Company and its subsidiary have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person or entity,



including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries;

- (b) The respective Managements of the Holding Company and its subsidiary have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The preference dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable. The Holding Company has proposed preference dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of Dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further during the course of audit, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

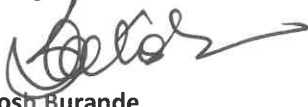


2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report), Order 2020('the order') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the holding company and the subsidiary company included in the Consolidated Financial Statements of the holding company ,to which reporting under CARO is applicable ,we report that there are no qualifications or adverse remarks in these CARO reports .

For N. M. Raiji & Co.

Chartered Accountants

Firm Registration Number: 108296W



Santosh Burande

Partner

Membership Number: 214451

UDIN: 25214451BMHTNS5308



Place: Bengaluru

Date: May 13,2025

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TRUALT BIOENERGY LIMITED

(Referred to in Paragraph 1 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of TruAlt Bioenergy Limited (“the Holding Company”) and its subsidiary (the holding company and its subsidiary together referred to as the Group) as at March 31, 2025, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective board of directors of the Holding Company and its subsidiary’s are responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to consolidated financial statements of the Company and its subsidiary, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiary’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes, in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N. M. Raiji & Co.

Chartered Accountants

Firm Registration Number: 108296W



Santosh Burande

Partner

Membership Number: 214451

UDIN: 25214451BMHTNS5308



Place: Bengaluru

Date: May 13, 2025