TRUALT BIOENERGY

CATALYZING

GROWING INDIA
STRENGTHENING INDIA'S ENERGY RESILIENCE

TRUALT BIOENERGY LIMITED

(FORMERLY KNOWN AS TRUALT ENERGY LIMITED)

ANNUAL REPORT
2022-23

INDEX

CONTRIBUTING TO INDIA'S
AMRIT KAAL

EMPOWERING AGRARIAN ECONOMIES,
CREATING A SUSTAINABLE FUTURE AND MAKING
INDIA AATMANIRBHAR.

INTRODUCTION

In the ever-evolving and intricate landscape of the 21st century, the imperative to harmonize economic growth whilst safeguarding our environment has never been more pressing. In this dynamic context, TruAlt Bioenergy emerges as a pioneering force, resolutely dedicated to bringing transformative change. We are not confined to traditional business goals; our vision transcends these boundaries, encompassing a comprehensive strategy aimed at helping the Nation achieve.

Energy Independence

Fostering Cyclical Economies

Empowering Rural India

Redefining the very essence of sustainability during Amrit Kaal

TruAlt Bioenergy, at the heart of its mission, is an advocate for India's progress and sustainability. In lockstep with the nation's Amrit Kaal vision, which strives to catapult India into a $26 trillion economy by 2047, TruAlt Bioenergy is dedicated to ensuring energy security and independence.

As India continues its remarkable journey as the world's fastest-growing major economy, TruAlt Bioenergy stands as a vanguard, poised to play a pivotal role in the nation's aspirations.

Catapulting India to a **$26 Trillion** Economy by 2047

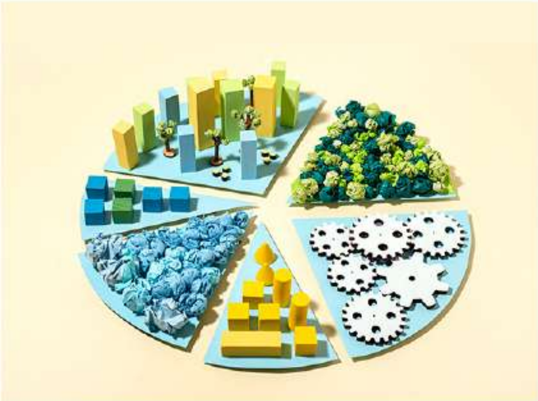
In our journey towards redefining sustainability, we are also firmly grounded in the overarching vision of Aatmanirbhar Bharat's comprehensive agenda of fostering self-reliance in India, extending beyond the realm of energy to encompass various sectors. We deeply acknowledge the inherent unsustainability of the traditional linear model of resource extraction, utilization, and disposal over the long term. Thus, we have embarked on a journey that replaces this linear model with a circular economy approach, one that encourages making wealth from waste. This transformation sets the stage for a thriving and regenerative economic ecosystem. Our commitment ignites economic growth, fosters a culture of perpetual innovation, drives the creation of innovative products, and contributes towards India's ambition to become a developed nation by 2047.

Creating **Wealth** from Waste.

Amidst the rising global population, set to increase by two billion over the next 25 years, the demand for energy is set to soar. We recognize that satisfying this escalating demand necessitates a diverse energy portfolio encompassing both traditional and alternative sources. While we are dedicated to advancing alternative energy solutions, we are also acutely paying attention to other avenues that play a pivotal role in the foreseeable future of a stronger and greener India.

TruAlt : Fostering Cyclical Economies

Central to our company's strategic approach is the fostering of cyclical economies. We are staunch proponents of circular and regenerative economic models that prioritize resource efficiency and waste reduction. This approach exhibits our commitment to sustainability by encouraging the continual reutilization, recycling, and repurposing of materials, thereby minimizing our ecological impact. Our goal is to cultivate a self-sustaining system in which products and resources are regenerated and seamlessly reintegrated into the production cycle. This not only conserves invaluable resources but also bolsters economic stability, fuels innovation, and opens up new avenues for employment opportunities.



TruAlt : Empowering Rural India

TruAlt Bioenergy is wholeheartedly dedicated to empowering rural communities throughout India by transforming farmers into entrepreneurs. Through a series of comprehensive initiatives, we aim to equip our farmers and their families with resources they need to seize opportunities and become self-reliant.

Our focus is to build a promising future by recognizing that connecting agriculture and rural India is the key to a sustainable nation.

We also understand that the journey toward a sustainable energy future necessitates collaboration and engagement with communities and stakeholders. We recognize that the foundation for this journey is best laid by empowering rural India. Empowering farmers and making them transition from 'Annadatta' (farmers) into 'Urjadata' (producers of energy) will not only ensure the prosperity of our farmers but also plays a pivotal role in building a sustainable and empowered Rural India.

TruAlt : Fuelling India

As we continue to grow, our efforts to fuel India's development is reflected in our expanded energy infrastructure. We understand the vital role that energy plays in the growth of the nation. By strategically expanding our energy production and distribution capabilities, we are ensuring that the growing demands of the nation are met seamlessly. This means supplying biofuels to a diverse range of sectors, from industries and homes to transportation. We are aiming to scale tall heights by being enablers of sustainable energy sources, which not only ensure energy security but also contribute to a healthier environment and a more sustainable planet for all.

TruAlt : Achieving Carbon Neutrality

At the core of our sustainability efforts is a firm pledge to achieve carbon neutrality. We recognize the urgent need to address climate change and are taking concrete steps to reduce our carbon footprint.

Investments in Renewable Energy Sources

The implementation of Energy-Efficient Technologies and Practices

Active Participation in Carbon Offset Programs.

Our journey towards carbon neutrality is not just a commitment; it's a responsibility.

We recognize that biofuels are the lifeblood of progress and opportunity. Thus, we actively fulfil our role as a reliable and sustainable provider of energy products. Our objective is to ensure that individuals have access to the energy resources they require to seize opportunities that can transform our world, all the while acting in a responsible and sustainable manner.

TruAlt : Redefining Sustainability

We strongly believe in redefining sustainability by focusing on long-term value creation for all stakeholders. Our commitment to sustainability extends far beyond conventional environmental initiatives. We believe that sustainability encompasses a broader spectrum of responsibility.

This includes active engagement with the communities in which we operate, ensuring that our business practices are ethically sound, and that we contribute positively to society as a whole. Our sustainability approach is not just about mitigating harm; it's about actively working to create positive change and lasting value for all stakeholders, from employees and customers to the environment and the communities we serve.

We are guided by the belief that true sustainability is a holistic and inclusive concept, and our actions reflect this commitment.

Through a meticulously orchestrated series of initiatives, we strive to provide clean and sustainable energy solutions to both urban and rural regions. It's about much more than just supplying biofuels; it's about elevating the overall quality of life for the community at a whole.

Deeply committed to addressing the global emissions challenge, we, at TruAlt Bioenergy, consider ourselves uniquely positioned to make substantial contributions to the overall solution. Our commitment transcends the mere reduction of emissions from a single source; we adopt a holistic perspective that considers both mobile and stationary sources. We actively develop and implement technologies aimed at diminishing our carbon footprint.

CORPORATE INFORMATION

DIRECTORS AND KEY MANAGERIAL PERSONS

Mr. Vijaykumar Murugesh Nirani	Managing Director
Mr. Vishal Nirani	Director
Mrs. Sushmitha Vijaykumar Nirani	Director
Mr. Chandrasekhar Kanekal	Independent Director
Mr. Debnath Mukhopadhyay	Chief Financial Officer
Mr. Sudheer Sannapaneni	Company Secretary and Compliance Officer

REGISTERED OFFICE

**Survey No. 166, Kulali Cross,
Jamkhandi - Mudhol Road,
Bagalkot, Karnataka- 587313**

CORPORATE OFFICE

**No. S 904/A, 9th Floor, World Trade Centre,
Brigade Gateway Campus, No. 26/1,
Malleswaram West, Bangalore 560055,
Karnataka**

STAUTORY AUDITOR

**M/s. N. M. Raiji & Co,
Chartered Accountants**
(FRN: 108296W),
4401, Highpoint – 4, 45/1,
Palace Road, Bangalore
Karnataka – 560001

SECRETARIAL AUDITOR

**S. P. Ghali & Co.,
Company Secretaries.**
Flat No 2, DRK Empire,
Tilakwadi, Belagavi,
Karnataka- 590006

COST AUDITOR

**M/s. R. Nanabhoy & Co.,
Cost Accountants,**
(FRN: 000010)
1st Floor, Sadhana Rayon
House, Dr. D.N. Road Fort,
Mumbai, Maharashtra-
400001

INTERNAL AUDITOR

**M/s. ZADN & Associates.,
Chartered Accountants**
1st Floor, Sadhana Rayon
House, Dr. D.N. Road Fort,
Mumbai, Maharashtra
400001

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited
Pinnacle Business Park, Office No S6-2,
6th, Mahakali Caves Rd, next to Ahura Centre,
Andheri East, Mumbai, Maharashtra 400093

ISIN

Equity
INE0MWH01014

Preference
INE0MWH03010

DEMAT CONNECTIVITY

CDSL

Central Depository
Services (India) Limited

NSDL

National Securities
Depository Limited

STATEMENT FROM THE MANAGING DIRECTOR
MR. VIJAY NIRANI

Dear Valued Shareholders,

I am happy to present the Annual Report of the Year 2022-23

As we approach the end of another remarkable year, I find myself reflecting on the incredible journey we have collectively undertaken. With profound gratitude and pride, I extend my sincere appreciation to each and every one of you who has played a pivotal role in steering us toward unequivocal success. A special acknowledgment goes to our esteemed stakeholders, with heartfelt recognition for the dedicated efforts of our farmers, whose tireless contributions form the bedrock of our accomplishments.

In the dynamic landscape of the biofuel industry, it is crucial to acknowledge the prevailing market trends that shape our path. The increasing global focus on sustainable energy solutions presents both opportunities and challenges. As we move into the future, our ability to adapt to emerging and navigate evolving landscapes will be pivotal to our continued success. Strategically, we have fortified our non-crude oil businesses and integrated our upstream and downstream operations to diversify our portfolio and enhance overall resilience. The pursuit of global integration and strategic partnerships within the agricultural and scientific realms has been instrumental in advancing our operations. By adhering steadfastly to our core values, we have achieved exceptional results within the biofuel industry.

Our team stands as the cornerstone of TruAlt Bioenergy, embodying our core values and driving our success. I take great pride in the dedication and hard work demonstrated by every member of our workforce. As we progress into the future, our commitment to our most valuable asset, our people, deepens. Together, we are not just building a sustainable energy future, but also nurturing a workplace where each member of our team can thrive and contribute meaningfully to our shared vision.

Our commitment to sustainability extends across our entire ecosystem, from our farmers to our end consumers. Upholding human rights, ensuring safety, and prioritizing well-being underscore our dedication to ethical business practices. TruAlt Bioenergy's identity is synonymous with meticulous environmental stewardship, managing the environmental impact of our operations, and championing the principles of a circular economy. Our initiatives constantly empower communities, foster progress and sustainable growth in local economies. By investing significantly in cutting-edge research and development initiatives, we continuously refine our offerings, contributing to the reality of sustainable mobility and a greener future.

As we navigate the evolving landscape of global energy demand and the imperative to combat climate change, we remain steadfast in our belief in the transformative power of energy. Our journey continues to focus on elevating lives, enriching communities, propelling human advancement, and sustaining the planet. With our business operations expanding, we are committed to ensuring an enduring legacy of environmental stewardship. As we explore new horizons, our global expansion strategies are guided by a commitment to responsible growth. We are actively identifying new markets and cultivating collaborations that align with our vision of contributing to a greener, more sustainable world.

Looking ahead to the coming year, I am confident that our collective spirit of collaboration, innovation, and resilience will propel us to even greater accomplishments. Let us continue to work together, supporting and uplifting one another, as we embark on a journey towards new heights of shared success.

Vijaykumar Murugesh Nirani

Managing Director

Date : 6th November, 2023

STATEMENT FROM THE DIRECTOR
MR. VISHAL NIRANI

Dear Valued Shareholders,

I am delighted to extend my warm greetings as I present the Annual Report for the Year 2022-2023. I am honored to reflect on the incredible journey we've undertaken throughout the past year.

In the ever-evolving landscape of the biofuel industry, our commitment to transformative advancements in technology remains unwavering. Underpinning our success is the belief that technology can be a powerful force in transforming lives. It is with great enthusiasm that I emphasize our dedication to harnessing technology to not only meet the demands of the market but to create a positive impact on the lives of individuals within our ecosystem.

At TruAlt Bioenergy Ltd., we recognize that a great working culture is the keystone of our success. We place a strong emphasis on fostering an environment where innovation flourishes, coupled with growth opportunities and the highest standards of professionalism. Our team is not just a workforce; they are the driving force behind our achievements, and we remain committed to providing them with a workplace where they can thrive and contribute meaningfully.

In our pursuit of operational excellence, technology plays a pivotal role. We leverage cutting-edge advancements to streamline our operations efficiently. The incorporation of new technologies allows us to meet the increasing global focus on sustainable energy solutions, making our operations not only environmentally conscious but also highly efficient. I am pleased to report that our CBG unit operates at an almost full efficiency, a testament to our commitment to excellence in every facet of our business.

As we navigate the challenges and opportunities that lie ahead, our focus remains steadfast on contributing to a greener, more sustainable world. By investing in technology, fostering a positive working culture, and ensuring operational efficiency, TruAlt Bioenergy Ltd. is poised to continue its journey of elevating lives, enriching communities and sustaining the planet.

Anticipating the upcoming year, I hold a strong belief in the potential of our united spirit marked by collaboration, innovation, and resilience. I am confident that this collective drive will propel us to achieve even greater milestones. As we venture into the future, let's persist in working together, offering support and encouragement to one another. This journey promises to elevate us to new heights of shared success, and I am enthusiastic about the accomplishments that await us on this collaborative path.

Vishal Nirani

Director

Date : 6th November, 2023

YOUR DIRECTORS

NAVIGATING TRUALT BIOENERGY TO A PROSPEROUS FUTURE

BIO

VIJAYKUMAR MURUGESH NIRANI (30)

DIN: 07413777, is the Founder and Managing Director of TruAlt Bioenergy Limited. He was appointed as the Director on the Board of TruAlt Bioenergy with effect from 31-03-2021.

His academic journey epitomizes scholarly excellence with a Bachelor's degree in Finance and Accounting, garnered with distinction from James Cook University, Singapore, furthermore, obtaining a Master's degree in Global Family Managed Business from the prestigious citadel of erudition, SP Jain School of Global Management, thereby augmenting his mastery in navigating the intricate landscapes of multifaceted corporate ecosystems.

Vijay Nirani's commitment to the Bioenergy sphere has not only borne witness to his unswerving dedication but also stands as an emblem of visionary leadership. His dynamic and prescient approach, characterized by sagacious strategies, exhibits his stature as an indomitable figure in the Bioenergy sector. In addition to his various milestones and achievements at TruAlt Bioenergy, Mr. Vijay Nirani has also been serving as the Managing Director of Nirani Sugars for the past 6 years, where he has been playing a pivotal role in shaping the organization's success.

As the Founder and Managing Director of TruAlt Bioenergy, Mr. Vijay Nirani continues to be the vanguard of inspiration, leading an assembly of dedicated professionals in the pursuit of unparalleled milestones, with the noble aspiration of bestowing upon India and the global community a greener, more sustainable future. His efforts in promoting ethanol blending in fuel and CNG retrofitting in Karnataka have gained recognition from the Honourable Minister of Road Transport and Highways, Shri. Nitin Gadkari Ji. Mr. Nirani's endeavours towards creating an environment that prioritizes renewable energy as the primary source have earned him acknowledgement from the Honourable Prime Minister of India, Shri. Narendra Modi Ji. Moreover, the Honourable Minister for Petroleum and Natural Gas, Shri Dharmendra Pradhan Ji, has recognized his contributions to developing industries in the press mud and alternative fuel sectors.

Vijay Nirani stands as a prominent figure in India, acknowledged as one of the country's 50 most influential individuals by the esteemed Elite Magazine, alongside accomplished eminent personalities.

His commitment to pioneering development in Karnataka has been recognized with the Industry Excellence Award by News18, showcasing his sustained practices that have made a significant impact. Additionally, the South India Sugarcane and Sugar Technologists' Association (SISSTA) has honoured him with another Industry Excellence Award for his role in spearheading sustainable growth in the global sugar sector. Asia One Magazine has also lauded Mr. Nirani as one of Asia's most promising industrialists.

BIO

VISHAL NIRANI (26)

DIN: 08434032 is the Director of TruAlt Bioenergy Limited. Nirani was appointed as the Director on the Board of TruAlt Bioenergy effective 31-03-2021

He is an alumnus of Brunel University in London with a background in Mechanical Engineering. Nirani has been instrumental in shaping and optimizing the manufacturing processes at TruAlt Bioenergy. His comprehensive understanding of the technical intricacies within the bioenergy sector, coupled with a strategic approach to trading, positions him as a valuable leader driving efficiency and excellence in both production and commercial aspects of the business.

Beyond his professional pursuits, Nirani demonstrates a keen inclination towards addressing climate issues and contributing to sustainable practices. His commitment extends to empowering rural areas, reflecting a socially responsible approach in his professional endeavours. This dedication aligns seamlessly with TruAlt Bioenergy's mission, emphasizing sustainability and positive societal impact.

With a parallel role as Director of Operations at Nirani Sugars, Vishal has demonstrated expertise in optimizing operational processes in the agro-industry, showcasing his versatility across different sectors. His hands-on experience and technical acumen make him a key asset in ensuring operational efficacy in diverse operational landscapes. In addition to his corporate roles, Mr. Vishal Nirani, as the Managing Partner of Accutrade Global LLP since 2021, has showcased his proficiency in trading dynamics, navigating complex markets and fostering innovative business strategies.

BIO

SUSHMITHA VIJAYKUMAR NIRANI (29)

DIN: 08356858, is the Director of TruAlt Bioenergy Limited
She was appointed as a Director on the Board of TruAlt Bioenergy effective 18/09/2023.

Sushmitha graduated in Bachelors of Engineering from the esteemed GM Institute of Technology, where her academic prowess shone brightly. Recognized for her leadership, she spearheaded various initiatives, leaving an enduring impact on her alma mater.

Within the realm of TruAlt, Sushmitha serves as the visionary force, steering the organization with strategic acumen. Her knack for strategic planning and management has been a catalyst for the substantial development and progress witnessed by the company. Committed to excellence, she actively seeks growth opportunities that align seamlessly with the company's goals and contribute to sustainable practices.

Beyond her role in strategic leadership, Sushmitha is deeply engaged in the human side of the organization. Her involvement in people activities exhibits her commitment to constantly ensuring a positive and collaborative work environment. Her enthusiasm for effecting positive change resonates in her endeavors to contribute to the broader global landscape.

In addition to her responsibilities at TruAlt Bioenergy Limited, Sushmitha is engaged in initiatives that empower women and communities, creating an environment that transcends mere business goals.

Sushmitha Vijaykumar Nirani emerged is vitally playing a role of a catalyst for innovation, strategic brilliance, and positive organizational culture, embodying the ethos of TruAlt Bioenergy Limited.

BIO

KANEKAL CHANDRASEKHAR (67)

DIN: 06861358, is the Independent Director of TruAlt Bioenergy Limited.

Chandrasekhar was appointed as an Independent Director on the Board of TruAlt Bioenergy effective 18th September 2023.

A distinguished scholar, Chandrasekhar holds qualifications in B.Sc. (Ag), CAIIB, and an MBA. His pursuit of knowledge has seen him honing skills in Forex Futures & Derivatives at Mercantile Exchange-Chicago, Leadership at ISB Hyderabad, Risk Management at NIBM Pune, and Strategic Management at IIM Bengaluru. His astute professionalism with a career spanning over four decades, brings a wealth of experience in corporate governance and strategic management to the role of Independent Director at TruAlt Bioenergy Limited.

With a foundation laid during his tenure as a Management Trainee at I.T.C. Ltd, Chandrasekhar subsequently devoted over three decades to Union Bank of India. Holding pivotal positions, including General Manager- Credit Policy, MSME, and Field General Manager, he demonstrated expertise in resource management, financial operations, and administrative efficiency in competitive environments, contributing significantly to revenue maximization. His influence extends to various boards, having served as Director in companies such as CIBIL, NABFINS, Ace Derivative and Commodity Exchange Ltd, and RRR Global Advisors Pvt Ltd.

His multifaceted career also includes roles as a member of the management committee of the Emerging India Growth Fund of Canbank Venture Capital Fund, Ex-officio trustee on the Board of Trustees of Union Bank Social Foundation, and a member of the advisory committee on NPA settlement of Syndicate Bank. Presently, Mr. Chandrasekhar is a Practicing Insolvency Professional and Financial Advisor.

Beyond his corporate endeavours, Kanekal is known for his unwavering support of social causes, particularly in the realm of education and healthcare for the underprivileged rural population around his village.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

TruAlt Bioenergy Limited (TBL) was established with a visionary goal to pioneer the growth of biofuels in India. With the mantra of "Farming Fuel for a Greener Future," the Company embarked on an exceptional journey to reshape the energy paradigm. TruAlt is the largest Ethanol manufacturer in the country with a current capacity of 1400 Kilo Litres per day (KLPD). It currently operates 3 molasses & syrup-based distillery units with a combined capacity of 1,400 KLPD. It has tied up and is in advanced stages to set up an additional 1300 KLPD by FY 2025 making it the largest Ethanol manufacturer contributing 60 crores litres of Ethanol for the Ethanol Blending Program. Trualt Bioenergy Ltd. (TBL) targets to set up over 5100 KLPD or over 5 million litres of Ethanol Production per day in the next 5 years.

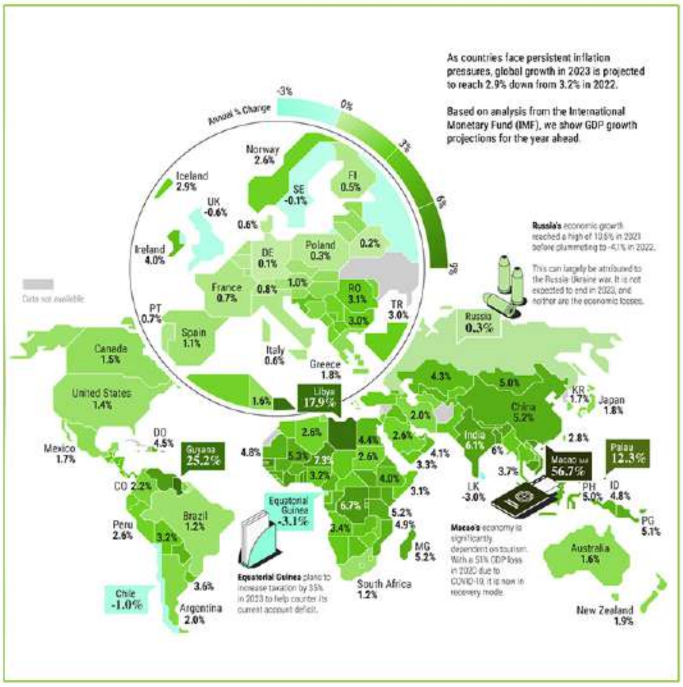
TBL proposes to set up at least 2 Units of 2G Ethanol Plants of capacities 100 KLPD each and contribute over 6 crore litres of 2G Ethanol over the next 3 years under the PM Ji-van Yojna. The Company also plans to set up over 24 Compressed Bio Gas (CBG) Units and to establish a Sustainable Aviation Fuel Production Facility in the next 5 years.The broader vision of TruAlt is to transform the environment where bioenergy becomes the primary source of fuel and energy.

ECONOMIC OVERVIEW

Global Economy

During the year prospects for a robust global economic recovery remained dim amid stubborn inflation, rising interest rates and heightened uncertainties. The world economy faced the risk of a prolonged period of low growth as the lingering effects of the COVID-19 pandemic, the ever-worsening impact of climate change and macroeconomic structural challenges remained unaddressed. Global inflation increased to 8.8% in 2022 (annual average) from the pre-pandemic (2017–19) levels of about 3.5%. To contain the surging inflation, globally central banks tightened the monetary policy and raised interest rates at a pace not seen in the last 50 years, resulting in increased cost of borrowing globally. Global trade remained under pressure due to geopolitical tensions, weakening global demand coupled with tighter monetary and fiscal policies. The volume of global trade in goods and services is forecast to grow by 2.3 per cent in 2023, well below the pre-pandemic trend. The latest forecasts indicate that the overlapping shocks of the pandemic, the Russian invasion of Ukraine, and the sharp slowdown amid tight global financial conditions have resulted in an enduring setback to development in Emerging market and Developing Economies (EMDEs), one that will persist for the foreseeable future. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. In the first quarter of 2023, consumer price inflation had come off from its peaks in most economies due to the softening in energy and commodity prices and easing of supply chain bottlenecks. Central banks shifted towards smaller hikes, and many indicated a pause in rate hikes. Overall, global economic growth is expected to slip further to 2.8% in 2023 from the impact of global monetary tightening and the prevailing high interest rates.

Energy transition is at the core of fighting against climate change and achieving net-zero targets by 2050. Since the COVID-19 pandemic in 2020, the world has witnessed major disruptions in energy production and use, severely affecting the critical transition to net-zero carbon emissions. The war in Ukraine and the spike in energy prices elevated energy security concerns, leading countries to search for cheap and quick solutions to meet their short-term demand. On the other hand, the same factors also created incentives to increase energy supply through alternative and more reliable energy sources, including renewables. Uncertainty in the global economic, geopolitical, and financial landscape creates severe challenges in accelerating energy transition. The ongoing energy crisis forces countries, particularly the energy-importers, to urgently deploy alternative sources of energy that are sustainable, reliable and affordable. The global advanced biofuels market is expected to grow from $53.79 billion in 2022 to $81.79 billion in 2023 at a compound annual growth rate (CAGR) of 41.3%. The increasing demand from the automotive industry is expected to propel the growth of the advanced biofuels market going forward.



Global Growth

Forecasts

2 0 2 3

Source : IMF World Economic Outlook

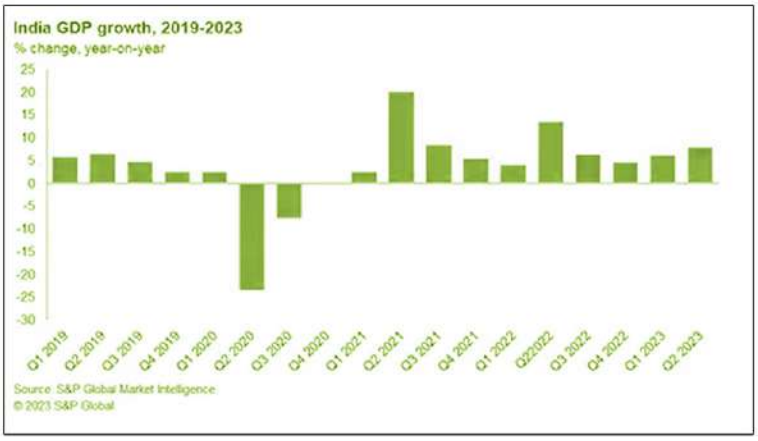
Indian Economy

During the year, India overtook the UK to become the fifth largest economy in the world. India's GDP growth accelerated to 6.1% in the January to March 2023 quarter and the Indian economy posted a strong growth of 7.2% in FY 2022-23. India's economic growth in Financial Year 2022-23 has been principally led by private consumption and capital formation and they have helped generate employment.

In FY2022-23, production of capital goods rose by 12.9% YoY, while production of infrastructure and construction goods rose by 12.5% YoY. The energy prices have been an important factor contributing to India's CPI (consumer price index), inflation pressures over the past year, but have been easing in recent months, helped by some moderation in world oil prices as well as the impact of base-year effects owing to the spike in world oil prices a year ago, in the second quarter of 2022.

The credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during January-November 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS). Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets and external commercial borrowings towards banks. Despite the three shocks of COVID-19, Russian-Ukraine conflict and policy rate hikes by the Central Banks across economies led by Federal Reserve to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in the Financial Year 2023-24.

Despite strong global headwinds and tighter domestic monetary policy, India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect. This is due to India's underlying economic resilience; of its ability to renew and re-energise the growth drivers of the economy. India's economic resilience can be seen in the domestic stimulus to grow seamlessly replacing the external stimuli. Looking ahead, in 2023-24, growth is expected to be moderate on account of slowing global growth, geopolitical tensions, financial market volatility and tightening global financial conditions. Nevertheless, India is set to be the fastest growing large economy backed by sound macro management, Government's focus on capital expenditure and an overall rebound in consumption.



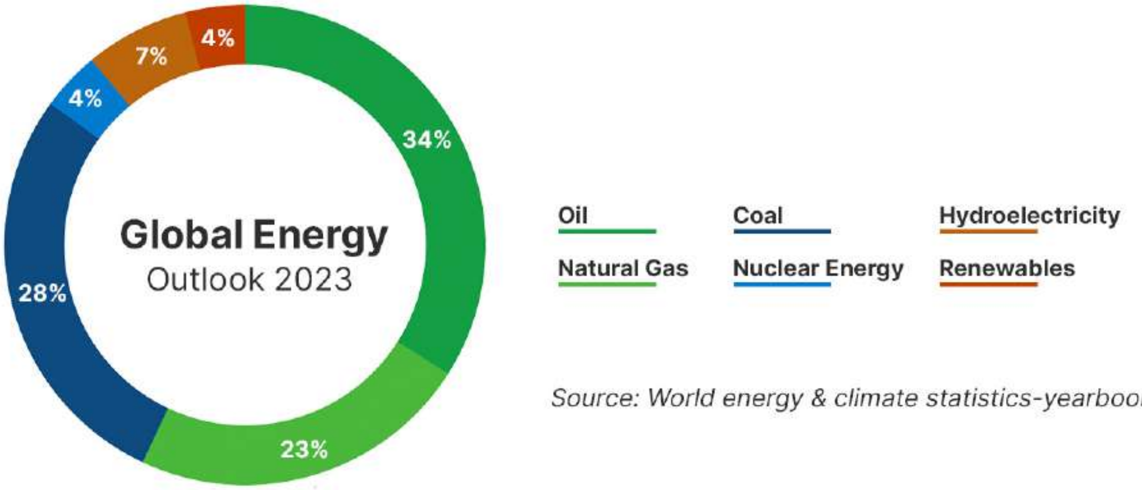
India GDP growth
2019-2023
Percentage change, year-on-year

Source : S&P Global Market Inteligence

INDUSTRY STRUCTURE AND DEVELOPMENT

Global Fuel Industry

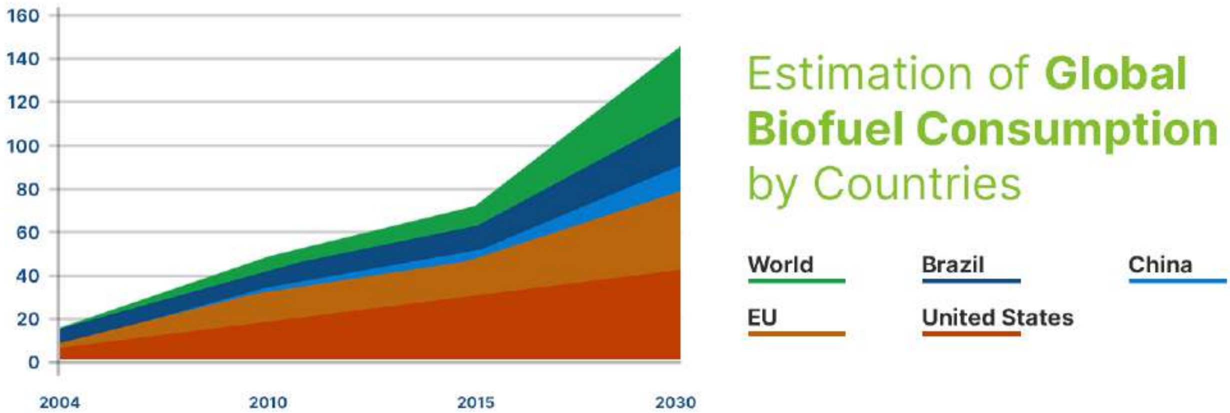
In recent years, the global agenda has witnessed an increasing emphasis on sustainability and environmental consciousness. The global fuel industry is a critical component of the world economy, dominated by fossil fuels such as oil, coal, and natural gas. These resources continue to supply the majority of the world's energy needs, powering transportation, industries, and households.



Source: World energy & climate statistics-yearbook 2023

Biofuel Industry Overview

There has been a growing push for renewable and sustainable alternatives due to concerns about climate change and environmental impacts. The term biofuels refer to liquid fuels and blending components produced from biomass materials called feedstocks. These fuels are primarily used as transportation fuels but may also be used for heating and electricity generation. Biofuels, derived from renewable sources such as biomass and agricultural waste, represent a more environmentally friendly alternative to conventional fossil fuels, notably due to their lower carbon emissions into the mainstream, thus making a substantial contribution to mitigating climate change. Some of generally accepted biofuels around the world include- ethanol, renewable diesel/biodiesel and other biofuels (including sustainable aviation fuel and compressed biogas etc.). Biofuels possess several benefits over fossil fuels, and this is a primary reason of their increased adoption around the world.



India Biofuel Market size and Growth outlook

Within the Indian context, the promotion of biofuels has gained significant momentum, not only for their potential to reshape the energy landscape but also for the wide-ranging socio-economic and environmental benefits they offer. However the industry's landscape includes major multinational corporations, geopolitical considerations, and ongoing technological advancements aimed at improving efficiency and reducing emissions.

India accounts for around 18% of the world's population but produces only ~0.6% of the world's natural gas and ~0.8% of the world's crude oil. India imports 86% of its crude oil requirement and ~48% of its natural gas requirement. In fiscal 2023, the import bill for oil stood at $158.3 billion, sharp surge from fiscal 2022 of 33% increase YoY basis on account of higher energy prices. With the burgeoning urban population, this import dependence on energy and oil in particular is only going to increase. This is precisely where bio energy comes into the picture. It has the potential to push the country towards energy independence while helping it tackle environmental degradation without compromising on the growth potential. The government aims to make the country carbon neutral by 2070 and reduce emission intensity by 45% of the 2005 levels by 2030. This would only be achievable by bringing bio energy to the forefront of India's energy scenario. The strategy to promote bio energy in the country should include adopting appropriate financial and fiscal measures periodically to support development and promotion of bio energy applications and their utilisation in different sectors. This will include policy formulation to build a nurturing environment for the sector with focus on enabling PPP (Public Private Partnership) initiatives and private participation.

The Indian biofuel market is at a nascent stage and is primarily dominated by ethanol and biodiesel. However with the government's increased support for alternative energy sources, the industry is growing at a tremendous pace and the country is exploring several other forms of renewable energy sources such as Iso-butanol, Sustainable Aviation Fuel (SAF) and Compressed Biogas (CBG) etc. Biofuel market in India is majorly divided into ethanol and biodiesel currently, of which ethanol forms a major chunk. Sizeable investments, especially by the government, aimed at converting excess sugar availability into ethanol to strengthen its pursuit of creating an ethanol economy. India may even pass China as the third-largest ethanol consumer as early as 2026, only behind the US and Brazil. Biofuels enhance agriculture production and benefit farmers. India has saved approximately INR 73,000 crore on its import bill in the last nine years due to biofuel blending, with INR 76,000 crore paid to farmers. The biofuels industry can stimulate rural development by creating jobs in agriculture and related sectors, reducing rural-to-urban migration.

Ethanol Market

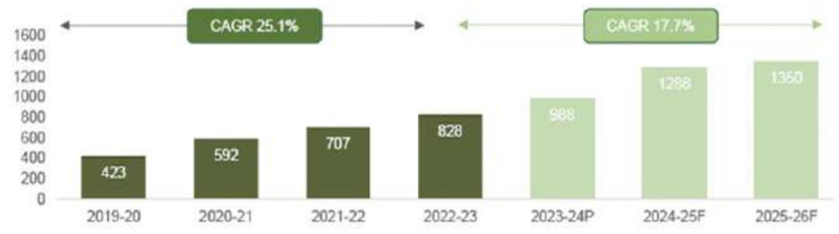
Ethanol has been the primary biofuel used in India for over a decade. The demand began after the introduction of Ethanol Blending Program in 2001, post which the demand has been increasing continuously.

Different Generations of Ethanol

FEATURE	1G ETHANOL	2G ETHANOL	3G ETHANOL
Feedstock	Sugarcane, corn, wheat, barley, etc	Lignocellulosic biomass (e.g., wood, agricultural waste)	Algae
Process	Fermentation of sugars.	Pretreatment of biomass, enzymatic hydrolysis, fermentation	Photosynthesis, fermentation
Yield	Low; 1-2 gallons of ethanol per bushel of feedstock	High;1-2 gallons of ethanol per ton of feedstock	High; 100-200 gallons of ethanol per ton of biomass
Cost	Low	High	Very high
Environmental impact	Relatively low	Relatively high	Very high
India Positioning	Demand is fulfilled though 1G Ethanol	2G ethanol at nascent stage, the industry is expanding	3G ethanol process is not yet adopted in the country

Ethanol demand India is expected to grow at a CAGR of 17.7% till FY26. The said growth is driven by several factors. The government of India has advanced the target for 20% ethanol in petrol to 2025 from 2030 to reduce country's import bill on fuel. The Government has also introduced 2nd generation of ethanol blending alternative and several down\stream oil giants are in the process of setting up 2G Bio-refineries in India.

India Ethanol Market Demand and outlook (crore litre)



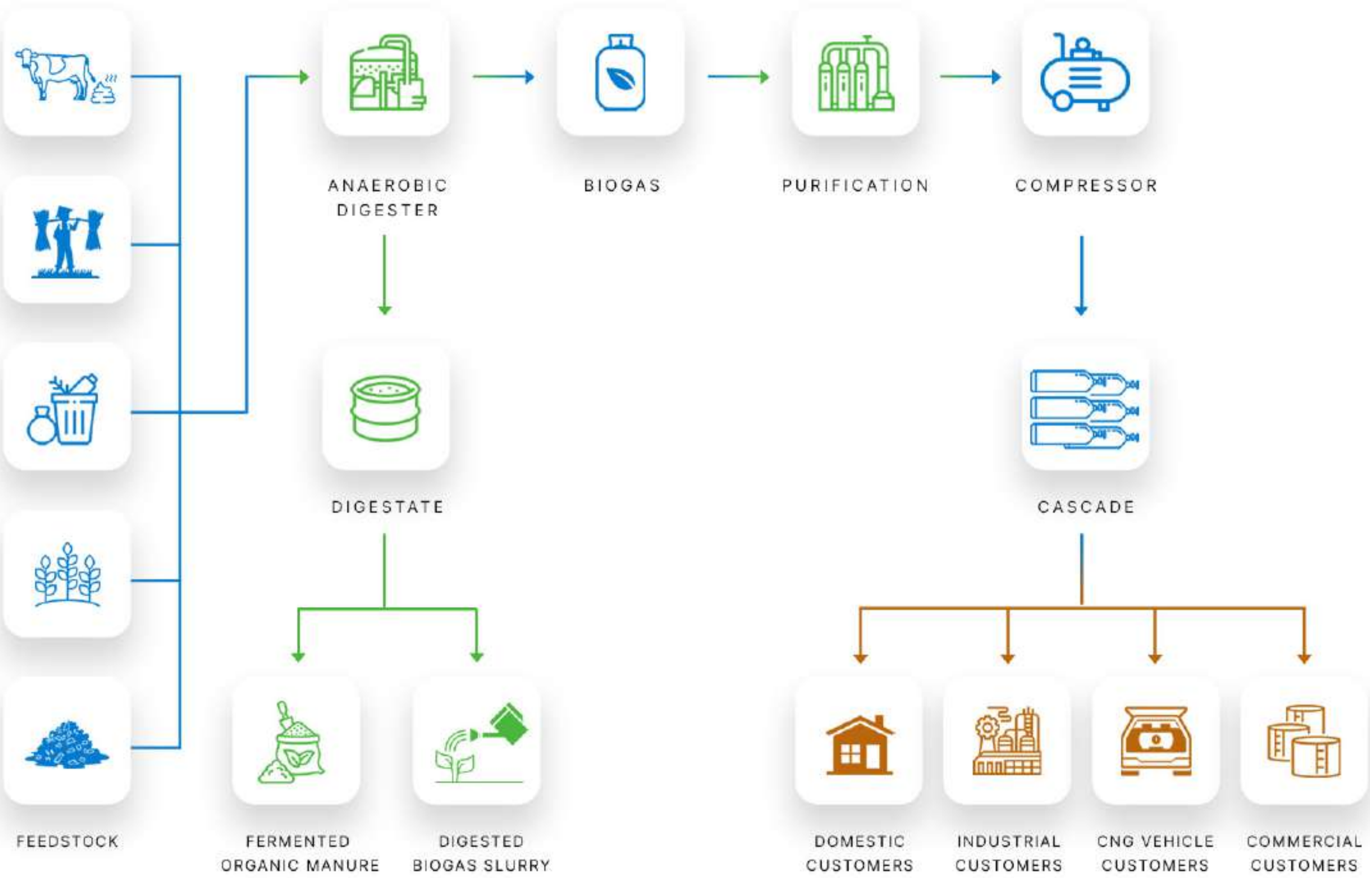
Source: NITI Aayog and ministry of petroleum and natural gas
P: Projected F: forecasted

Indian SAF Market

Sustainable Aviation Fuel (SAF) is a liquid fuel that can be used in commercial aviation and has the potential to reduce CO2 emissions by up to 80%. The global aviation industry has set an ambitious net-zero carbon emission target by 2050, which is focused on delivering maximum reduction in emissions at source using SAF, innovative new propulsion technologies and other efficiency improvements. SAF demand is expected to begin from 2025 and would play an important role in ensuring the Net Zero Emission Targets globally. The SAF market in India is in nascent stages. A lot of companies are researching and developing aircraft that can operate on SAF. As per government targets of 1% blending by 2025, India will require around 14 crore litres of SAF per annum, and for 5% blending targets by 2030, India would generate ethanol demand of 70 crore litre only from SAF.

Indian Compressed Biogas (CBG) market:

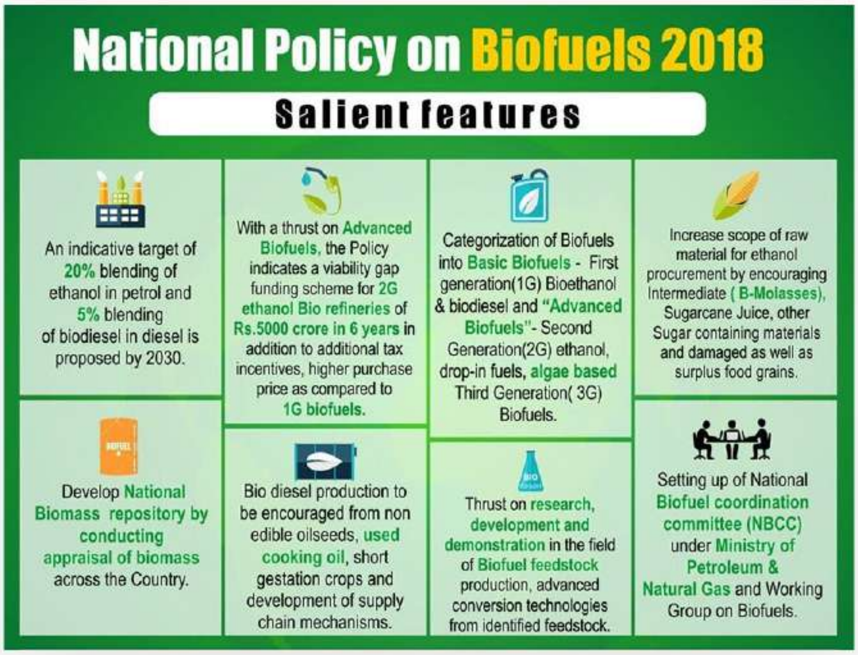
The government has taken enterprising steps to explore Compressed Biogas (CBG) and as an addition to the biofuel mix of the country. India's biogas market is expected to grow up to $2.25 billion in 2029, logging a CAGR of 6.3% between 2023 and 2029.



Over the past few years, CBG has emerged as a viable alternative to imported fossil natural gas, offering nearly netzero emissions and enhancing energy security. Various waste and biomass sources, such as cattle dung, agricultural waste, distillery spent wash, press mud, organic fraction of municipal solid waste and sewage treatment plant sludge, undergo anaerobic decomposition to produce biogas. Only 58 CBG plants have been commissioned in India as of May 2023, out of the planned 5,000 plants expected to be operational by the end of 2023 under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme.

The Indian Biomass market comprises of feedstock, Agricultural waste, Wood & Woody Residue, Solid Waste and Others. Products are: Biodiesel, Bioethanol, Biogas and Others; The launch of new schemes is anticipated to generate incremental opportunities for Companies in the Indian Biomass Market. It is found that India has the capability to generate several thousands of megawatts of renewable energy from biomass available in bagasse cogeneration from sugar mills.

Indian Biofuel market is dominated by Ethanol, followed by a small proportion of Biodiesel. SAF and other renewables does not form a major chunk of the total biofuel demand in India currently, but the scenario is expected to change with governments' current Net Zero Emissions Targets.



National Biofuel
Policy 2018

The "National Policy on Biofuels" was notified by the Ministry of Petroleum and Natural Gas in 2018. The Policy aims to tincrease biofuel usage in different sectors of the economy and make a transition towards a cleaner fuel during the coming decade. The Policy allows use of surplus food grains for production of ethanol for blending with petrol with the approval of National Biofuel Coordination Committee. It aims to utilize, develop and promote domestic feedstock for the production of biofuels to increasingly substitute fossil fuels while contributing to National Energy Security, Climate Change mitigation, apart from creating new employment opportunities in a sustainable manner.

The Global Biofuel Alliance (GBA)

The Global Biofuel Alliance (GBA) is spearheaded by India as the G20 Presidency aims to expedite the global adoption of biofuels by facilitating technological advancements, intensifying sustainable biofuel utilization, and shaping robust standards and certifications. The alliance serves as a catalyst for global collaboration, facilitating advancements and widespread biofuel adoption.

India, as the world's third-largest consumer and importer of oil, confronts the persistent challenges of its surging oil import bill, which poses substantial risks to economic stability. The GBA presents a promising solution by promoting biofuels derived from sources like sugarcane, grains, and agricultural waste. India can diversify its energy portfolio and reduce dependence on expensive oil imports. Through technology transfer and support for domestic biofuel production, the GBA has potential to significantly alleviate the fiscal strain imposed by oil imports. The Government aims to achieve 20% ethanol blending in petrol by 2025-26, advancing from an earlier target of 2030. According to the Ministry of New and Renewable Energy, India's current daily production of biogas and compressed biogas stands at 1151 metric tonnes, with potential growth to 1750 metric tonnes by 2025. India faces an array of challenges in promoting biofuels, including inadequate infrastructure and technological barriers. Collaboration, sharing experiences, and investing in research and development are pivotal to unlocking biofuels' full potential in India. Learning from Brazil's experience, a pioneer in biofuel production, can help overcome these challenges.

The Global Biofuel Alliance is set to unlock economic opportunities worth a staggering $500 billion in the coming three years. Biogas alone has the capacity to generate $200 billion in opportunities. Bioenergy, as a comprehensive solution, could play a pivotal role in replacing fossil fuels and decarbonizing the transportation sector. India is expected to contribute much to the growing biofuel production in Asia due to its recent ethanol policies and blending targets, making it the third largest market for ethanol by 2026.

Checking off all the right boxes – low-carbon production and consumption, sustainability, a renewable resource, easily implemented, and addressing the issue of human-generated waste – biofuel is emerging as the hero, giving the nation a turbo-boost towards becoming a circular economy.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

TruAlt is uniquely positioned to capture the exponential growth opportunities in the 2G Bio-Ethanol market. The Company aspires to lead the Asia's energy transformation story, with innovation and delivering eco-friendly solutions to meet the evolving energy needs. TruAlt Bioenergy Ltd. currently produces over 2 million litres per day of bio-ethanol using Molasses, a by-product from sugar production and cane syrup. This reinforces our commitment to "Farming Fuel for a Greener Future." Utilizing Bagasse, a byproduct from our Cogeneration plants, TruAlt Bioenergy is pioneering the production of 2G Bio-ethanol, a ground breaking development. Ethanol offers potential benefits such as reducing dependence on fossil fuels, lowering greenhouse gas emissions, and supporting agricultural economies. The global ethanol market was valued at 99 billion USD in 2022 and is expected to grow at a compounded annual growth rate of 5% by 2032, creating a huge opportunity for Indian industries on the back of increasing ethanol use in applications such as transportation, disinfectants, fuel additives and beverages and thus contributing to farmers' income, job creation and overall development of the Indian ecosystem.

PLI Incentive

To increase the production of ethanol in the country and achieve the much-stated target of 20% blending by 2025, the Government has announced several schemes for the aligning industry, ultimately benefiting the ethanol production in the country. One of the incentives under the scheme is providing soft loans to sugar mills and a single window mechanism for expedited regulatory clearance for building grain-based distilleries across the country. This is introduced with the aim of encouraging and enhancing diversion of sugarcane for ethanol production, as majority of the ethanol in the country is currently produced from sugarcane. Since ethanol production is currently concentrated in Uttar Pradesh, Maharashtra and Karnataka, incentives to expand distilleries across India will result in geographically widespread production of ethanol and save huge transport costs from moving ethanol to other states.

Additionally, Government has also introduced PLI scheme for millet-based products, promoting production of these special grains. Ethanol production from grains is more convenient and economical; however, this route has not been exploited by the country. In order to begin production of ethanol from grains, government has incentivized grains production to secure surplus which could be routed to ethanol refineries.

The Government of Karnataka has been working hard towards increasing their ethanol adoption. The government is in talks with companies to use 100% ethanol and gradually phase out dependence on fossil fuels and has set a target of next 10 years to achieve this. Taking advantage of the PLI scheme, TruAlt Bioenergy has availed a 1.75% incentive on the total turnover of the company for a period of 10 years, beginning from FY 2023-24.

Interest cost subsidy for setting up ethanol plants

Ethanol demand India is expected to grow at a CAGR of 17.7% till FY26. The said growth is driven by several factors. The government of India has advanced the target for 20% ethanol in petrol to 2025 from 2030 to reduce country's import bill on fuel. (Source: NITI Aayog and Ministry of petroleum and natural gas) Government has also started an interest subvention scheme for molasses and grain based distilleries to promote ethanol production. Under the 'scheme for extending financial assistance to sugar mills for augmentation of ethanol production capacity', the government of India extends soft loan to the mills for setting up new distilleries/ expansion and installation of incineration boilers or installation of any method as approved by Central Pollution Control Board for zero liquid discharge and the government will bear interest subvention for the loan disbursed in the form of interest subvention @ 6% per annum or 50% of the rate of interest charged by banks, whichever is lower, on the loans to be extended by banks for five years including a one-year moratorium.

Use of multiple feedstocks for Ethanol production

Earlier, the government only allowed sugarcane as a feedstock for ethanol production. However, in light of the severe climate changes and increased oil prices, the government, in its Ethanol Blended Petrol Program (EBP) in 2020, allowed the use of surplus rice available with the Food Corporation of India (FCI) and maize respectively for blending with petrol. This was further extended to ethanol production from grains in 2021.It is also foreseen that flex fuel vehicles, which are capable of utilising ethanol blended gasoline up to 85%, and are already operational in the USA and Brazil, are soon to make an entry in India.

Stamp duty exemption

Central Board of Indirect Taxes and Customs (CBIC), on July 2022, has exempted the excise duty on 12% ethanol blended petrol and 15% ethanol blended petrol in order to support the ethanol production in the country.
Trualt Bioenegy Limited also enjoys an additional benefit of exemption from all kinds of stamp duties for a period of 5 years starting from FY23 to FY27.

National Biofuel Policy 2018

National Biofuel Policy was implemented in 2018 by the Government of India. The Policy aims to increase biofuel usage in different sectors of the economy and make a transition towards a cleaner fuel during the coming decade. It aims to utilize, develop and promote domestic feedstock for the production of biofuels to increasingly substitute fossil fuels while contributing to National Energy Security, Climate Change mitigation, apart from creating new employment opportunities in a sustainable way.

Pradhan Mantri JI-VAN Yojana

The Government of India has also approved the Pradhan Mantri JI-VAN Yojana in March 2019, which will support via viability gap funding 2G integrated bioethanol projects using lignocellulosic biomass and other renewable feedstock. The objective of the scheme is to create an ecosystem for setting up commercial projects and boosting research and development of the 2G ethanol sector. Under the scheme, of the INR 1,969.5 crore financial outlay over fiscal 2019 to 2024, INR 1,800.00 crore has been allocated to support 12 commercial projects and 10 demonstration projects. Under the scheme, maximum financial assistance of INR 150 crore per project for commercial projects and INR 15crore per project for demonstration projects has been prescribed. Other steps taken to promote 2G ethanol plants include imposition of additional excise duty on non-blended fuels, encouraging studies on aspects such as identifying areas having potential of surplus biofuel feedstock, policy interventions to mainstream biofuels, separate pricing for 2G ethanol, etc.

A Diversified Biofuel Player

Trualt converts Bagasse, an agricultural by-product, into power and electricity, currently generating 237 MW, with 80% of it supplied to the state power grid, ensuring uninterrupted electricity access for rural communities.

Compressed Bio Gas (CBG)

Compressed Bio Gas (CBG) potential from various sources in India is estimated to be around 62 million metric tonnes **("MMT")**, with bio-manure generation capacity of 370 MMT. The GoI has undertaken initiatives towards encouraging CBG, including the Sustainable Alternative Towards Affordable Transportation **("SATAT")** initiative, which envisages production of 15 MMT CBG by 2023 - 2024 from 5,000 CBG plants, with an investment of around INR 300,000 million for 900 plants.

TruAlt Bioenergy Ltd. (TBL) proposes to produce Compressed Bio Gas (CBG) from Press Mud, a waste product of sugar and ethanol production. Press mud, generated from sugarcane juice during the clarification process, holds untapped potential as a resource for producing Compressed Biogas (CBG). This fibrous residue, often considered waste, can serve as a valuable feedstock in the renewable energy sector, promoting a cleaner and more sustainable energy future. CBG is supplied to City Gas Distribution networks and used as CNG in vehicles, helping bridge India's gas deficit.

Our Biofuel stations, beginning with the first one in North Karnataka, cater to a future where Biofuels are main stream. They dispense petrol, diesel, ethanol with EV charging points, battery swapping, and stores. We plan to establish 250 stations in the next 5 years, prioritizing franchises for our farmer community.

Trualt is well placed to capitalize on the increasing demand for biofuels through vertically integrated and scalable operations. The Company has entered into supply agreements with its Group Companies producing sugar to ensure continued access to sugar syrup and molasses, the primary raw material in the ethanol production operations, while avoiding any minimum purchase obligations. Further, the Company has cogeneration units within the distillery units, and these boilers and turbines enable the Company to satisfy the power requirements through captive means, eliminating price or availability concerns. The Company's strategic location in the 'sugar belt' of Karnataka allows ease of access to raw materials required for production processes, and enables to scale up without heavy investment in transportation.

Thus a distinct advantage that sets TruAlt apart lies in its robust network of raw material sources, all of which are internally generated. This vertically integrated approach to sourcing raw materials contributes significantly to the company's competitive edge. By having direct control over the raw material supply chain, TruAlt can ensure reliability, consistency, and quality in its ethanol production processes. This strategic alignment of resources positions TruAlt to effectively cater to the burgeoning demand for ethanol in India's dynamic market. As countries increasingly shift towards more sustainable and environmentally friendly energy solutions, the demand for biofuels, including ethanol, continues to rise. TruAlt's strategic foresight in expanding its distillation capacity and securing its raw material supply bodes well for its ability to meet this growing unmet market demand.

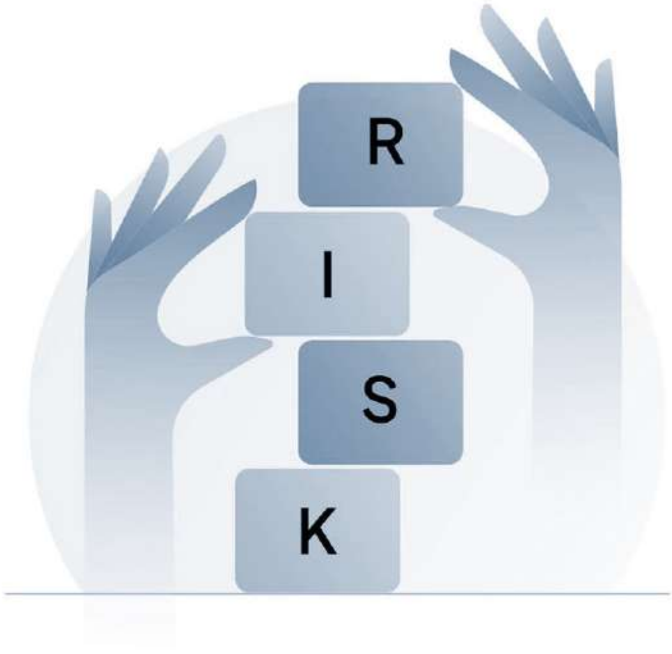
TruAlt is uniquely positioned to capture the exponential growth opportunities in the 2G Bio-Ethanol market

Molasses, a dark and thick syrup derived from sugar production, was once considered a secondary product from sugarcane processing. However, its versatile nature has led to its recognition as a valuable ingredient in various industries, particularly in the production of 1G ethanol. Bagasse, the fibrous residue left after sugarcane juice extraction, stands as a renewable and abundant resource essential for 2G ethanol production. This agricultural waste material has garnered attention for its potential to contribute to sustainable energy solutions and reduce dependence on fossil fuels, aligning perfectly with the Company's commitment of turning waste into wealth. Hence there is 100% availability of raw material for the Company. With the current availability of over 350,000 metric tonnes of Bagasse internally, this can yield over 21 crore litres of 2G Bio-Ethanol. Flyash, a byproduct of power production, contains trace minerals crucial for plant growth when converted into fertilizers. This underlines its importance in enhancing agricultural productivity. TruAlt has technical expertise as over 70% of the existing equipment of TruAlt can be integrated for the production of 2G Bio Ethanol. Many organisations in the country and overseas are already producing commercial Bio-Ethanol using bagasse and various other feedstock.

There is a huge demand supply deficit. Lignocellulosic surplus biomass availability in India is around 12-16 crore tons per annum. If exploited, this has potential to yield 2500 to 3000 crore litres of Ethanol per annum and has potential to reduce India's dependence on imported crude oil considerably. TruAlt aims to expand and leverage its existing platforms to expand its product portfolio to include 2G ethanol, by 2025 by upgrading and enhancing its existing facilities. It has further developed a long-term growth strategy to lower its dependency on a singular variety of feedstock and diversify its raw material base, increase efficiency, become a carbon negative bio-fuel company.

THREATS - RISKS AND CONCERNS

The Board shoulders the ultimate responsibility for the management of risks and for ensuring the effectiveness of the Internal control systems. A regular review is conducted of any systemic weaknesses identified and addressed by enhanced procedures to strengthen the relevant controls. The Board has adopted the Risk Management Policy and procedures with regard to risk management. An overview of the Risks and threats are detailed hereunder:



Business Risk

- The business is dependent on the sale of ethanol. Any reduction in the sale of ethanol or any regulations on pricing, may have an adverse effect on the business, results of operations and financial condition. The Company may face challenges due to increased competition, pricing pressures, loss of market share (including pursuant to import of ethanol from outside India), macro-economic conditions in the key markets or the markets of the key end-customers and changes in government policies and regulations. Any and all of these factors may have an adverse effect on the sale of ethanol and our business prospects.

- The Company's ethanol production depends on the availability of raw material such as sugar syrup and molasses. Any shortage of sugarcane, the underlying raw material, which is subject to seasonal vagaries, adverse weather conditions, crop disease and pest attacks, may impact the availability and quality of the key raw materials, which may have an adverse impact on the business, financial condition and results of operations. The availability of sugarcane and yield from sugarcane is dependent on various factors such as amount of rainfall in a particular year, quality of sugarcane, harvesting schedules, irrigation techniques and overall weather conditions. The amount of sugarcane that can be grown in a year depends on the availability of water, condition of soil and monsoon. Adverse weather conditions, inadequate irrigation techniques, crop disease and pest attacks may adversely affect sugarcane crop yields and the quality of produce, thereby affecting sugar recovery rates and pricing. Further, due to limited availability of land and seasonality of sugarcane cultivation, farmers may choose to cultivate other competing cash crops and feedstock. Our distillery units are therefore sensitive to weather conditions such as cropping patterns, droughts, floods, cyclones and other natural disasters. Excess Sugar exports may affect the production of ethanol.

- Sometimes rising procurement prices for sugarcane may cause the margins to fluctuate and adversely affect their results of operations and financial condition, if the Company has to source raw material from the open market.

- With the staunch and aggressive stand taken by the Government of India to promote the use of various Biofuels in the country, while advocating for their production indigenously, the demand for various Biofuels like 1G Bioethanol, 2G Bioethanol, Compressed Biogas, Sustainable Aviation fuel and various other upstream chemicals is only set to constantly rise.

Risk Mitigation

The Company has addressed this risk by entering into supply contracts with its Group Companies which are engaged in the production of sugar, sugar syrup and molasses. Accordingly, these companies, which are located in geographical proximity to our units, are required to divert sugar syrup and molasses to us, without any corresponding obligation on our part to purchase such supply. These supply contracts have a typical tenure of 10 -15 years and may be terminated by either party. Any termination of such contracts, failure to renew such contracts on favourable terms or at all, or non-performance of obligations under such contracts may adversely affect our business, financial condition and results of operations.

We are also able to purchase sugar syrup and molasses from the open market, if we receive more favourable prices. There are total No. of 74 Operating Sugar mills in the Karnataka Sugar Belt out of which there are 29 Distilleries to produce ethanol. The Company has access to the raw material B-Heavy Molasses and Sugar Syrup from the remaining Sugar Mills which do not have Distilleries. The company purchases 70 % of the Raw Materials from the Group companies and the aforesaid Sugar mills cater to the remaining 30 % raw material need. The Company has the liberty to explore the markets for raw material procurement if it receives favourable prices.

The Company also endeavours and enters into long term contracts with its customers for supplying its products. The Company endeavours to link the risk management objectives of the project with the probability of occurrence of risk events of the project. During project construction, the Company prevents risks in advance, conducts extensive investigation, prepares for risk prevention, reduces the probability of potential risks, and reduces losses in these aspects. The Government policy on prohibiting Sugar exports has regulated sugar prices to a large extent.

Geographical Risk

The company's existing Units, as well as the additional units which have been commissioned, are located in the Bagalkot district of Karnataka. While the location is strategic owing to its proximity to the 'sugar belt' and allows the Company access to the key raw materials, the geographical concentration of the Units exposes it to regional adversities in the district and the state. Factors such as earthquakes, other natural disasters, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce the ability to supply the products and adversely affect sales and revenues from operations.

Mitigation: The Company incorporates both structural and non-structural mitigation measures and examine ways to reduce the vulnerability of existing structures. Also the Company takes steps to reduce the vulnerability of natural resources, and organizes mitigation training.

Operational Risk

Any unscheduled, unplanned or prolonged disruption of the production processes, including on account of power failure, industrial accidents, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour, or disagreements with the workforce, lock-outs, could affect the results of operations. Further, any significant malfunction or breakdown of the equipment or machinery may involve significant repair and maintenance costs and cause delays in the operations.

The quality of the products is critical to the success of the business, which, in turn, depends on a number of factors, including the implementation and application of quality control policies and guidelines. The Company is subject to strict quality requirements, regular inspections and audits, and sales of the products are dependent on the quality controls and standards. Any failure to comply with quality standards may adversely affect the business prospects and financial performance, including cancellation of existing and future orders.

The production units are dependent on adequate and uninterrupted supply of electricity, stream and fuel. Any shortage or disruption in electricity, steam or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins. Further, the Company is subject to operating risks associated with handling of such hazardous materials during transportation such as leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage, destruction of inventory of finished goods and/or raw materials and environmental contamination.

Operational/Business Risk Mitigation

Strong management team continues to work towards sustainable low-cost production, operational excellence and securing key raw material linkage. Continuous focus is given on plant operating efficiency improvement programme to achieve product parameters, manpower rationalisation, logistics and cost reduction initiatives. Proper planning is done for maintenance of inventories of raw materials, key spares and tools to ensure smooth operations of the Company. The Company strongly believes that technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology. The Company takes adequate measures for handling of hazardous materials and strictly complies with the Hazardous substance related regulations. Electricity payments are made regularly and approvals are taken for uninterrupted supply of electricity to its units.

Regulatory Risk

The Company may be affected by changes in laws and regulations that could potentially cause losses to the business, by way of

- o Increase the costs of running a business
- o Change the competitive landscape - eg perhaps invalidating the business model
- o Make the business practices illegal - eg new law changing rules on marketing
- o Reduce the attractiveness of an investment

The Company may be subject to production disruptions in case of any contravention of applicable regulatory approvals until such regulatory issues are resolved. The finished goods are corrosive and/or inflammable in nature and require expert handling and storage. Any failure in handling these raw materials and products in an appropriate manner, or any mishandling of hazardous chemicals or any adverse incident during the manufacturing process or storage, may cause industrial accidents, fire, loss of human life, damage to third-party property and/or environmental damage. Accidents may result in a loss of property and/ or disruption in the production operations entirely, levy of fines, penalties or compensation and/or adverse action against the employees, officers or management, which may have a material adverse effect on the business operations and financial performance.

The business is dependent but not entirely on the policies and incentives of the Government of India ("GoI"). The GoI has introduced reforms in the pricing formula for ethanol procurement and pricing, linking it to the prevailing price of sugarcane juice, B-heavy molasses, and other feedstocks, to incentivize ethanol production and support the agricultural sector. However, the GoI may revert to its earlier position of fixed ethanol prices, or may revise the pricing mechanism in ways that are not beneficial to producers, particularly as it promotes the increased use of ethanol. Any change in GoI policies in this regard for procurement or pricing for sugarcane, ethanol or sugar could have an impact on the revenue, results of operations and financial condition consequently may adversely affect the Company's margins. Further, any revision of ethanol prices which favours purchasers over producers may lead to us incurring losses in our production process, which may have an adverse effect on our business, financial condition and results of operations.

The Company sells a significant portion of the total production of ethanol to oil marketing companies pursuant to the **Ethanol Blended Petrol ("EBP")** Programme instituted by the GoI under a tender driven process. The EBP Program is regulated by the Government of India and the demand for ethanol is dependent on the requirements of the EBP Program. While the Government of India's policy requires that the ethanol blend in petrol should be increased to 20% by 2025, any change or delays in implementation of such policy may adversely affect the demand for ethanol under the EBP Program. Our production and pricing of ethanol for the EBP Program are subject to the policies, notifications and incentives provided by the GoI, from time to time. Any reduction in sales of ethanol under the EBP Program may have an adverse effect on our business, financial condition and results of operations. New and emerging regulations can have a wide-ranging impact on the strategic direction, business model and compliance system.

Mitigation: The Company has implemented a regulatory risk management system to track, monitor, and analyze market changes and assess their potential impact on the business. The company updated its business policies to ensure compliance with government or market regulator standards and regulations. The Company ensures that qualified professionals are employed to comply with various applicable laws in respective departments/areas. Business level teams identify and meet regulatory obligations and respond to emerging requirements. In addition to statutory audits the Company also undertakes internal audits at different levels periodically to ensure timey check on the statutory compliances.

Environment, Health and Safety Risks

The Company is subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations applicable to the Company's operations may adversely affect the business, results of operations and financial condition.

Mitigation: Maintenance programs are devised for constant review of eco-systems to ensure that the emission and water withdrawals are always within stipulated parameters of clearances granted. Environment clearance obtained and all environmental compliances are done regularly. Safety standards are issued to reduce the risk levels in high-risk areas. Structured monitoring, a review mechanism and a system of positive compliance reporting are in place.

SEGMENT-WISE AND PRODUCT WISE PERFORMANCE

The Company has witnessed the first year of its operations with consistent revenue growth and profitability. The Company acquired the distillery business from Shri Sai Priya Sugars Limited (SPSL), Nirani Sugars Limited (NSL) and MRN Cane Power India Limited (MRNCPIL) (collectively referred to as Sellers) through a Business Transfer Agreement (BTA) effective 1 October 2022 for a consideration amount of INR 1353.25 crore. The distillery business represents manufacturing and sale of ethanol which is the principal business activity of the company. The revenue from operations increased from ₹ nil in Fiscal 2022 to ₹ 76,238 lacs in Fiscal 2023. Profit/(Loss) for the year from continuing operations was INR 4,899 lacs. Earnings Per Share was 7.10 for FY 2023 as against (2.03) in FY 2022. Although it is the maiden year of business operation for the Company after the acquisitions, it has been able to demonstrate its strengths which is visible in robust increase in revenues.

The analysis of major items of the Financial Statements is shown below: **(Rs. In lacs)**

Income	FY 2023
Revenue from Operations	76,238
Total Income	76,238

Expenses	FY 2023
Cost of material consumed	56,733
Changes in Inventories of Finished Goods	(8271)
Employee benefits expense	859
Finance costs	3531
Depreciation and Amortization expense	2075
Other expenses	14,734
Total Expenses	**71,339**

Profit & Loss

Particulars	FY 2023
Total Income	76,238
Total Expenses	71,339
Profit/Loss before Tax	**4,899**

Earnings per Share	FY 2023
Profit/(loss) attributable to Equity Share Holders	3546
Weighted Avg Number of shares for Basic EPS (In No's)	4,58,25,326
BEPS (In Rs.)	**7.10**

Key Financial Ratios:

SL. NO.	PARTICULARS	FY 2023
1.	Current Ratio	1.28
2.	Net Profit Margin%	0.05
3.	Debt equity Ratio	3.59
4.	Return on Investment	0.15
5.	Net Profit Ratio	0.05
6.	ROCE	0.06
7.	DSCR	1.05

BUSINESS ENVIRONMENT AND OUTLOOK

Biofuels have increasingly gained traction in India owing to the following:

- Low CO2 and other greenhouse gas emissions compared to fossil fuels.
- Reduced dependence on imported crude oil leading to energy security and foreign exchange savings.
- Opportunities for local entrepreneurs and farmers to participate in the energy economy and supplement their income; and
- The solution they provide for waste and agricultural residue management.
- The ethanol market in particular, has been a focus area for the GoI, which set a target for 10% ethanol blending in petrol by November 2022, under the 'Roadmap for Ethanol Blending in India 2020 – 2025. Driven by higher fuel consumption, increased number of vehicles and multiple upstream applications of ethanol, bio-fuels and by-products, as per NITI Aayog, the expected capacity requirement by 2025-2026 to support the GoI mandate for ethanol will be approximately 15,000 million litres per annum, which would be sufficient to produce 10,160 million litres of ethanol required for ethanol blended petrol and 3,340 million litres for other uses.
- The GOI has introduced reforms in the ethanol procurement and pricing mechanism to provide better remuneration to ethanol producers. The pricing formula has been revised, linking it to the prevailing price of sugarcane juice, B-heavy molasses, and other feedstock. This move aims to incentivize ethanol production and support the agricultural sector;

Ethanol market in India is relatively fragmented, with numerous players including sugar mills, distilleries, and ethanol manufacturers. The Indian government has promoted ethanol blending in gasoline, which has encouraged a wider range of entities to enter the ethanol production market. Both large corporate players and smaller regional producers are involved in ethanol production. Ethanol is derived from renewable sources such as corn, sugarcane, switchgrass and agricultural waste. It is often blended with gasoline to create ethanol-gasoline blends such as E10 (10% ethanol), E20 (20% ethanol) or E85 (85% ethanol), and is also a prominent component of alcoholic beverages. (Ethanol offers potential benefits such as reducing dependence on fossil fuels, lowering greenhouse gas emissions, and supporting agricultural economies. Ethanol demand India is expected to grow at a CAGR of 17.7% till FY26. India has reduced its dependency on imports of ethanol due to increase availability of feedstock and alternatives in the country itself, and it is expected to drop further in the coming years. Country's exports have been stagnant over the years, providing an opportunity to further increase production and export the surplus to gain the international market share over the years. Exports are expected to rise with the increase in demand worldwide of ethanol for multiple uses.

Compressed Bio Gas (CBG) is produced after purification and compression of biogas which is produced naturally from waste or biomass sources like agriculture residue, cattle dung, sugarcane press mud, municipal waste. It is similar to commercially available natural gas in its composition and energy potential and can be used as an alternative renewable automotive fuel. These biofuels are a focus area for the GoI due to their higher environmental sustainability compared to fossil fuels, and their role in reducing India's dependence on crude oil imports as well as consequent foreign exchange risks.

The Government of India is in the process of implementing mandatory blending of Compressed Bio-Gas in CNG (Transport) & PNG (Domestic) Segments of CGD Sector, towards enhancing use and adoption of CBG. The CBG Blending Obligation (CBO) will promote production and consumption of Compressed Bio-Gas (CBG) in the country. The key objectives of the CBO are to stimulate demand for CBG in CGD sector, import substitution for Liquefied Natural Gas (LNG), saving in Forex, promoting circular economy and to assist in achieving the target of net zero emission etc. Production of Ethanol from maize is being evaluated with the support of Department of Agriculture and Department Food and Public distribution (DFPD) to make it a prominent feedstock in coming years. For promoting biofuels in the country Sustainable Aviation Fuel (SAF/Bio- ATF) initial indicative blending percentage targets are in the process of being set.

TruAlt was incorporated in March 2021, with the aim of catering to the growing demand for biofuels in India and acquired three distillery units pursuant to business transfer agreements entered into in September 2022, and have rapidly scaled up operations. The Company has invested significantly in expanding its production capacity, allowing it to produce ethanol on a larger scale compared to its competitors. This move enabled them to meet the growing demand for ethanol, especially due to the Indian government's emphasis on ethanol blending. TruAlt has a successful track record of increasing the distillation capacity from 390 KLPD to 1,400 KLPD in less than 3 years and become India's largest ethanol producer. The company aim is to expand the capacity to 2,000 KLPD by FY24 to become one of the largest ethanol producers in Asia. As part of the Company's product portfolio, it produces ethanol and CBG.

The Company operates three molasses and sugar syrup-based distillery units in Karnataka, with an [installed ethanol production capacity of 1,400 kilo litres per day ("KLPD) . The Company's advanced production processes are driven by technological innovation with an emphasis on sustainability. As part of the sustainability efforts, the Company captures the carbon dioxide ("CO2") that is expelled as part of the production process and sells it to the joint venture partner, which is then used for other applications. Other byproducts from the units, such as bagasse ash, are sold separately for value creation, while being ecologically beneficial compared to disposal as ordinary waste.

As part of the Company strategy to expand the production capabilities and increase the volume of ethanol that it is able to produce, the Company intends to focus on diversified raw material such as grain-based ethanol, instead of limiting to sugar syrup and molasses, which have traditionally been used for ethanol production. This would enable the Company to scale its operations without enhancing the reliance on a single raw material for ethanol production. Further, this diversification in raw materials would aid in mitigating seasonality risks associated with the sugar industry.

The Company is well placed to capitalize on the increasing demand for biofuels through its vertically integrated and scalable operations. The Company has the cogeneration units within the distillery units, and these boilers and turbines enable it to satisfy the power requirements through captive means, eliminating price or availability concerns. The strategic location in the 'sugar belt' of Karnataka allows the ease of access to raw materials required for the Company's production processes, and allows us it scale up without heavy investment in transportation. Accordingly, the Company is in the process of expanding its capacity by 1,000 KLPD through two greenfield units, of 500 KLPD and 200 KLPD units each, and expansion of capacity at the existing units.

Within the existing distillery units, the Company proposes to set up dedicated segments for pre-treatment and dried distillers grain solids production units. These will be utilized to offset the idle capacity during seasons where sugar is available in reduced quantities. By customizing the existing distillery units for both grain-based ethanol and sugarcane-based ethanol production, the Company believes it would be able to optimize its production capacity and efficiencies and mitigate risks associated with seasonal availability of sugarcane.

The Company's physical presence in Karnataka provides it with the opportunity to scale up its operations and expand the sugar-syrup based ethanol production capacity, without facing challenges in connection with the procurement and processing of the raw material. The Company has undertaken significant capital expenditure towards expanding capacity at the existing units and intends to utilize the additional capacity towards production of grain-based ethanol, in addition to the existing production of sugar-syrup based ethanol.

The Production details are detailed as under :

Product Qty in Ltrs	FY22-23 Oct-22 to Mar-23	FY 23-24 Apr-23 to Oct-23	Total
Ethanol Production	112,948,958	13,249,620	126,198,578
Extra natural alcohol (ENA)	9,587,992	7,771,919	17,359,911
Impure Spirit (IS)	387,985	404,094	792,079
Rectified Spirit (RS)	3,016,491	2,027,306	5,043,797
	125,941,426	**23,452,939**	**149,394,365**

Industry Opportunity

The GOI has set a goal of 500 GW installed non-fossil fuel based power capacity in India by 2030. Further, in March 2019, the GoI notified the Pradhan Mantri JI-VAN Yojana to provide financial support to integrated bio-ethanol projects or setting up 2G ethanol projects in India using non-foodstock material such as cellulosic and lignocellulosic biomass including from the petrochemicals route. The total financial outlay for the scheme is ₹ 19,695 million from Fiscal 2019 to Fiscal 2024. Under this scheme, financial assistance of ₹ 1,500 million per project for commercial projects, and ₹ 150 million per project for demonstration projects was prescribed for improving commercial viability as well as promoting research and development for adoption of technologies in the field of production of 2G ethanol.

Owing to the Company's ability to access to raw materials based on its location, it intends to focus on diversifying the portfolio of energy products. The Company has access to bagasse to produce 2G ethanol, in addition to its existing infrastructure that is capable of 2G ethanol production. 2G ethanol is produced from non-food feedstock such as wood, forest waste, food crop waste, waste vegetable oil, animal waste, compared to first generation ethanol, which is based on edible energy crops such as sugarcane which are water-intensive to cultivate. 2G ethanol is expected to offer greater benefits in terms of environmental sustainability, energy efficiency, and lower cost owing to more widely available feedstock; Bagasse in particular is cheaper than sugar and molasses, and grain-based feedstock leads to higher yield in ethanol generation. Accordingly, the Company intends to progressively venture into commercial production of 2G ethanol, compared to first generation ethanol from feedstock that it is presently engaged in producing.

To satisfy the increasing demand for aviation fuel the Company would be able to augment its existing infrastructure to support the production of upstream products such as sustainable aviation fuel, methane, cooking fuel, bio-compressed natural gas, without extensive capital expenditure, and within a limited period of time. In addition, with the diversification of its product portfolio through the production of pharma-chemicals, coal tar, isobutanol (which is used as a raw material for coating resins, as paint thinners and as solvent), among others, the Company would be able to position itself for diversified growth and consolidate its position as a holistic biofuel producer. In the long term, TruAlt hopes to become an integrated bio-refinery that produces multiple products from a variety of feedstock and biomass.

Focus on increasing the Compressed Bio-Gas (CBG) capabilities

The Company intends to make use of the Sustainable Alternative Towards Affordable Transportation **("SATAT")** scheme, which envisages production target of 15 million metric tonnes of Compressed Bio Gas (CBG) by 2023 - 2024 from 5,000 CBG plants, and has allocated investment of approximately ₹ 300,000 million for setting up 900 plants. Through the central financial assistance scheme of the GoI, 25% of capital expenditure incurred on setting up CBG plants is to be funded by the GoI, in an attempt to incentivize such establishments. The Company intends to utilize these incentives by the GoI and set up 25 units for CBG production by Fiscal 2025.

Establish bio-fuel dispensing stations to cater to retail energy requirements

Globally, there has been a shift towards clean and sustainable bio-fuels to minimize carbon footprints, with 90% of the cars in the United States running on blends up to at least 10% ethanol. In the United States, several vehicle manufacturers make flex-fuel vehicles up to 85% ethanol ("E85") and there are above 3,000 fuel stations that sell E85 in the United States. In March 2021, the Ministry of Petroleum and Natural Gas issued an order declaring ethanol as a standalone fuel. Further, automobile manufacturers such as TVS, Hyundai, Toyota, Kia, among others, have announced the launch of vehicles with flex-fuel engines, which are capable of running on more than one fuel. The estimated penetration of flex fuel vehicles in India is approximately 20% of total vehicle additions by 2030, hence India is expected to have approximately 7 million units of flex-fuel vehicles by 2030.

To cater to this increasing demand for cleaner fuel, the Company intends to set up bio-fuel dispensing stations for end consumers across India. These bio-fuel dispensing stations operate similarly to conventional petrol pumps, but are a sustainable source of fuel for retail consumers.

Engage in Research and Development in association with biofuel-consuming companies

Most two-wheeler and passenger vehicles in India are designed optimally for 5% ethanol blends, with rubber and plastic components compatible with E10 fuel. As the Ethanol Blending Program rolls out in India, vehicles need to be produced with rubberized parts, plastic components and elastomers compatible with E20 and engines optimally designed for use of E20 fuel. To increase the penetration of ethanol in the mobility segment in furtherance of and in addition to the GoI's mandates for blended ethanol, the Company is focusing on product development in association with mobility and aviation companies. The company has collaborated with these companies in their research and development initiatives towards substituting fossil fuels with biofuels through memoranda of understanding entered. The Company intends to continue collaborating with such companies and providing its biofuels expertise.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System in accordance with Section 134(5)(e) of the Companies Act,2013 commensurate with the size, scale and complexity of its operations. The Board of Directors, with the help of the Finance Professionals interacts with the auditor, internal auditors and the management in dealing with matters within its terms of reference. The Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls within the meaning of the Act. An extensive program of internal audits and management reviews supplement the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls. The internal financial control framework design ensures that financial and other records are reliable for preparing financial and other statements.

In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test the identified key controls. The Internal auditors also perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting. The Statutory Auditors' Report include a report on the internal financial controls over financial reporting.

Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and necessary corrective actions are presented to the Board. The Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively, and no material weakness exists during FY23.

Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company intends to make use of the Sustainable Alternative Towards Affordable Transportation **("SATAT")** scheme, which envisages production target of 15 million metric tonnes of Compressed Bio Gas (CBG) by 2023 - 2024 from 5,000 CBG plants, and has allocated investment of approximately ₹ 300,000 million for setting up 900 plants. Through the central financial assistance scheme of the GoI, 25% of capital expenditure incurred on setting up CBG plants is to be funded by the GoI, in an attempt to incentivize such establishments. The Company intends to utilize these incentives by the GoI and set up 25 units for CBG production by Fiscal 2025.

Diversity Equity and Inclusion ("DEI") - TruAlt has already embarked with the journey to build an inclusive and empowered workforce. To create organisational capability for future, the Company endeavours to create positive transformation that is based on meritocracy without any scope of discrimination on the ground of age, sex, colour, disability, marital status, nationality, caste or religion. Ensuring an inclusive environment is a key part of our belief that drives equality and innovation. The average age group of the Workforce is 25 years to 32 years . A large number of young personnel form part of the workforce. The Company is also in the process of enhancing the woman workforce.

Policies - The Human Resources department pays particular attention to safety, health, quality of life in the workplace and the employability of its employees throughout their career. There are well developed Policies which have been codified in an Employee Handbook and approved by the Board of Directors.

Human Capital

TOTAL WORKFORCE

Work Force	On Roll	IPT
Workforce at Factories	**418**	**419**
Corporate Office	**20**	**0**

IPT: In Plant Trainees

ATTRITION RATE (Actual numbers left)

	On Roll	IPT
Corporate Office & Units	47	107

DIVERSITY RATIO

UNIT	As on 15/10/2023	
	MALE	FEMALE
Corporate Office & Units	96.50%	3.50%

No. of hours of Training : 56

No. of hours of safety training : 48

ENVIRONMENT, SUSTAINABILITY GOVERNANCE

In today's sustainability-driven world, TruAlt Bioenergy stands as a beacon of change, driving a greener future through innovative agricultural and energy practices. Guided by the ethos of "Farming for a Greener Future," we champion eco-responsible methods while empowering farmers as pivotal partners in this transformative journey.

The Company is committed to environmental sustainability and striving to make a greener impact. We envision a future where sustainable and renewable energy solutions play a crucial role in meeting the world's energy needs while preserving our environment for generations to come. The Company is an environmentally conscious enterprise and also focuses on sustainable technology in its operations. Key steps which have been taken towards sustainability include the following:

- We have installed zero discharge facilities at our units for the treatment of all liquid effluents, wherein no treated liquid effluent from our units is discharged on to the land or into any water body;
- 100% of the water that we use in the distillation process is condensed and reused further;
- We have established effluent treatment plants at our distillery units, to lessen fresh water usage, and mitigate disruptions to the ecology of the areas.
- We utilise the effluents being ejected as a result of the distillation process, called 'spent wash', which is utilised for Compressed Bio Gas production;
- We have cogeneration units, with boilers and turbines, at each of our units, which generate steam and power for captive consumption, and reduce external power requirements;
- CO2 produced as a by-product of our production process is piped to our joint venture and used in other applications, instead of being externally discharged; and
- Bagasse ash, which is an additional by-product, is also separately sold to third parties and is thereafter used in the manufacture of fly ash bricks.

Revolutionizing Agriculture

Revolutionizing Agriculture: The Company has introduced a game-changing innovation by converting diesel tractors into Compressed Biogas (CBG) marvels. Retrofitting these tractors to run on CBG not only reduces fuel costs by an average of 1.5 lakh rupees per year per tractor but also slashes carbon emissions. This innovation exemplifies our commitment to tangible change through cutting-edge technology.

Turning Waste into Wealth

We pioneer sustainable innovation by transforming waste products, sourced directly from farmers and local communities, into invaluable resources. This alchemy eliminates waste, uplifts local livelihoods, and harmonizes environmental stewardship with economic empowerment.

Trualt stands out as the torchbearer in the bioenergy realm, guiding India's shift towards a greener and more sustainable horizon. With insightful leadership, cutting-edge infrastructures, and an undying commitment to ecological preservation, the company has not just engraved its name on the global canvas but also ignites hope for a cleaner, brighter future for both India and the world.

Cautionary Statement

The information and statements in the Management's Discussion & Analysis regarding the objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws and regulations. Such forward-looking information is for the purpose of explaining management's current expectations and plans relating to the future. The actual results may differ materially from the expectations. Forward-looking information involves significant known and unknown risks and uncertainties. The various critical factors that could influence the operations of the Company include global and domestic demand and supply conditions affecting the selling price of products, input availability and prices, changes in Government of India regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

CORPORATE SOCIAL RESPONSIBILITY

CULTIVATING SUSTAINABILITY, SOWING SOCIAL IMPACT

At the heart of TruAlt Bioenergy beats a commitment to Corporate Social Responsibility (CSR) that transcends the mundane and becomes the defining essence of our identity. Our foray into the realm of bioenergy is not merely a business venture; it is a narrative intricately woven with a resolute dedication to uplifting lives and nurturing the well-being of the communities we touch.

In every endeavour, we take immense pride in surpassing conventional business boundaries, carving out a corporate identity that signifies something profoundly meaningful. Since our inception, TruAlt Bioenergy has been more than just an industry participant; it has been a potent catalyst for positive change, envisaging a future where our actions resonate far beyond the realms of the corporate landscape.

Every decision, every project, bears the imprint of ethical practices, sustainability, and a commitment to empower the communities we touch. Our employees, the farmers we partner with, and the communities surrounding our operation are not just participants; they are the heart of our CSR initiatives. Our impact spans across healthcare, education, sustainable agriculture, and community development, with the firm belief that true success is intertwined with the prosperity of those we serve.

TruAlt Bioenergy sees CSR as a dynamic commitment, not a static checklist. As societal needs evolve, so does our approach. We continually assess, adapt, and expand our initiatives to ensure they remain relevant and impactful. In a world where businesses are often judged solely by their bottom line, TruAlt Bioenergy stands as a testimony to the fact that success can be measured in more than profits. It's measured in lives enriched, communities uplifted, and a legacy of positive change created.

OUR PROJECTS INCLUDE :

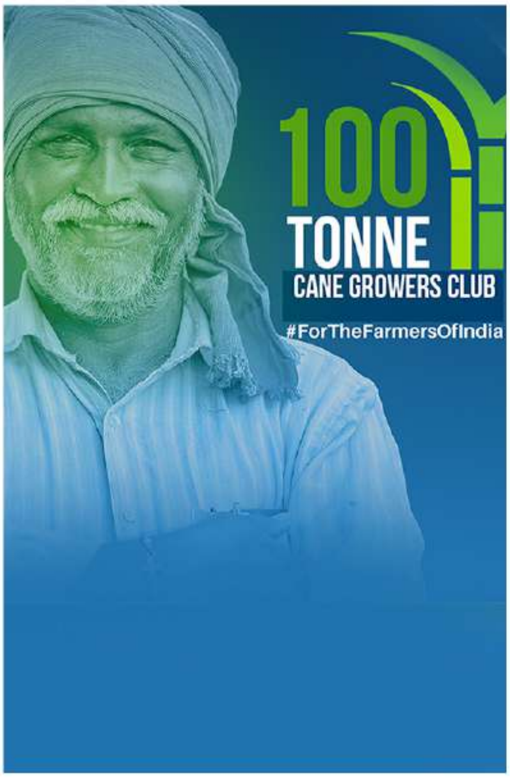
Andha Mukt Samaja - Vision for All

Andha Mukt Samaja, our beacon of compassion, radiates its impact throughout every corner of the Bagalkot district. As our flagship initiative, it extends far beyond the conventional boundaries of philanthropy, offering a comprehensive approach to eye care, conducting cataract surgeries and post-surgery care. Through complimentary check-ups and the provision of glasses, we have restored clear vision to countless individuals, impacting lives on an unprecedented scale. This transformative endeavour is not merely a service; it's a commitment to restoring the gift of clear vision to those who need it most.

Our commitment to rural well-being is reflected in the provision of free health insurance to over 40,000 farmer families in the environs of TruAlt Bioenergy's factories. This comprehensive health coverage encompasses everything from routine medical check-ups to major surgeries, ensuring the holistic health of entire families.

100 Ton Cane Growers Club

Acknowledging the pivotal importance of agriculture in fostering economic growth and sustainability, TruAlt Bioenergy has also taken a momentous stride by initiating a transformative endeavour named "The 100 Ton Cane Growers Club" in Bagalkot District. This visionary undertaking stands as a beacon of hope, effectively charting a strong course towards a brighter and more prosperous future for the farming communities.



With the launch of the 100 Ton Cane Growers Club, TruAlt Bioenergy has paved the way for a paradigm shift in the sugarcane landscape. The core philosophy of the initiative emphasizes the vital aspect of knowledge dissemination and empowerment for farmers. By imparting modern farming techniques, essential resources, and a holistic approach to cultivation, the project showcases an innovative path forward, one that aligns with the overarching objective of fostering sustainable growth within the agricultural sector.

As the 100 Ton Cane Growers Club gains momentum, it epitomizes the collaborative spirit required to uplift farming communities across the nation. In a world where agriculture continues to play a central role in shaping economies and societies, initiatives like the 100 Ton Cane Growers Club not only bring hope but also reaffirm the boundless potential for progress within the farming community.

Holistic Health Camps: Nurturing well-being in every corner

A cornerstone of our CSR initiatives is our commitment to proactive healthcare that takes center stage in the form of regular Holistic Health Camps. These camps embody a comprehensive and pre-emptive approach to community well-being, going beyond the conventional boundaries of healthcare provision.

In these camps, we address health needs, providing a wide spectrum of services ranging from essential eye check-ups to thorough heart examinations. Moreover, our commitment extends to hosting specialized prosthetic surgery camps, ensuring that individuals facing mobility challenges are not left without the critical support they require.

Beyond the conventional realms of CSR, we see these initiatives as a vehicle for empowerment, enabling individuals to access essential medical services regardless of financial constraints. In embracing a proactive stance on health, our aim is to foster resilience and well-being within the community.

These initiatives, designed with care and compassion, reflect our belief that health is not just a privilege but a fundamental right. As we continue to host these camps, we envision not only identifying and addressing health issues but also contributing to the creation of a healthier, more vibrant, and empowered community.

Community-Wide Insurance: Securing communities

This initiative is not merely about extending a protective umbrella; it's a strategic and empathetic move to ensure that every resident in the locality has unimpeded access to comprehensive health and accidental coverage. In recognizing the interdependence of community well-being, we transcend the conventional boundaries of individual insurance.

Our aim is to create a safety net that embraces every member of the community, irrespective of socio-economic background. Through Community-Wide Insurance, we aim to alleviate the burden of unexpected health challenges and accidents, ensuring that residents can face uncertainties with confidence and resilience.

As we extend this protective measure, we envision not only providing coverage but also contributing to the overall vitality and unity of the community we are privileged to serve. This is not just insurance; it's a commitment to nurturing a community where health and well-being are collective priorities.

Empowering Livelihoods through Skill Development

Empowering Livelihoods through skill development programs is a strategic and holistic approach aimed at fostering sustainable economic growth within the communities we serve. Our commitment to community development materializes through skill development programs. These programs serve as catalysts for empowerment, equipping individuals with not only technical skills but also instilling a sense of creativity and self-reliance. By imparting these skills, we aim to open avenues for meaningful employment and entrepreneurship within the community.

Recognizing the financial constraints that aspiring entrepreneurs may face, we go a step further by providing microfinancing opportunities. This crucial support acts as a launching pad for those with entrepreneurial aspirations, enabling them to turn their acquired skills into sustainable businesses. In essence, this initiative represents our belief that true community development is achieved not through handouts, but through equipping individuals with the tools and resources to shape their destinies. Through empowering livelihoods, we envision a community where skills flourish, businesses thrive, and economic growth becomes a shared achievement.

Youth Development Initiatives: Unlocking Potential, Shaping Futures

In our fervent commitment to youth development, our expansive job fairs stand as dynamic platforms where the aspirations of the young meet the opportunities of leading multinational corporations (MNCs). These job fairs transcend traditional employment avenues, serving as catalysts for promising careers. Beyond job placements, they become arenas of holistic development, fostering empowerment and self-reliance among the youth. We envision these fairs not merely as recruitment events but as transformative milestones in the journey of our youth, shaping a generation equipped not just for jobs but for a future of limitless possibilities.

Physical and Mental Well-being Initiatives: Nurturing Wholeness

Our meticulously organized yoga camps emerge as sanctuaries of well-being, addressing not only the physical but also the mental facets of health. Beyond the poses and postures, these camps recognize the profound interconnection between physical and mental well-being. By embracing a holistic approach to wellness, we contribute to forging a healthier and more resilient community. These camps transcend the realm of exercise, becoming spaces where individuals find solace, balance, and the tools to navigate life's challenges.

Agricultural Workshops: Sowing Seeds of Sustainability and Knowledge

Our commitment to sustainable agriculture finds expression in meticulously curated workshops that go beyond the conventional boundaries of knowledge sharing. These workshops are not just instructional sessions; they are vibrant hubs where farmers are equipped with the latest agricultural practices. Our goal is not merely to impart information but to foster a community of informed and empowered farmers dedicated to sustainable and productive agriculture.

Access to Clean Drinking Water: Quenching Thirst, Sustaining Life

Acknowledging the fundamental importance of clean water, our installation of drinking water and purification plants goes beyond providing a basic necessity. These facilities are not just infrastructure; they are lifelines ensuring that every member of the community has unfettered access to safe and clean drinking water. In addressing this basic human need, we aim to build a community where health, dignity, and prosperity flow freely, symbolizing the essence of our commitment to fundamental human rights and sustainable community development.

IN THE MEDIA

The Print

Trualt Bioenergy - The Gamechanger for our Environment

Press Trust of India

MoPNG facilitates Industry Roundtable on Global Biofuels Alliance Perspectives at COP28, UAE

Mobility Outlook

Nitin Gadkari Launches World's First BS6 Electrified Flex Fuel Vehicle

ANI

TruAlt Bioenergy sets new standard for the Biofuels sector at the India Energy Week

ETNOW

TruAlt Bioenergy to be Asia's largest ethanol manufacturing company: Founder & MD Vijay Nirani

Financial Express

Fuelling a sustainable future: The global biofuel alliance's impact on India's socio-economic development

Business Today

How Big A Role Can Ethanol Play In The Automobile Revolution?

Business Today

What Lessons Can India Draw From Brazil To Expedite Adoption Of Ethanol For Auto Fuel?

TRUALT BIOENERGY AT

EVENTS, CONFERENCES AND PANEL DISCUSSIONS

WORLD ECONOMIC FORUM, DAVOS 2023

ADIPEC 2023

COP28, UAE 2023

INDIA ENERGY WEEK 2023

GLOBAL INVESTORS MEET, INVEST KARNATAKA 2022

BOARD'S REPORT

OF TRUALT BIOENERGY LIMITED

(FORMERLY KNOWN AS TRUALT ENERGY LIMITED)
(CIN: U15400KA2021PLC145978)
FOR THE YEAR 2022-23

To,
The Members,
Trualt Bioenergy Limited, (the "Company")
(Formerly known as Trualt Energy Limited)

Your Directors have pleasure in presenting the 2nd (Second) Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended on 31st March 2023 ("financial under review"/or "period under review"). Further, in compliance with the Companies Act, 2013, the Company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective.

1. Financial summary and highlights

The financial performance and highlights for the financial year ended March 31, 2023, forming part of this Annual Report, have been prepared in accordance with the applicable Indian Accounting Standards (AS).

Key highlights of financial performance of your Company for the financial year ended March 31, 2023, as compared to the previous financial year is summarized as below.

INR Lacs except EPS

Particulars	2022-23	2021-22
Revenue from Operations	76,238	0
Other Income	0	0
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	10,505	-1
Less: Depreciation/ Amortisation/ Impairment	2,075	0
Profit /loss before Finance Costs, Exceptional items and Tax Expense	8,430	**-1**
Less: Finance Costs	3,531	0
Profit /loss before Exceptional items and Tax Expense	4,899	**-1**
Add/(less): Exceptional items	0	0
Profit /loss before Tax Expense	**4,899**	**-1**
Less: Tax Expense (Current & Deferred)		
o Current	0	0
o Deferred	-1,353	0
Profit /loss for the year	**3,546**	**-1**
Less: Dividend on Compulsorily Convertible Preference Shares (CCPS)	**-293**	**0**
Profit after Dividend	**3,253**	**-1**
Weighted average number of Equity Shares-Basic	4,58,25,326	61,000
Weighted average number of Equity Shares-Diluted	6,92,20,553	61,000
Basic Earnings Per Share (EPS)	7.10	-2.03
Diluted Earnings Per Share (EPS)	7.10	-2.03

Your Directors wish to present the highlights/details of business operationsdone during the year under review:

Trualt Bioenergy Limited established in 2021 is India's First Dedicated Bioenergy Company, specializing in the production of Bioethanol, Compressed Biogas (CBG) and Fermented Organic Manure (FOM). The Company has positioned itself as a prominent and diversified player in the biofuel industry, particularly in the ethanol sector, in India.

With the motive of establishing a strong market, the company acquired the distillery business from Shri Sai Priya Sugars Limited (SPSL), Nirani Sugars Limited (NSL) and MRN Cane Power India Limited (MRNCPIL), through a Business Transfer Agreement (BTA) effective 1 October 2022 for a consideration amount of Rs. 1353.25 Crore. The consideration has been settled partly through cash and issuance of Compulsory Convertible Preference Shares (CCPS) amounting to INR 46,919 lakhs at par value of INR 100 per CCPS, in October 2022.

Pursuant to the acquisition, the Company has got the M2 License transferred from Shri Sai Priya Sugars Limited (SPSL), Nirani Sugars Limited (NSL) and MRN Cane Power India Limited (MRNCPIL) with effect from April 24, 2023. Till such time the Company has paid a license fee to above entities from October 1, 2022.

For the period under review (FY2022-2023) the Company has generated an operating revenue from the distillery business amounting to Rs. 762.38 Crore. Although it is the maiden year of business operations for the Company after the acquisitions, it has been able to demonstrate its strengths which is visible in robust increase in revenues. The company has only one reportable segment of producing ethanol in the financial year. The Company's Net Profit after Tax (PAT) for the for FY2022-23 is Rs. 35.46 Crores, as against the net loss of Rs. 0.01 Crore reported in the previous financial year.

2. Amount, if any, which the Board proposes to carry to any reserves

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

3. Dividend

Preference Shares: The Board has recommended payment of dividend at the rate of 1.25% per annum amounting to Rs.2.93 crores for the period of 6 months from October 1, 2022 to March 31, 2023 on 4,69,19,000 Compulsory Convertible Preference Shares (CCPS) of INR 100 each.

Ordinary Shares: The Board of Directors of your Company, after considering future expansion plans and other relevant circumstances, has decided that it would be prudent not to recommend a dividend for the year under Review to its equity shareholders but to retain the entire amount of profits for the Financial Year 2022-23.

4. State of the Company's Affairs and Business Overview

The Company is engaged in the business of producing ethanol, other products derived from distillery processes, Compressed Biogas and Fermented Organic Manure. The Company has positioned itself as a prominent and diversified player in the biofuel industry, particularly in the ethanol sector, within India. The company operates exclusively in India. Serving as one of the largest ethanol suppliers in the country, the Company has strategically established its presence with three distillery units that operate on molasses and syrup-based feedstocks to generate ethanol and other products. Collectively, these units boast account for a production capacity of 1,400 kilo litre per day (1400 KLPD) with ambitious plans to further enhance this capacity to an impressive 2,000 KLPD by the fiscal year 2024.

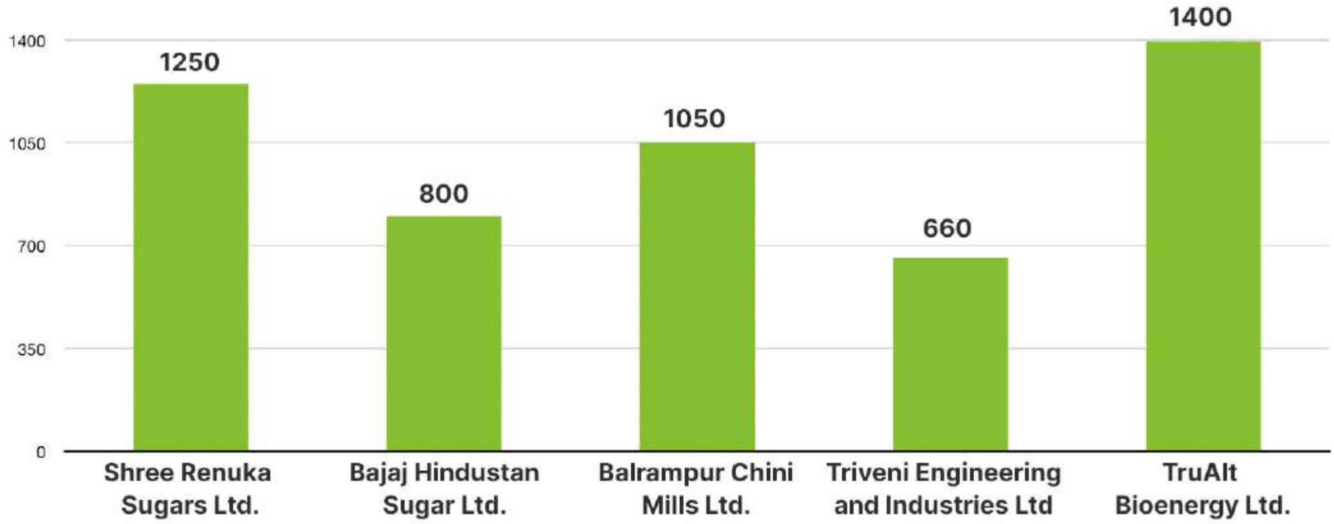
A distinct advantage that sets the Company apart lies in its robust network of sourcing raw material sources, all of which are internally generated. This vertically integrated approach of sourcing raw materials contributes significantly to the company's competitive edge. By having direct control over the raw material supply chain, the Company can ensure reliability, consistency, and quality in its ethanol production processes. This strategic alignment of resources positions the Company to effectively cater to the burgeoning demand for ethanol in India's dynamic market.

During the year, the Company changed its name from Trualt Energy Limited to Trualt Bioenergy Limited to reflect the main purpose/activity of the Company and to enhance its brand visibility, by obtaining the approval of the shareholders at their meeting held on June 01, 2022.

Further, the Company has added new objects with a view to set-up/to acquire/to diversify in the similar line of business of producing Compressed Biogas (CBG) and related products by taking the approval of the shareholders in their meeting held on November 28, 2022.

Following data indicates the strong presence of the Company in Bioenergy Sector:

India ethanol distillation capacity of top 5 producer (in KLPD) – 2023



KLPD: Thousand Litre pre day ***Source: CRISIL MI &A Consulting***

5. Change in the nature of Business

The Company was incorporated to carry on the business general distillers. However, with the approval of members at their meeting held on June 24, 2022, the Company changed its entire objects to carry the business of Production, Processing of Bio-Diesel, Ethanol from Sugar syrup, molasses, whole grains, or from any other plants, or from agricultural, commercial, domestic, and/or industrial wastes.

The Company later added new objects with view of setting up/acquisition/diversify in the similar line of business of Compressed Biogas (CBG) and related objects by alteration of Memorandum of Association (MOA) with the approval of members in their meeting held on November 28, 2022

6. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report.

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

7. Capital and Debt Structure

The Authorized Share Capital of your Company as on March 31, 2023, stands at Rs. 5,40,00,00,000/- (Rupees Five Hundred and Forty Crore only) comprising of:

o Rs. 70,00,00,000/- (Rupees Seventy Crore Only) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each; and

o Rs. 4,70,00,00,000/- (Rupees Four Hundred and Seventy Crore Only) divided into 4,70,00,000 (Four Crore Seventy Lakh) Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- (Rupees Hundred Only) each.

During the year under review, the capital structure (Authorised Capital) has undergone changes as stated below:

S.No.	Particulars	Date of Approval	Existing				Revised			
			Class of shares	Number of shares	Face Value	Share Capital (in Rs)	Class of Shares	Number of Shares	Face Value	Share Capital (in Rs)
1	Increase in Authorised Capital	24-06-2022	Equity	1,00,000	10	10,00,000	Equity	7,00,00,000	10	70,00,00,000
2	Increase and Reclassification of Authorised Capital	10-09-2022	Equity	7,00,00,000	10	70,00,00,000	Equity	23,50,00,000	10	2,35,00,00,000
							Preference	3,05,00,000	100	3,05,00,00,000
3	Reclassification of Authorised Capital	07-10-2022	Equity	23,50,00,000	10	2,35,00,00,000	Equity	13,00,00,000	10	1,30,00,00,000
			Preference	3,05,00,000	100	3,05,00,00,000	Preference	4,10,00,000	100	4,10,00,00,000
4	Reclassification of Authorised Capital	17-10-2022	Equity	13,00,00,000	10	1,30,00,00,000	Equity	7,00,00,000	10	70,00,00,000
			Preference	4,10,00,000	100	4,10,00,00,000	Preference	4,70,00,000	100	4,70,00,00,000

a) Issue of shares or other convertible securities

The subscribed and paid-up share capital at the financial year ending 31st March 2023 for the two classes of shares are as under:

1. Rs. 61,07,58,200/- (Rupees Sixty-One Crores Seven Lakhs Fifty-Eight Thousand Two Hundred Only) divided into 6,10,75,820 Equity Shares of Rs. 10/- each fully paid up.

2. Rs. 4,69,19,00,000/- (Rupees Four Hundred and Sixty-Nine Crore Nineteen Lakhs Only) divided into 4,69,19,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each fully paid up.

During the year under review,

- The Company issued and allotted the equity shares to the existing shareholders on rights basis as under:

o 6,00,00,000 Equity Shares of Rs. 10/- each fully paid up amounting to Rs. 60,00,00,000/- (Rupees Sixty Crores only) vide board resolution dated June 30, 2022, and

o 10,14,820 Equity Shares of Rs. 10/- each fully paid up amounting to Rs. Rs. 1,01,48,200/- (One Crore One Lakh Forty-Eight Thousand Two Hundred only) vide board resolution dated September 12, 2022,

- The Company issued and allotted 4,69,19,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each fully paid-up aggregating to Rs. 4,69,19,00,000 (Rupees Four Hundred and Sixty-Nine Crores Nineteen Lakhs only) on a preferential basis for consideration other than cash on October 20, 2022. This was done pursuant to a Business Transfer Agreement dated September 26, 2022 between Nirani Sugars Limited, Shri Sai Priya Sugars Limited and MRN Cane Power India Limited for the purpose of acquiring distillery undertakings from these companies.

b) Issue of equity shares with differential rights

During the period under review, the Company has not issued equity shares with differential rights.

c) Issue of Sweat Equity Shares

During the period under review, the Company has not issued any sweat equity shares

d) Details of Employee Stock Options

During the period under review, the Company has not issued equity shares with differential rights.

e) Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees

During the period under review, the Company has not held the shares in trust for the benefit of employees where the voting rights are not exercised directly by the employees.

f) Issue of debentures, bonds or any non-convertible securities

During the period under review, the Company has not issued any debentures, bonds or any non-convertible instruments

g) Issue of warrants

During the period under review, the Company has not issued any warrants.

h) Credit Rating of Securities

During the year under review, the Company was not required to obtain any Credit Rating from any external Credit Rating Agency. However, in the current Financial Year "Acuite Rating & Research" has assigned a Bank Loan Rating of BBB with Stable outlook for total outstanding Bank Loan facilities of Rs. 874 Crores.

8. Investor Education and Protection Fund (IEPF)

There is no unpaid dividend amount or any other unclaimed instruments lying with the Company and accordingly the Company need not to transfer any amount/instruments to Investor Education and Protection Fund.

9. Directors and Key Managerial Personnel

As on 31st March 2023, the Board of Directors consists of 3 (Three) members as detailed below:

Name of the Director	Designation	DIN
Mr. Vijaykumar Murugesh Nirani	Managing Director	07413777
Mr. Vishal Nirani	Director	08434032
Mr. Sangamesh Rudrappa Nirani	Director	02290469
Ms. Manali Gajanan Velangi	Company Secretary	AXXPV9084B

As on the date of this Report, the Board of Directors comprise of the following:

Name of the Director	Designation	DIN
Mr. Vijaykumar Murugesh Nirani	Managing Director	07413777
Mr. Vishal Nirani	Director	08434032
Mrs. Sushmitha Vijaykumar Nirnai	Director	08356858
Mr. Chandrasekhar Kanekal	Independent Director	06861358

Retirement by rotation:

As per section 152 (6) of Companies Act, 2013 and rules made thereunder, Mr. Vishal Nirani (DIN: 08434032) Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board considered and recommended his appointment.

Change in Board/Senior Management/Key Managerial Personnel

During the Current financial year, changes that took place in Board/Senior Management are as under:

1. Ms. Sushmitha Vijaykumar Nirani (DIN: 08356858) was appointed as an Additional Director on 18th day of September 2023 under Non-Executive category to hold office up to the date of ensuing Annual General Meeting.

2. Mr. Chandrasekhar Kanekal (DIN: 06861358) was appointed as Additional Director under Independent and Non-Executive category with effect from 18th September 2023 to hold office up to the date of ensuing Annual General Meeting.

3. Mr. Sangamesh Rudrappa Nirani, Director (DIN: 02290469) owing to his personal reasons, resigned from the position of Director of the Company with effect from 18th September 2023.

4. Ms. Manali Gajanan Velangi, Company Secretary (PAN : AXXPV9084B) owing to her personal reasons, resigned from the position of Company Secretary of the Company with effect from 24th June 2023.

During the current financial year 2023-24, the Company has appointed its KMPs as under:

Name	Designation	DIN/PAN	Date of Appointment	Reason
Vijaykumar Murugesh Nirani	Managing Director	07413777	28.11.2023	Change in Designation
Debnath Mukhopadhyay	Chief Financial Officer	AKAPM2594F	08.05.2023	Appointment
Sannapaneni Sudheer	Company Secretary	FXGPS9380P	24.06.2023	Appointment

10. Independent Directors

Mr. Chandrasekhar Kanekal (DIN: 06861358) was appointed as an Additional Director of the Company under Independent category. He will hold office upto the date of ensuing Annual General Meeting. The Company has received declaration from the above mentioned Independent Director of the Company confirming that he meets with the criteria of independence as prescribed under sub–section (6) of Section 149 of the Companies Act, 2013.

A Brief profile of Mr. Chandrasekhar Kanekal along with the nature of his expertise and the number of companies in which he holds directorship and membership / chairmanship of committees of the Board is provided in the Explanatory Statement annexed to the notice of the Annual General Meeting.

Further, the Company is in the process of appointing other independent directors during the current financial year ending 31st March 2024.

Appropriate resolutions for the appointment/re–appointment of Directors are being placed for your approval at the ensuing Annual General Meeting. Your Directors recommend the appointment/re–appointment of the aforesaid Directors by the Members at the ensuing Annual General Meeting.

11. Meetings

A. Number of Board Meetings: During the Financial Year ended March 31, 2023, 15 (Fifteen) Board Meetings were held in respect of which meetings, proper notices were given and proceedings were properly recorded and signed in the Minutes book maintained for the purpose. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013 and the dates on which the Board meetings were held are detailed below:

Sl. No	Board Meeting Date	Sl. No	Board Meeting Date
1	03-05-2022	9	12-10-2022
2	06-05-2022	10	20-10-2022
3	01-06-2022	11	01-11-2022
4	24-06-2022	12	02-12-2022
5	30-06-2022	13	05-01-2023
6	01-07-2022	14	10-02-2023
7	10-08-2022	15	31-03-2023
8	12-09-2022	-	-

B. Attendance of Board Meeting:

Name of the Director	Category	Number of Board meetings held	Number of Board meetings attended	Meetings held during tenure as Director	Whether attended last AGM
Vijaykumar Murugesh Nirani	Managing Director	15	15	15	Yes
Vishal Nirani	Director	15	15	15	Yes
Sangamesh Nirani	Director	15	15	15	Yes

C. Number of General Meetings: During the Financial Year ended March 31, 2023, 7 (Seven) General Meetings were held and the dates on which the General Meetings are detailed below:

Sl. No	General Meeting Date
1.	01-06-2022
2.	24-06-2022
3.	10-09-2022
4.	07-10-2022
5.	17-10-2022
6.	28-11-2022
7.	31-12-2022
8	31-01-2023

D. Details and Attendance of General Meetings:

Type of Meeting	Date of Meeting	Total No. of Members entitled to attend the Meeting	No. of. Members Attended
Extra Ordinary General Meeting	01-06-2022	7	7
Extra Ordinary General Meeting	24-06-2022	7	7
Extra Ordinary General Meeting	10-09-2022	8	8
Extra Ordinary General Meeting	07-10-2022	8	8
Extra Ordinary General Meeting	17-10-2022	8	8
Extra Ordinary General Meeting	28-11-2022	8	8
Annual General Meeting	31-12-2022	8	8
Extra Ordinary General Meeting	31-01-2023	8	8

E. Extension of Annual General Meeting:

The Company has closed its books of accounts on 31-03-2023 and the Annual General Meeting of the Company was to be held on September 30, 2023 as per the requirements of Section 96 of the Companies Act 2013. The Company had filed an application vide SRN F64610355 on 19-09-2023 for extension of time for holding the Annual General Meeting on the ground that due to resignation of the auditors of the Company on September 17, 2023, the financial statements were not finalised to be adopted in the ensuing Annual General Meeting. The Registrar of Companies- Bangalore under the Ministry of Corporate Affairs vide order dated 29-09-2023 has granted an extension of 45 days (1 month and 15 days) for holding the Annual General Meeting for the financial year 2022-2023.

12. Committees

The constitutions of various committees, such as the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, and Corporate Social Responsibility Committee, are applicable under the provisions of sections 177, 178, and 135 of the Companies Act, 2013, respectively, in the Fiscal Year 2023-2024. The company is currently in the process of selecting Independent directors. Once these directors have been appointed to the board, the company will constitute all the committees required under the applicable provisions of Companies Act of 2013.

13. Policy on Appointment and Remuneration

The guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company:

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen is commensurate with the industry standards in which it is operating taking into account the performance leverage and factors so as to attract and retain talent.
- For Directors, it is based on the Shareholders' resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars, guidelines issued by the Central Government and other authorities from time to time

14. Annual Evaluation Certificate:

As per the provision of Section 134(3)(p) of the Companies Act, 2013, the Company has devised a policy for performance evaluation of the individual directors and the Board, which includes criteria for performance evaluation.

The Board's performance was evaluated based on inputs received from all the Directors, taking into account criteria such as the composition and structure of the Board, its effectiveness, performance, processes, and information provided to the Board, among others.

15. Internal Financial Controls

Your Company adopted policies and procedures which enables implementation of appropriate Internal Financial Controls across the organisation and also ensures the orderly and efficient conduct of business, including adherence to the Company's Policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Internal Financial Controls are an integral part of the Risk Management Process, addressing financial and financial reporting risks.

16. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory Auditors and the reviews performed by Management and the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern; and
5. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Particulars of Employees and Details of Remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure as per Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of your Company, is available for inspection by the Shareholders at the Registered Office of the Company, during business hours, i.e., between 10.00 a.m. (IST) to 5.00 p.m. (IST), on all working days (i.e., excluding Saturdays, Sundays and Public Holidays), upto the date of the ensuing 2nd (Second) Annual General Meeting of the Company, subject to such restrictions as may be imposed by the Government(s) and / or local authority(ies) from time to time. If any Shareholder is interested in inspecting the records thereof, such Shareholder may write to the Company Secretary & Compliance Officer at cs@trualtbioenergy.com.

18. Statutory Auditor and Report.

M/s. YCRJ and Associates (FRN: 006927S), Chartered Accountants, was appointed as Statutory of the Company on December 31, 2022, for five years, till the Fiscal Year 2026–2027, on mutually agreed upon remuneration. However, M/s. YCRJ and Associates was unable to devote their time to the Company due to other commitments, and on June 17, 2023, they tendered their resignation to the Board.

Further, to fill the casual vacancy of Statutory Auditor, the Company appointed M/s. M S K A & Associates (FRN: 105047W), Chartered Accountants, Hyderabad, as Statutory Auditors of the Company for the financial year 2022-23, to fill the casual vacancy caused by the resignation of M/s. YCRJ and Associates, Chartered Accountants and to hold office until conclusion of the Annual General Meeting to be held for the financial year ended 31st March 2023. M/s. M S K A & Associates (FRN: 105047W), Chartered Accountants Hyderabad, resigned from the position of statutory auditors on 17th September, 2023, due to insufficient time for report submission.

To fill the casual vacancy of Statutory Auditor, the Company appointed M/s. N.M. Raiji & Company (FRN: 108296W), Chartered Accountants, Mumbai, as Statutory Auditors of the Company for the financial year 2022-23, to hold office from the conclusion of the Extraordinary General Meeting held on 25th September, 2023 until the conclusion of the ensuing Annual General Meeting on such remuneration as the Company's Board of Directors may fix in consultation with the Auditors.

M/s. N.M. Raiji & Company (FRN: 108296W), Chartered Accountants, Mumbai, have been appointed by the Board as the Statutory Auditors of the Company to hold office for a period of a period of 5 (Five) years i.e., from the conclusion of the ensuing second Annual General Meeting until the conclusion of the seventh Annual General Meeting pursuant to the provisions of Section 139 of the Companies Act, 2013.Your directors recommend their appointment.

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments. During the Financial Year under review, there are no qualifications, adverse remarks or disclaimers made by the Statutory Auditor on the financial statements of the Company and therefore, do not call for any further explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

19. Secretarial Auditor and Report:

During the financial year, the provisions pertaining to the appointment of a secretarial auditor are not applicable to the company as it does not meet the requirements outlined in Section 204 read in conjunction with Rule 9(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

However, the provisions relating to the appointment of a secretarial auditor apply to the company during the current financial and the company has appointed M/s S.P. Ghali & Co, Practicing Company Secretary, as Secretarial Auditor of the Company in accordance with the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration) Rules, 2014.

20. Cost auditor and Report

M/s. R. Nanabhoy & Co, Cost Accountants., Mumbai was appointed as Cost Auditor of the Company pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules 2019, to conduct the audit of cost records made and maintained by the Company for FY 2023-24. Their remuneration is subject to the approval by the Members at the ensuing Annual General Meeting. Appropriate resolution seeking your approval to the remuneration of the Cost Auditor is appearing in the Notice convening the 2nd AGM of your Company.

21. Internal Auditor and Report

M/s ZADN & Associates, Chartered Accountants., were appointed as Internal Auditors of the Company pursuant provisions of Section 138 of the Companies Act, 2013 read with Rule 13 (1) of Companies (Accounts) Rules, 2014 and Rule 8 of the Companies (Meeting of Board and its power) Rules, 2014 for ensuring that the organization is complying with relevant laws and statutes and also to evaluate adequacy of the system of internal controls of the Company for the FY 2023-24.

22. Frauds reported by the Auditor

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees under Section 143(12) of the Companies Act, 2013.

23. Disclosures Relating to Subsidiaries, Associates and Joint Ventures

The Company had no Subsidiaries, Associates, or Joint Ventures during the financial year ended March 31, 2023.

24. Compliance with Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meeting of Board of Directors and General Meetings respectively have been duly complied with.

25. Details of Deposits

During the financial year under review your company has not accepted any deposits falling within the meaning of Section 73 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.Further, there are no amounts outstanding at the beginning of financial year 2022-2023, which can be classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

26. Particulars of Loans, Guarantees and Investments

During the financial year under review the Company has not given any fresh loans or provided fresh guarantees.

Details of past Loans, Guarantees and Investments if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

27. Particulars of Contracts or Arrangements with Related Parties

There are no materially significant related party transactions made by the Company which may have potential conflict with interest of the company at large. There were no material significant related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements. All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2022-23, were in the ordinary course of business and on an arm's length basis.

In accordance with section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, and in accordance with Indian Accounting Standards 24, the related party transactions entered by the Company during the financial year are given in 'Annexure I' in Form AOC-2, which forms part of this report and is disclosed under notes to financial statements.

28. Corporate Social Responsibility (CSR)

During the year under review, Pursuant to the Section 135(1) of the Companies Act, 2013, the Company does not require to contribute under Corporate Social Responsibility (CSR) as the Company has commenced its operations with effect from October 01, 2022.

29. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company is engaged in the business of Production, Processing of Bio-Diesel, Ethanol and Compressed Bio Gas (CBG). Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure – II to this Report.

30. Risk Management

Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events to maximize the realization of opportunities.

The company has prepared a comprehensive risk assessment and minimization procedure. These procedures are meant to ensure that executive management controls risk through means of a properly defined framework. The major risks are being identified by the company and its mitigation process/measures being formulated in areas of operations, recruitment, financial processes and reporting, human resources and statutory compliance. Brief details of risks and concerns are given in the Management Discussion and Analysis Report.

31. Vigil Mechanism

The Company promotes safe, ethical and compliant conduct of all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and the same is available on the website of the Company.

32. Material Orders of Judicial Bodies /Regulators

No significant and material orders were passed by the regulators or court or tribunals impacting the going concern status and Company's operations in future.

33. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is placed on its website at www.trualtbioenergy.com, By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

34. Human Resources

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

35. Code of Conduct

Board of Directors have adopted the Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Company. The Code of Conduct reflects the commitment to doing business with integrity and in full compliance with the law and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Code of Conduct also ensures that all members perform their duties in compliance with applicable laws and in a manner that is respectful of each other.

36. Disclosure under "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013"

The Company has in place a Policy for Prevention Prohibition and Punishment of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Other Disclosures.

- During the year under review your Company has not revised financial statement.
- No application made or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.
- No valuation of the Company has been done during the year under review either for the purpose of One Time Settlement (OTS) or for the purpose of taking loan from bank/FIs.
- Management Discussion and Analysis is set out in this Annual Report.

38. Acknowledgement

Your directors place on records their gratitude to the Central Government, various State Governments and Company's Bankers and advisors for the valuable advice, guidance, assistance, cooperation, and encouragement they have extended to the Company from time to time. The Directors also take this opportunity to thank the company's customers, suppliers, and shareholders for their consistent support to the Company.

We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation, and support.

We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation, and support.

For and on Behalf of the Board
Trualt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)

Date: 06.11.2023
Place: Mudhol

Vijaykumar Murugesh Nirani
Managing Director
DIN: 07413777
Address: Mudhol, Bagalkot,
Karnataka, India 587313

Vishal Nirani
Director
DIN: 08434032
Address: Vijay Nagar,
Kulali Cross, Mudhol
Ward No 5, Bagalkot,
Karnataka-587313,

ANNEXURE-I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain Arm's length transactions under third proviso thereto and also as per the applicable Indian Accounting Standards.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

The Company has not entered into any contract or arrangement or transaction with its related parties which is not in Arm's Length during the FY 2022-23.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transactions	NA
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements/transactions:	Duration of the contracts/ arrangements/ transactions:	Salient terms of the contractor arrangements or transactions including the value (in Rs.) , if any:	Date(s) of approval by the Board, if any
1	Nirani Sugar Limited (Common Directors or Company in which Directors has significant influence)	Sale of Power	"October 01,2022 to March 31,2023"	Value of the transactions amounting to 1 Lac for sale of power during the period	12-10-2022
2	Nirani Sugar Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Raw Materials	October 01,2022 to March 31,2023	Value of the transactions amounting to 13,775 Lacs for the purchase of B-Molasses, C-Molasses, Bagasse, Sugar Syrup, Clear Juice during the period	12-10-2022
3	Nirani Sugar Limited (Common Directors or Company in which Directors has significant influence)	Services Fee	October 01,2022 to March 31,2023	Value of the transactions amounting to 309 Lacs for availing the services during the period	12-10-2022
4	Nirani Sugar Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Distillery Undertaking pursuant to Business Assets Transfer Agreement (BTA)	One time Agreement dated 26.09.2022	Value of the transaction amounting to 55,000 Lacs and out of which 40,906 Lacs was paid in Cash and balacne of 14,094 Lacs paid in other than Cash by issuing Compulsory Convertible Preference Shares.	10-08-2022
5	Nirani Sugar Limited (Common Directors or Company in which Directors has significant influence)	Support Services in the form of providing Corporate Guarantee	One time Undertaking dated 21.02.2023	Value of the transaction amounting to 6.16 Lacs i.e., for 0.01% of Corporate Guarantee value of Rs. 615.70 Cr. The same was for onetime fee for the entire tenor of Loan.	05-01-2023

ANNEXURE-I

6	Shri Sai Priya Sugars Limited (Common Directors or Company in which Directors has significant influence)	Sale of Power	October 01,2022 to March 31,2023	Value of the transactions amounting to 62 Lacs for sale of power during the period	12-10-2022
7	Shri Sai Priya Sugars Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Raw Materials	October 01,2022 to March 31,2023	Value of the transactions amounting to 2,95,12 Lacs for the purchase of B-Molasses, C-Molasses, Bagasse, Sugar Syrup, Clear Juice during the period	12-10-2022
8	Shri Sai Priya Sugars Limited (Common Directors or Company in which Directors has significant influence)	Services Fee	October 01,2022 to March 31,2023	Value of the transactions amounting to 556 Lacs for availing the services during the period	12-10-2022
9	Shri Sai Priya Sugars Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Distillery Undertaking pursuant to Business Assets Transfer Agreement (BTA)	One time Agreement dated 26.09.2022	Value of the transaction amounting to 51,325 Lacs and out of which 28,800 Lacs was paid in Cash and balance of 22,525 Lacs paid in other than Cash by issuing Compulsory Convertible Preference Shares.	10-08-2022
10	MRN Cane Power India Limited (Common Directors or Company in which Directors has significant influence)	Sale of Power	October 01,2022 to March 31,2023	Value of the transactions amounting to 440 Lacs for sale of power during the period	12-10-2022
11	MRN Cane Power India Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Raw Materials	October 01,2022 to March 31,2023	Value of the transactions amounting to 10,401 Lacs for the purchase of B-Molasses, C-Molasses, Bagasse, Sugar Syrup, Clear Juice during the period	12-10-2022
12	MRN Cane Power India Limited (Common Directors or Company in which Directors has significant influence)	Services Fee	October 01,2022 to March 31,2023	Value of the transactions amounting to 287 Lacs for availing the services during the period	12-10-2022
13	MRN Cane Power India Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Distillery Undertaking pursuant to Business Assets Transfer Agreement (BTA)	One time Agreement dated 26.09.2022	Value of the transaction amounting to 41,24 Lacs and out of which 18,700 Lacs was paid in Cash and balance of 10,300 Lacs paid in other than Cash by issuing Compulsory Convertible Preference Shares.	10-08-2022
14	Badami Sugar Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Raw Materials	October 01,2022 to March 31,2023	Value of the transactions amounting to 3,421 Lacs for the purchase of B-Molasses, C-Molasses, Bagasse, Sugar Syrup, Clear Juice during the period	12-10-2022
15	Shree Kedarnath Sugar & Agro Products Limited (Common Directors or Company in which Directors has significant influence)	Purchase of Raw Materials	October 01,2022 to March 31,2023	Value of the transactions amounting to 1,194 Lacs for the purchase of B-Molasses, C-Molasses, Bagasse, Sugar Syrup, Clear Juice during the period	12-10-2022

3. Details of contracts or arrangements or transactions not in the ordinary course of business.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transactions	NA
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

For and on Behalf of the Board
Trualt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)

Date: 06.11.2023
Place: Mudhol

Vijaykumar Murugesh Nirani
Managing Director
DIN: 07413777
Address: Mudhol, Bagalkot,
Karnataka, India 587313

Vishal Nirani
Director
DIN: 08434032
Address: Vijay Nagar,
Kulali Cross, Mudhol
Ward No 5, Bagalkot,
Karnataka-587313,

ANNEXURE-II

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy: -

2. The steps taken by the Company for utilizing alternate sources of energy: -

   In all the TBL (Trualt Bioenergy Limited) Plant units, the Company has adopted Incineration Boiler Technology of using Spent wash (Effluent from Distillery) as a Fuel along with Bagasse (Biomass - A By-product of Sugar making process from Sugar cane) to generate Steam and Power which is being used for Distillery operations - Waste to Wealth concept is adopted.

   The Company does not buy any Fossil fuel and do not import Energy in any form from other sources. The Company's Technology is Green and there is almost nil pollution from the Distilleries.

3. The Capital investment on energy conservation equipment's: -

Business Area	GROUP2	Total in Rs.
TA1N	32TPH Boiler	227,217,691
TA3M	52TPH Boiler	201,094,763
TA6S	52TPH Boiler	331,026,001
Grand Total		**759,338,455**

The cost incurred for the Incineration Boiler can be treated as capital Investment on energy Conservation Equipment.

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption: -
ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: -
iii. Details of technology imported during the past 3 years reckoned from the beginning of the financial year: NIL

   a. The details of technology import: -
   b. The year of import: -
   c. Whether the technology has been fully absorbed: -
   d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -

Trualt has been adopting Indian Technologies in our Distilleries and many reputed companies are providing the Robust and advanced Technology and it is being adopted in all the Distilleries. The Distilleries are fully Automated and operating through DCS (Distributed Control System) - Computer Based.

iv. The expenditure incurred on Research and Development: -

Rs.60,60,000/- (Rupees Sixty Lac Sixty Thousand only)

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

1. The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(AMOUNT IN RS.)

Particulars	March 31, 2023	March 31, 2022
Used	NIL	NIL
Earned	NIL	NIL

For and on Behalf of the Board
Trualt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)

Date: 06.11.2023
Place: Mudhol

Vijaykumar Murugesh Nirani
Managing Director
DIN: 07413777
Address: Mudhol, Bagalkot,
Karnataka, India 587313

Vishal Nirani
Director
DIN: 08434032
Address: Vijay Nagar,
Kulali Cross, Mudhol
Ward No 5, Bagalkot,
Karnataka-587313,

AUDIT
REPORT

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.

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

(c) 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.

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)

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.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

(d) 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

FINANCIAL STATEMENT

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	17,942	(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. Raiji & Co.,
Chartered Accountants
Firm Registration No. : 108296W

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

Santosh Burande
Partner
Membership No. : 214451

Vijaykumar M Nirani
Managing Diretor
DIN: 07413777

Vishal M Nirani
Director
DIN: 08434032

Place: Bengaluru
Date: November 06, 2023

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)

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
TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
CIN: U15400KA2021PLC145978

Vijaykumar M Nirani
Managing Diretor
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 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.

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

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

Santosh Burande
Partner
Membership No. : 214451

Place: Bengaluru
Date: November 06, 2023

Vijaykumar M Nirani
Managing Diretor
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

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	31 March 2023	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**
Balance as at 1 April 2022	61,000	6
Changes in equity share capital during the current year	6,10,14,820	6,102
Balance as at 31 March 2023	**6,10,75,820**	**6,108**

For the year ended 31 March 2022	31 March 2022	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**
Balance as at 1 April 2021	61,000	6
Changes in equity share capital during the previous year	-	-
Balance as at 31 March 2022	**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
TruAlt Bioenergy Limited
(Formerly known as TruAlt Energy Limited)
CIN: U15400KA2021PLC145978

Vijaykumar M Nirani
Managing Diretor
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

1 Coporate 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 transistion 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:-

i) Certain financial assets and liabilities are measured at fair value (refer accounting policy on financial instruments)

ii) 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.

iii) 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:

a) the right to receive cash flows from the financial asset is transferred; or

b) 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.

(0) 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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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

	Gross Block					Depreciation				Net block	
	As at 1 April 2022	Acquisition through Business Combination (Refer note 31)	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Owned assets											
Land	-	4,576	97	-	4,673	-	-	-	-	4,673	-
Building-Factory	-	10,935	313	-	11,248	-	197	-	197	11,051	-
Building-Others	-	288	4	-	292	-	5	-	5	287	-
Temporary sheds	-	35	-	-	35	-	4	-	4	31	-
Plant and machinery	-	46,944	52,986	-	99,930	-	1,306	-	1,306	98,624	-
Furniture and fixtures	-	11	1	-	12	-	1	-	1	11	-
Office Equipment	-	3	-	-	3	-	0	-	0	3	-
Computers	-	5	188	-	193	-	11	-	11	182	-
Vehicle	-	2	-	-	2	-	0	-	0	2	-
Total	-	**62,799**	**53,589**	-	**1,16,388**	-	**1,524**	-	**1,524**	**1,14,864**	-
Capital work-in progress	-	**26,401**	**27,682**	**(53,121)**	**962**	-	-	-	-	**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	-	-	-	-	-

(Amount in Indian Rupees Lakhs, unless otherwise stated)

7 Other intangible assets and Goodwill

	Gross block					Amortisation				Net block	
	As at 1 April 2022	Acquisition through Business Combination (Refer note 31)	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Customer relationship	-	11,059	-	-	11,059	-	551	-	551	10,508	-
Total	**-**	**11,059**	**-**	**-**	**11,059**	**-**	**551**	**-**	**551**	**10,508**	**-**
Goodwill	-	**4,786**	-	-	**4,786**	-	-	-	-	**4,786**	-

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

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

Ageing of Trade Receivables*

31 March 2023	Current							
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of receipts					
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
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**

14 Share capital

	31 March 2023	31 March 2022
Authorised share capital		
(A) Equity shares		
7,00,00,000 (31 March 2022: 1,00,000) Equity Shares of INR 10 each	7,000	10
	7,000	10
Issued, subscribed and paid up		
(A) Equity shares		
6,10,75,820 (31 March 2022: 61,000) equity shares of INR 10 each fully paid	6,108	6
	6,108	6

(i) Reconciliation of equity 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	61,000	6	61,000	6
Add: Issued during the year	61,014,820	6,102	-	-
Outstanding at the end of the year	**61,075,820**	**6,108**	**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

	31 March 2023		31 March 2022	
Name of the shareholder	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	8,921,437	14.61%	10,000	16.39%
Sangamesh Rudrappa Nirani	9,010,000	14.75%	10,000	16.39%
Vishal Nirani	8,913,383	14.59%	10,000	16.39%
Kamala Murigeppa Nirani	16,354,000	26.78%	10,000	16.39%
Murugesh Rudrappa Nirani	1,066,000	1.75%	10,000	16.39%
Dhraksayani S Nirani	8,410,000	13.77%	10,000	16.39%
Sushmita Vijaykumar Nirani	8,400,000	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

Name of the Promoter	31 March 2023 No. Of Shares	31 March 2023 % of total shares	31 March 2023 % Change during the year	31 March 2022 No. Of Shares	31 March 2022 % of total shares	31 March 2022 % Change during the year
Vijaykumar Murugesh Nirani	8,921,437	14.61%	(1.79%)	10,000	16.39%	-
Vishal Murugesh Nirani	8,913,383	14.59%	(1.80%)	10,000	16.39%	-
Sushmita Vijaykumar Nirani	8,400,000	13.75%	13.75 %	-	-	-
	17,834,820	**42.95%**		**20,000**	**32.79%**	-

(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 30th June, 2022, for allotment a rights issue of equity shares and allotted 6,00,00,000 equity shares at par on a rights basis. The company utilized an amount of INR 6,000 lakhs from right issue against Working Capital and 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 12th September, 2022, for allotment a rights issue of equity shares and alloted 10,14,820 equity shares at par on a rights basis. The company utilized an amount of INR 101.48 lakhs from right issue against existing unsecured loans received. 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) Compulsory 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 compulsarily 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.

	31 March 2023
Equity component of CCPS (Refer note 15)	14,690
Liability component of CCPS (Refer note 16)	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

	31 March 2023	31 March 2022
Secured		
Term loan		
From Bank and financial institution		
Indian Renewable Energy Development Authority (IREDA)	60,508	-
Union Bank of India	25,822	-
	86,330	-
Less: Current maturities of Indian Renewable Energy Development Authority (IREDA) (Refer note 19)	5,602	-
Less: Current maturities of Union Bank of India (Refer note 19)	2,375	-
	7,977	-
Unsecured		
Compulsorily Convertible Preference Shares [Refer note 14 (B)]	28,680	-
	1,07,033	-

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 aquisition 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
	86,330

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

	31 March 2023	31 March 2022
Refundable Deposits	2	-
Payable towards purchase consideration to related parties [Refer note 34 (C)]	1,118	-
	1,120	-

18 Provisions

	Non Current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Provision for gratuity (unfunded) [Refer note 33 (B) (	58	-	4	-
Provision for leave encashment	7	-	1	-
	65	-	5	-

19 Current borrowings

	31 March 2023	31 March 2022
Secured		
Current maturities of long-term borrowings (Refer note 16)	7,977	-
	7,977	-

Net Debt Reconciliation

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

	31 March 2023	31 March 2022
Non-current borrowings	86,330	-
Net Debt	**86,330**	-
	-	-

	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	**31 March 2023**	**31 March 2022**
Total outstanding dues of micro enterprises and small enterprises	138	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	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**

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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

	31 March 2023	31 March 2022
Consumption of stores, spares and consumables	1,591	-
Manufacturing expenses	1,832	-
Power and fuel	6,040	-
Service fee (Refer note 31)	1,152	-
Selling and distribution expenses	2,860	-
Repairs and maintenance - Plant and Machinery	104	-
Repairs and maintenance - others	65	-
Legal and professional charges*	234	1
Business promotion expenses	335	
Rates and taxes	393	0
Insurance expenses	15	-
Security charges	33	-
Travel and conveyance	25	-
Miscellaneous expenses	55	1
	14,734	**1**

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

	31 March 2023	31 March 2022
As auditor:		
Statutory audit	25	0
In other capacity:	-	-
Tax audit	10	-
Other matters	-	-
Reimbursement of expenses	-	-
	35	**0**

30 Income Tax and Deferred Tax

(A) Deferred Tax Liabilties (Net)

	31 March 2023	31 March 2022
Deferred tax assets		
On provision for employee benefits	5	-
On unabsorbed depreciation and carry forward business losses		
Current year losses	1,074	-
On others	7	-
Total Deferred tax asset	**1,086**	**-**
Deferred tax liabilities		
On customer relationship recognised as part of business acquisition [Refer note 30 B (i)]	(2,783)	
On property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	(2,551)	
On compulsorily convertible preference shares [Refer note 14 (B)]	(4,590)	-
On others	(239)	-
Total Deferred tax liabilities	**(10,163)**	**-**
Deferred tax asset/(liability), net	**(9,077)**	**-**

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

	31 March 2023	31 March 2022
Opening balance as of 1 April	-	-
Tax liability recognized in Statement of Profit and Loss	(1,353)	-
Tax liability recognized directly in equity		
On compulsorily convertible preference shares	(4,941)	-
Others [Refer note 30 B (i)]	(2,783)	-
Closing balance as at 31 March	**(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

	31 March 2023	31 March 2022
- Current tax taxes	-	-
- Adjustments in respect of current income tax of previous year	-	-
- Deferred tax charge / (income)	1,353	-
Income tax expense reported in the statement of profit or loss	**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 (MRNCPIL) (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 faciliate 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 equty 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 equty 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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

33 Employee benefits

(A) Defined Contribution Plans

	31 March 2023	31 March 2022
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)	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*	62	-

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

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*	(62)	-

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

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	-

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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.

	31 March 2023	31 March 2022
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**	**-**

(Amount in Indian Rupees Lakhs, unless otherwise stated)

(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

	31 March 2023	31 March 2022
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).

	31 March 2023	31 March 2022
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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

(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:

31 March 2023	Less than 12 months	1 to 5 years	More than 5 years	Total
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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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.

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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

(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 Complusorily 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	31 March 2023	31 March 2022
Estimated Amount of contracts remaining to be executed on capital account and not provided for	6,914	-
Advance paid against above	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. Raiji & Co.,
Chartered Accountants
Firm Registration No. : 108296W

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

Santosh Burande
Partner
Membership No. : 214451

Place: Bengaluru
Date: November 06, 2023

Vijaykumar M Nirani
Managing Diretor
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

NOTES

Registered Office :
Survey No. 166, Kulali Cross,
Jamkhandi Mudhol Road, Bagalkot,
Karnataka - 587313, India

Corporate Office :
#S-904 /A, 9th Floor, World Trade Center,
Brigade Gateway Campus, #26/1, Dr Rajkumar Road,
Malleswaram West, Bengaluru - 560 055