PAKKA
Packaging with a Soul

If you had seen another delivery container here, you would have missed the story.

Pakka Limited | Integrated Annual Report 2022-23

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

Disclaimer

Please be advised that in the financial year specified in this document and all related materials, the Company formerly known as 'Yash Pakka Limited.' has undergone a name change and is now officially known as 'Pakka Limited' for uniformity purposes. Throughout this period, the Company will be referred to as 'Pakka' irrespective of any instances where its previous name, 'Yash Pakka Limited,' may be mentioned.

All references to the previous company name, 'Yash Pakka Limited,' should be interpreted as pertaining to 'Pakka Limited' during the specified financial year. We kindly request all stakeholders, readers, and users of this information to acknowledge and adhere to this name change when engaging with any financial or business-related content related to the Company.

Contents

What we have attempted to convey on the cover of this annual report is a six-letter word.

A six-letter word that needs to become a more significant part of our mindset.

The word is **‘strive’.**

We **strive** for...

Clean oceans. Clean forests.
Clean mountains. Clean cities.
Clean drains. Clean everything.
Clean Earth.


H.GravurePrint PAT.
Produced by HYUN-DAI CO., LTD. Taipei Taiwan

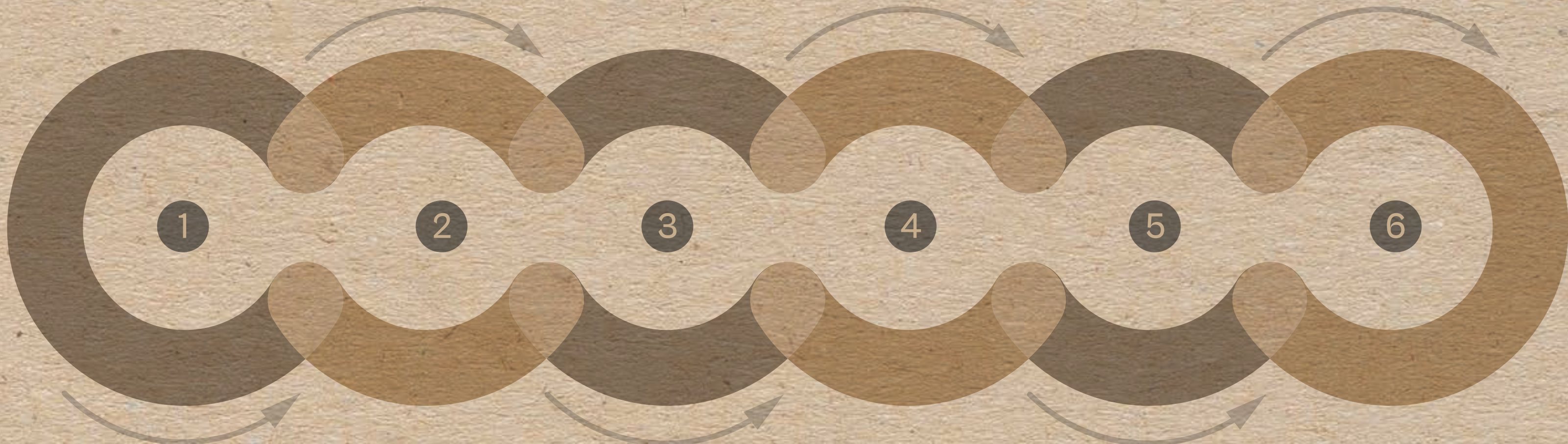
This striving for a better world could comprise a larger share of products manufactured by Pakka.*

* Regenerative bagasse pulp, paper, tableware and flexible packaging

Tribute to
Mr. KK Jhunjhunwala

May our beloved Founding Member's eternal vision of inclusive progress continue to be our guiding light.

6 principal messages of this Annual Report



1. Pakka reported a record FY 2022-23 as measured by revenues, profits and margins

2. The Company is building on this foundation by following or enhancing its DNA

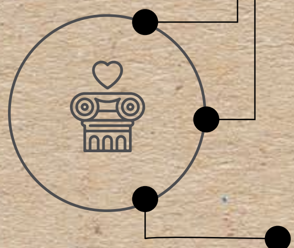
3. The Company is making unprecedented forward-looking investments

4. These investments are being made in innovation-based research, capital assets, organizational structure, geographic locations and synergic diversification

5. The Company seeks to make an impact by providing regenerative packaging to the world

6. The Company focuses on responsible engagement to empower community beneficiaries to assume control of their lives

Pakka represents the coming together of values and value.



The former represents the idealism we bring to our business, reflected in the ideals we cherish and champion.

The latter represents the various choices we make in enhancing stakeholder value.

This combination makes us a refreshingly different organization committed to play a meaningfully larger role in making the world greener and cleaner.

Our values

Earth Love

Our actions are determined by our love for Mother Earth

Courage

We speak our minds and work with Courage towards Freedom and Responsibility

Trust

We build Trust with radical Transparency and Honesty

Excellence

We consistently learn and develop our competency to strive for Excellence

Diversity

Different is beautiful.
Thus, we embrace and encourage Diversity

The value we bring to our business

Board and management: The Board comprises Chairman Prashant Vasant Dhobale, promoter Ved Krishna as Non-Executive Vice Chairman, Manjula Jhunjhunwala, Founder-Director and eight other Directors. The Managing Director is Jagdeep Hira, supported by experienced professionals.

Background: In 1981, Mr. K.K. Jhunjhunwala, a visionary technocrat, founded Yash Papers to produce low grammage kraft paper. The Company began operations with an installed capacity to produce 1,940 TPA. The Company's journey began with the production of pulp and paper and has since evolved into the manufacturing of eco-friendly packaging products, maintaining its consistent commitment to sustainability. The Company changed its name to Yash Pakka Limited in FY 2019-20, which was renamed Pakka Limited in 2023.

Brand: The Company markets its compostable bagasse tableware under the CHUK brand. These products are emerging as a suitable replacement for plastic tableware. CHUK is easy to handle and yet structurally sound, being primarily used in the food service industry.

Manufacturing plant: The Company's manufacturing plant is situated in Ayodhya (Uttar Pradesh). As on 31st March, 2023, the Company's manufacturing facility comprised a 130-TPD pulp mill (bleached and unbleached) complemented by three paper machines (installed capacity 39,100 TPA and two power plants 8.5 MW) driven by biomass. Besides, the plant comprises a 145 MT chemical recovery plant and 20 production lines to produce 18 TPD compostable tableware. The manufacturing capacities provide the Company with attractive economies of scale, enhancing competitiveness across market cycles.

130
TPD pulp capacity

39100
TPA paper capacity

18
TPD tableware

Credit rating: The Company's credit rating was maintained at BBB for FY 2023-24 by the credit rating agency CARE until the end of FY 2023-24.

Listing: Pakka is listed on the National Stock Exchange with a trading permission on the Bombay Stock Exchange. The Company's market capitalization was INR 363.27 crores (31st March, 2023) and the promoter's shareholding stood at 49.16 percent as on (31st March, 2023).

Revenues: The Company generated 76 percent of its revenues from within India and the rest from a complement of 40+ countries. Exports grew 44 percent in FY 2022-23 by value and domestic revenues increased by 39 percent. The Company generated 74 percent of its revenues from paper, 13 percent from pulp and 13 percent from compostable bagasse tableware.

India 76 percent
Outside India 24 percent

Talent: The Company employed 429 full-time professionals as on 31st March, 2023. The average age of the Company's workforce stood at 39 years; women comprised 6 percent of the workforce; 63 percent of the Company's employees had been with it for five years or more.

Certifications: The Company's product process and quality have been validated by the following credible certifications: ISO Certified Company, OHSI/1614, ISO, FSMS/1164, CIPET, USFDA 21 CFR 176:170, ISO 14001:2015, QMSI/1612, ISO 9001:2015 and QMSI/1613.

Awards: The Company has been recognized with the following certifications:

2023	**'Top 50 India's Best Workplace in Manufacturing 2023' in 'Great Place to Work'**
2023	**1st prize for Energy Conservation in Pulp & Paper Sector in Uttar Pradesh – UPNEDA.**
2022	**CII National Award for Excellence in Water Management in 2022.**
2022	**Great Place to Work certified**

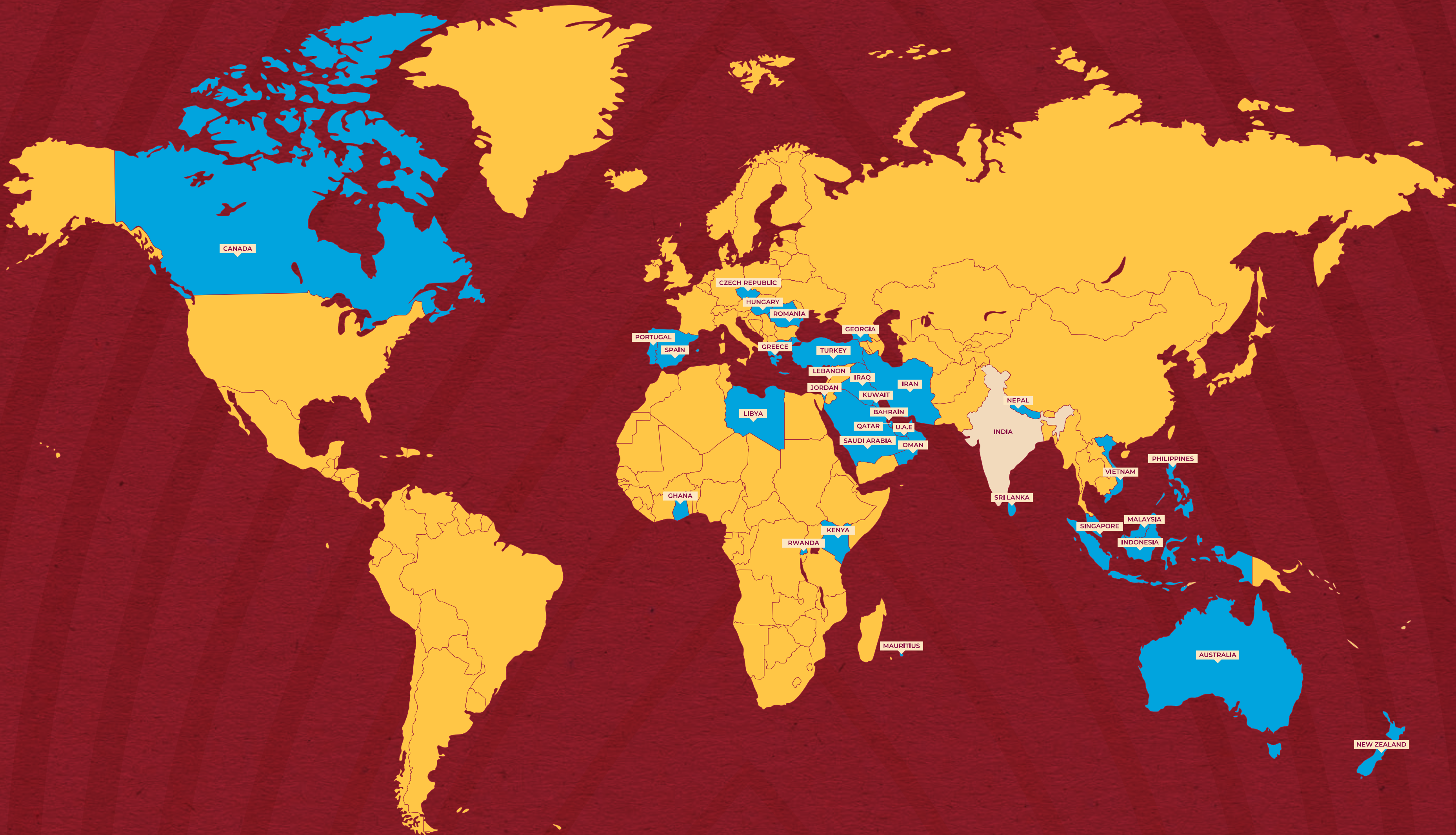
Customers: The Company's customers for bagasse-based paper comprise brand-enhancing names like Borosil, RSPL Limited, Modern Laminators, Aditya Flexipack, Haldiram's, Chai Point, Blinkit, Bikanerwala and Lite Bite Foods, among others.

40+
Number of countries where our products are sold

<100
Kms, radius within which all our raw materials are sourced

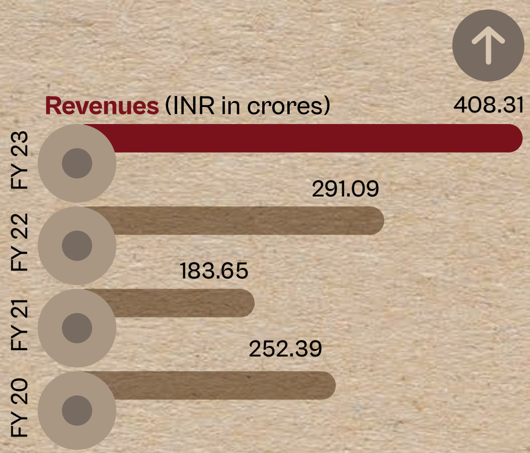
50
percent of women in our team that manufacture compostable products

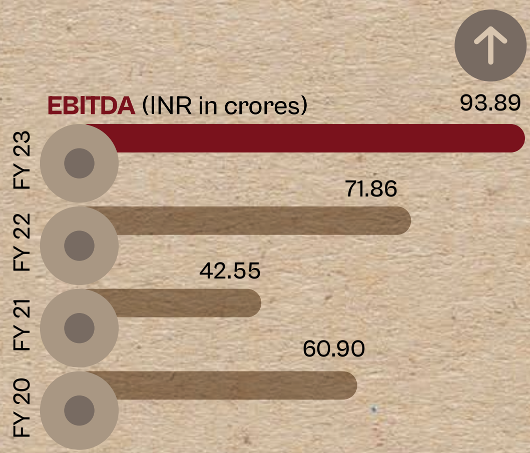
Our footprint around the world

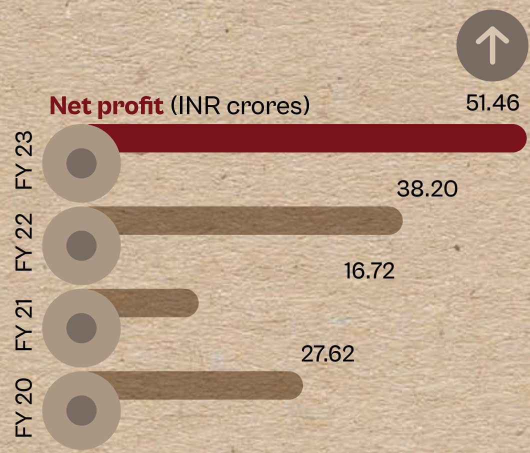


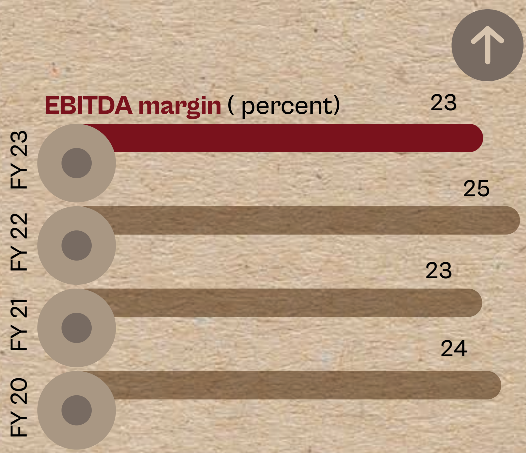
CANADA
CZECH REPUBLIC
HUNGARY
ROMANIA
PORTUGAL
SPAIN
GREECE
GEORGIA
TURKEY
LEBANON
JORDAN
IRAQ
IRAN
KUWAIT
BAHRAIN
QATAR
U.A.E
SAUDI ARABIA
OMAN
LIBYA
NEPAL
INDIA
SRI LANKA
PHILIPPINES
VIETNAM
MALAYSIA
SINGAPORE
INDONESIA
GHANA
KENYA
RWANDA
MAURITIUS
AUSTRALIA
NEW ZEALAND

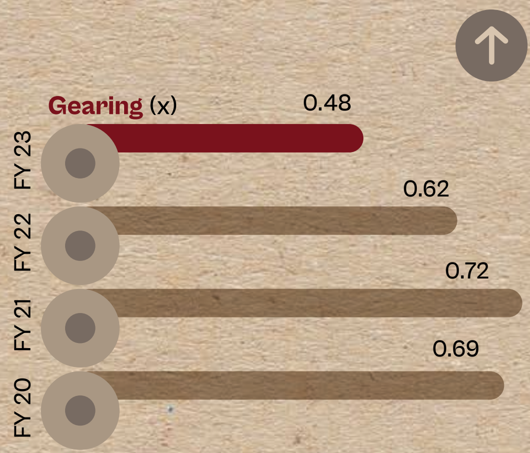
How we have grown attractively across the years

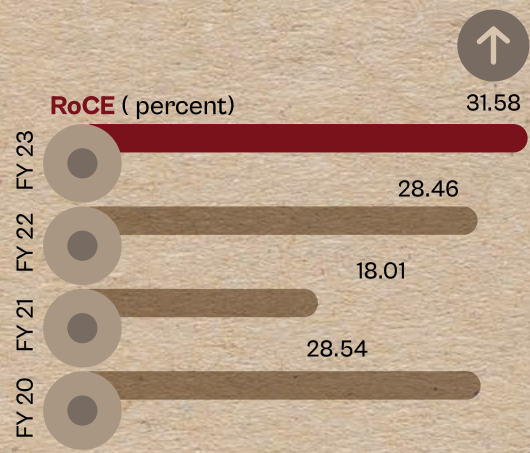







EBITDA margin (percent)
FY 23
23
FY 22
25
FY 21
23
FY 20
24


Gearing (x)
FY 23
0.48
FY 22
0.62
FY 21
0.72
FY 20
0.69


RoCE (percent)
FY 23
31.58
FY 22
28.46
FY 21
18.01
FY 20
28.54

The rationale for the existence of Pakka is all around us

Extensive plastic waste across the world's natural eco-system represents an increasing risk to humankind

Quantum of plastic in oceans

170

Trillion, pieces of plastic
(mainly microplastic)

170 trillion pieces of plastic could encircle the Earth's equator over 4,000 times if laid end-to-end.

2.3

million tonnes dumped
into oceans from till 2022

2.3 million tonnes of plastic would fill about 92,000 Olympic-sized swimming pools by volume.

20

million square kilometer of oceans covered by the 'Great Pacific Garbage Patch'

20 million square kilometers is about *the same size as Russia, the world's largest country by land area.*

The plastic waste problem

3.4

percent of global greenhouse gas emissions attributed to plastic

30

million tonnes, plastic waste
in seas and oceans till 2022

30 million tonnes of plastic waste weighs as much as 5 million adult elephants.

109

million tonnes, plastic waste accumulated
in global rivers till 2022

109 million tonnes of plastic waste weighs as much as 18 million adult elephants.

The reality

9

percent of plastic waste that is recycled

19

percent plastic waste incinerated

175

Nations that have agreed to end plastic pollution by 2022.

(Sources: phys.org, worldwildlife, oecd.com, earthday.in, statista, marketresearchfuture.com)

There is hope... some of the most influential companies represent the trigger for change

How some of the largest global brands are turning to sustainable packaging

Puma

Reduced cardboard use by 65 percent in its traditional red-box packaging, saving 8500 tonnes of paper, 20 million megajoules of electricity, one million litres of water and 10,000 tonnes of carbon dioxide. Some 95 percent cardboard and paper in packaging are Forest Stewardship Council-certified.

LEGO

Its blister packaging is made from recycled plastic. Paper and cardboard in LEGO product packaging is recyclable, sustainably sourced and FSC-certified. LEGO has started using recyclable paper-pulp trays over plastic trays for packaging. About 75 percent packaging cardboard comes from recycled materials. LEGO reduced its box size by 14 percent. The brand joined RE100, a global initiative of companies committed to use 100 percent renewable energy. Partners World Wildlife Fund for Nature to reduce carbon emissions in manufacturing and supply chain. Saved 3,000 truckloads and 7,000 tonnes of cardboard every year. Saved up to a million plastic trays from landfilling each year.

KFC

Purchases 100 percent paper-based packaging for all its products. Nearly all of its US paper-based retail packaging certifies responsible sources. Much of KFC packaging for takeaways and in-house consumption is paper-based (except drinks and desserts). Used dining wares (clamshells, plates and bowls) from sugar-cane and bamboo. Committed to reduce single-use plastic consumption across the world.

Dell

Replaced polyurethane foam with bamboo cushioning. It used cushions from mushrooms and for larger shipments; it is developing compostable organic cushions from mushrooms. Sourcing plastics from coastal areas that are recycled. Reported a reduction in global absolute greenhouse gas emissions by 40 percent. Diverted packaging waste going into landfills by 50-60 percent.

FritoLay

The Company and its parent PepsiCo set Performance with Purpose (PwP) 2025 agenda to design recyclable and biodegradable packaging. Guides consumers about package recyclability and how to recycle. Collaborates with Materials Recovery for the Future Collaborative (MRFF) of the United States and Circular Economy for Flexible Packaging (CEFLEX) of Europe to seek flexible snacks packaging solutions. Using PHA bioplastic for next-generation flexible packaging for snacks. Recycled over 140 million post-consumer containers since 2010 in the USA.

Hindustan Unilever Limited

Pepsodent toothbrush and Fair & Lovely use blister packaging made from r-PET (80 percent recycled PET). Incorporating small packaging for brands like Axe, Lipton, Knorr and Dove. Introduced Surf Excel Matic Liquid in a refill packaging pouch format. Partners NGOs for waste collection and segregation at source.

H&M

Packaging 100 percent circular and renewable. Uses organic chemicals for printing and labelling. Uses Ecocert-certified ingredients for cosmetic product and packaging. Partners Zara and other apparel companies in changing supply chains to save endangered forests. Plastic carry bags are completely replaced with sustainably sourced paper bags. Awards advanced recycling technology and techniques. Invites used textiles and beauty containers; presents 10 percent Thank-You-Treat. Reduced 35 percent emissions from its manufacturing, supply chain and packaging operations. 64 percent stores across the world have a recycling system for store waste.

Philips

Employed EcoDesign and circular economy principles in designing products and packaging. Recycled 90 percent operational waste (a considerable portion from packaging and supply chain). Minimized the waste going to landfills.

Apple

iMac Pro packaging contains 78 percent less plastic and 85 percent recycled content. Replaced polystyrene padding with 100 percent recycled paper padding (for shipping perusal). Formed a Green Chemistry Advisory Board with the world's leading toxicologists, researchers and academics. Partners World Wildlife Federation for responsible forest management. Provides necessary tools and guidance to suppliers for sustainable waste management. 100 percent wood fibres in Apple packaging are recycled or come from sustainably managed forests.

At Pakka, we recognize that the time to make the big move is now

Where we are. Where we intend to go.

Investments

245.64
INR crores, Pakka gross block as on 31st March, 2023

Transforming positioning

Innovative provider of a range of compostable packaging solutions today.

Positioned to emerge as a global leader of re-generative food packaging solutions tomorrow.

Revenues

408.31
INR crores, Pakka revenues in FY 2022-23

200
USD million, Ayodhya turnover potential in FY 2026-27

400
USD million, Guatemala turnover potential in FY 2027-28

How Pakka is transforming its identity with speed and foresight

Aligned with the growing needs of the world

We were engaged in incremental improvements.

We are investing in the area of disruptive compostable packaging innovation

We grew people from within.

We are recruiting a range of subject matter specialists

We were completely focused on manufacturing from within India.

We are appraising options to manufacture across the world

We focused on generating more from a steady capacity.

We are at the cusp of our largest capacity investment

We were plugged into national trade partners.

We are entering a range of global networks, comprising partners and influencers

We were focused on pulp and paper, marked by quality standards.

We are increasingly focused on packaging barriers leading to a larger addressable opportunity

We manufactured and marketed commodity products (pulp and paper).

We are extending into niche paper grades and branded compostable tableware

We were a company that manufactured back-end products for institutional customers.

We are graduating to the manufacture of consumer-facing products

How we have made a difference

Case study#1

How we are helping Brawny Bear with a compostable packaging solution

Reality: Our innovation team was approached to provide packaging options by Brawny Bear, The Date Company that had developed proprietory chocolate and energy bar products.

Challenges: The challenge lay in designing a sustainable packaging solution to protect chocolate and energy bars while maintaining quality and freshness. There were challenges related to the shelf life of the packed product, packaging form and dimensions.

Activity: Our innovation team worked closely with Brawny Bear in understanding packaging needs from the product. Pakka Impact shortlisted a paper-based packaging recipe.

Outcomes: The initial feedback has proved encouraging. By partnering an NABL-accredited laboratory, the project is headed in the right direction.

Case study#2

Sustainable packaging solution for agarbatti sticks

Reality: N Ranga Rao & Sons (owner of the Cycle brand) desired to switch from PP-based primary packaging to a sustainable paper-based packaging solution for agarbatti sticks.

Challenges: The challenge was to develop a sustainable paper-based packaging solution that would retain the fragrance, prevent staining and address sustainability goals.

Activity: Our innovation team proposed a customized recipe for paper-based flexible packaging. Initial samples were sent to Mysore for testing; feedback indicated that the solution needed improvement.

Outcomes: The project has progressed; valuable insights have emerged, strengthening overall delivery and graduating the compostable packaging experiment towards its desired solution.

Case study#3

How we developed delivery containers and delighted users

Reality: In February 2021, Pakka began to get requests to develop alternatives for plastic containers.

Challenges: The Company prioritized complete content retention - 1000 ml containers for biryani packaging, 500 to 750 ml combination packs and 350 ml packs for gravy and starters. Developing was one thing, experimenting with trial runs another.

Activity: Pakka offered the products to institutional customers, small-scale start-ups and cloud kitchens. The feedback was extensive. Suggestions were made. Additives and chemicals were added. Pulp chemistry was altered. Water absorption was reduced. Rigidity was enhanced. Improvements (lid and snug fit) were attempted.

Outcome: The verdict came from a user: 'Poora liquid bhar ke bheja. Ek boond nahi nikla. Ekdum first-class fit!'

"Our biggest challenge in this new century is to take an idea that seems abstract - sustainable development - and turn it into a reality for all the world's people."

Kofi Annan, *seventh Secretary-General of the United Nations*

What the experts have to say

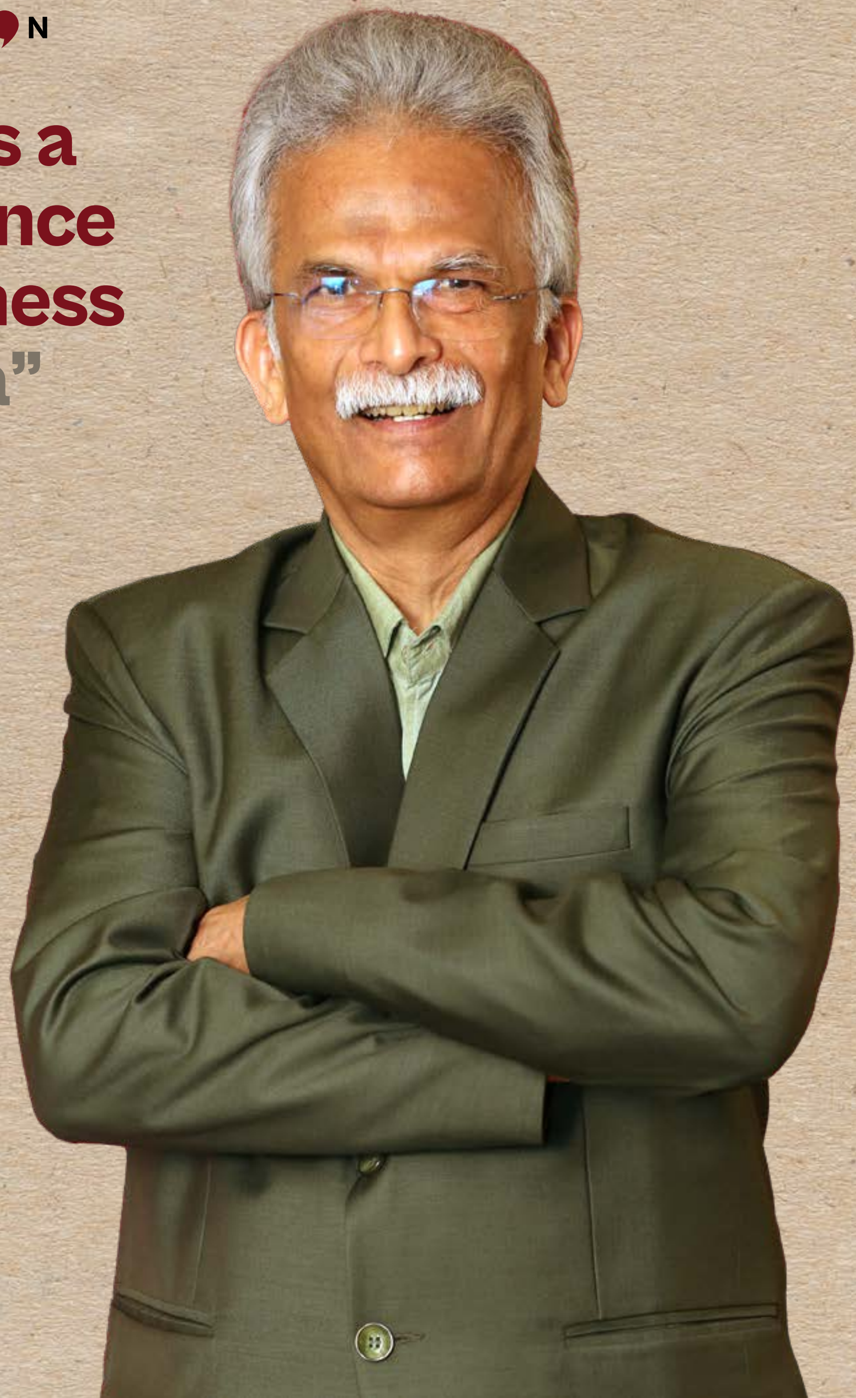
"**Consider this:** All the ants on the planet, taken together, have a biomass greater than that of humans. Ants have been incredibly industrious for millions of years. Yet their productiveness nourishes plants, animals and soil. Human industry has been in full swing for little over a century, yet it has brought about a decline in almost every ecosystem on the planet. Nature doesn't have a design problem. People do."

William McDonough, *author of Cradle to Cradle: Remaking the way we make things*

CONVERSATION

"There is a governance seriousness at Pakka"

Explains
Pradeep Dhobale,
Chairman and
Independent Director



Q: As the Chairman of the Board of Directors, how do you assess the governance commitment of Pakka Limited?

A: There is a governance seriousness at Pakka. This is evident in various realities, starting with my position. In most companies, the position of the Chairman would have been occupied by the promoter; in this case, the promoter inducted a professional (cascading from the previous Chairman who was Mr Pudumjee). I come from a multi-national background, a company known for its strong ESG background. Ved, the promoter of Pakka, pursued me for around three years to come in as Chairman. I expressed reservations that with his looming presence, the position of the Chairman would, at best, be ornamental. Thereafter, Ved did something unusual: he asked me to speak to the erstwhile Chairman Mr. Pudumjee on Board practices and empowerment; he invited me to be a part of Board deliberations as an invitee; he indicated quite humbly that governance was one area of corporate priority that needed to be done more professionally; he emphasized that he needed me to chair the Board not for my paper industry knowledge but a holistic perspective on guiding the Company to its desired strategic destination.

Q: Why did you agree to become Chairman?

A: The acceptance represented a leap of faith: after having worked with a multinational respected for its governance and after having seen profit levels of INR 1000 crores, I was now being asked to chair a company with a INR 200 crores turnover. At the end of the day, I was struck by the promoter's genuineness, which was reflected in the Company's focus on sustainability and environment integrity. I was impressed by the fact that Pakka was not seeking shortcuts in its pursuit of outperforming growth; I was impressed that while most companies in its position would have focused singularly on sales or manufacturing within India, Pakka was thinking global; I was pleasantly surprised to find that the erstwhile hands-on promoter had delegated and empowered and was willing to move to another geography as deemed fit by the Board. He was keen to lead from the front in transforming the Indian company into a global one; I appreciated the fact that the Company that produced the building block (bagasse-based pulp) was now engaged in setting up an innovation-driven subsidiary to make downstream products; I double-checked and found Pakka clean on executive freedom, accountability and regulatory compliance. This explains why I agreed to chair the Board.

Q: What are the various ways in which governance is integral to the Company's existence?

A: That is a simple question to answer. There is a greater emphasis on the word 'how' at the Company as opposed to the 'what'. There is a greater respect for the means to an end, as distinct from the end. The result is that the Company is now driven more by processes, systems and protocols as distinct from arbitrary decision-making. There is greater predictability in decision-making and actions, leading to more consistent outcomes.

The second point is that at Pakka, the word stakeholder does not refer to only to shareholders; it refers to every single constituent touched or addressed by the Company – employees, vendors, customers, lenders, shareowners, communities, government and, above all, the planet. There is a focus on meeting the growing needs of all these stakeholders and only after these have been comprehensively serviced does Pakka think that a financial year has been competently handled. The result is that no Board discussion related to a stakeholder outcome is considered nominal. In turn, this has translated into policies, providing clarity and reference.

Q: How is this governance commitment lived within the Company?

A: There was this instance when the Board of Directors were divided on the issue of dividend payout. The Company had made a reasonable profit after a gap of some years and there was a proposal to reward shareholders for their patience. The Independent Directors on the Board (whose prime responsibility is to protect minority shareholder interests) argued in favour of a dividend announcement; this was opposed by the promoter (who ironically would have gained most from the dividend) on the grounds that the Company needed to conserve every rupee for reinvestment. Eventually, the Independent Directors prevailed; the dividend was announced. This healthy discussion is high in my recall.

There is a second instance related to stakeholder concern, in this case employees. After I was inducted into the Board, I took the Board to meet the workers at Pakka's factory.

The Company has announced its intention to double volumes and treble turnover across the foreseeable future. The largeness of this project is putting a premium on the right organizational structure, operating protocols and empowerment.

The job was to engage with the workers, explain where we were coming from, tell them how we saw the global environment play out and what we were focusing on at the Board. I was surprised: there was no union at the Ayodhya factory. One of the employees said: 'Why would we need a trade union if the management has been looking after our interests as it would look after a family?' No wonder, Pakka uses the word 'team member', and not 'worker' or 'employee'.

Q: How will Board practices be strengthened?

A: The principal way in which the Board can be strengthened is through a stronger Board composition. The Board will induct only those Directors who possess a holistic business understanding as opposed to being specific subject matter specialists. We also draw on complementary competencies (Basant Khaitan is an entrepreneur; Atul Gupta has been an IAS officer, whereas I have been a technocrat professional). The expertize in financial understanding has been brought in by Himanshu Kapoor, who is more than a consultant. We even have a doctor on the Board in Indroneel Banerjee who heads the CSR Committee. I am impressed that the promoter Directors on the Board are bringing specific competencies to the table, like digital marketing and education sector expertize. The competencies we need to induct into the Board (given the desired business direction), would be in the areas of digitalization, intellectual property and international markets exposure.

Q: How would you review where the Company is today and where it is headed?

A: The Company has announced its intention to double volumes and treble turnover across the foreseeable future. The scale of this project is putting a premium on the right organizational structure, operating protocols and empowerment. The fact that some of this growth may need to be generated from outside India will need more focus on dynamic risk management and digitalization (enhancing systemic predictability and uniformity). This is likely to create a need for a Risk Management Officer a few years down the road.

One of the things that the Board has proactively done is create an additional Non Statutory Strategy Committee that reports to the Board. This committee – two Board Directors, external industry experts and management executives – have been empowered to flesh out details of whatever strategic project Pakka could be working on that can then be escalated to the Board for a review. The composition of this Strategy Committee changes in response to the nature of the project being addressed. I have not seen this approach in any other company or on the other Boards where I am a Director. This tells you of the flexibility and responsibility of the Board in graduating the Company to the next orbit.

Chairman Pradeep Dhobale addressing the team along with the other Board members in a leadership workshop

CONVERSATION

“Pakka intends to grow revenues from around USD 50 million today to USD 120 million in three years and USD 1 billion in seven years.”

Ved Krishna,
Non-Executive Vice Chairman, explains the transition of Pakka across the last decade

Q: How would you explain the dramatic transition at Pakka over the last decade?

A: I believe the key has been in about finding our purpose and committing to it. We realized when we were in the financial doldrums that we did not just want to remain a ‘paper supplier’. We all have limited lifetimes and we wanted to build towards impact. We recognized that we were in the packaging sector but did not really care about how our products were being used. We were deeply affected by the state in which we as humans were treating the planet and desired to make a lasting difference. After much exploration, we decided to address three areas - food packaging, food carry and food service.

There was something else that I realized: that my strengths lay in strategy, innovation and collaboration. In view of this, I moved ahead from operations and eventually got Jagdeep Hira to assume operational control, making a huge difference. This led to me to focus on growth and Jagdeep to lead the team towards outperformance.

I am pleased to communicate that Pakka is presently engaged in transforming its DNA from a resource (bagasse pulp) provider to a customer-facing company and from a company that provided a standalone product to one engaged in delivering an environment-friendly solution. The result is that we are graduating from a river of realities to a sea of possibilities, the impact of which shall be increasingly visible from FY 2025-26 onwards.

Q: What was the first inflection point in the last few years for Pakka?

A: There have been a series of inflection points. I would say the greatest was my moving towards strategy and growth and Jagdeep leading operations, which happened around 2016. The outcome was that we recognized the vast addressable opportunity for green packaging and increasing our installed pulp capacity of 130 tonnes per day. We started working with one of the largest FMCG multinational companies in India, helping it graduate its completely plastic shampoo sachet packaging to an environment-friendlier alternative. The result of an interactive process was that we helped the giant company enhance product shelf life through nano-metallization and bio-plastic sealing in environment-friendly packaging (not though to the level of six months as in the case of plastic packaging). This accelerated us on an enriching journey where we started a Good Garbage podcast and entered into collaboration arising out of the global visibility and became the principal sponsor of the London conference on 'Rethinking Materials' That is when we recognized something that became a strong driver of where we are headed: that we were not even a drop in the ocean; a sub-drop perhaps. If we needed to play a market-influencing role, we needed a different scale, scope and visibility. The seed of a reinvented Pakka was sown.

GOOD GARBAGE PODCAST

An enriching journey where we started a Good Garbage podcast and entered into collaboration arising out of the global visibility and became the principal sponsor of the London conference on 'Rethinking Materials'

Q: What is the reinvented Pakka likely to be?

A: Pakka is completely committed towards value added compostable packaging solutions in the domains of food carry, packaging and services. We have a strong focus and commitment towards innovation and are blessed to have Dr Ramjee Subramanian lead this effort. He decided to shift from Finland because he believed in what we were working on and has begun to channelize his efforts towards a path breaking direction.

Our focus is to achieve global scale with bagasse (sugarcane residue) and create three solutions. Our idea is to maximize the potential by stretching our abilities as much as we can.

We are now a compostable flexible packaging solution in the packaging space: building end-to-end customer solutions provider through our regenerative packaging model in the food services space and working towards novel mineral-based materials in the food carry space.

Our innovations continue to explore alternative fibres and bio-materials for the next phase of our growth. The team and collaborators work towards ideas that may get visible in the next 5-10 years as well.

The result is that the Company will manufacture more pulp, the base building block. A large (or possibly all) proportion of this pulp will be converted into paper, which is our existing product. Some pulp will be transformed into flexible packaging and compostable tableware (moulded fibres).

The result is that the Pakka of the future (starting FY 2025-26) will be larger, market-facing and synergically diversified; this means that the average realization from a tonne of the end product could be considerably higher than what we would have

Our installed capacities, FY 2022-23

130 TPD of pulp

39100 TPA of paper

14

percent of the world's plastic packaging that is recycled

40+

percent of the world's packaging that is landfilled

Pakka is presently engaged in transforming its DNA from a resource (bagasse pulp) provider to a customer-facing company and from a company that provided a standalone product to one engaged in delivering an environment-friendly solution.

realized from the sale of pulp; besides, the proportion of revenue derived from the sale of value-added products will increase (as pulp is increasingly used within) and revenues from non-paper end products increase as a proportion of the revenue mix.

Q: What markets does the Company intend to enter?

A: We will cater to the South Asian and Middle Eastern market by building capacity in India and have begun work through our subsidiary Pakka Inc. to establish operations in North America by building one of the largest compostable packaging capacities in the world (in Guatemala). We will continue to explore other cane-rich sites for expansion and collaboration possibilities.

There are two products on the Company's horizon.

One, butter paper and grease-proof paper, which are increasingly used in food products and account for their hygiene and compliance with world-class food packaging standards. The irony is that India is one of the fastest growing food markets in the world and yet, much of the grease-proof paper consumed in the country is imported. The time has come for supply chains to reorganize; a larger number of downstream customers would want to source material from shorter distances (preferably within India), creating a ready market for our Company. Best of all, there is a premium on being able to customize greaseproof paper down to the specific needs of customers.

Two, the Company will increase the production of compostable bagasse tableware, a business with an unthinkably vast addressable market. This business will also empower us to maximize the value-addition generated from our building block (pulp). These transitions will graduate us from commodity segments to unique value-added niches enjoying ready markets within India, Middle East and Europe. This enunciated plan is in line with the Company's targeted revenue growth from around USD 50 million today to USD 120 million in three years and USD 1 billion in seven years.

Q: This sounds like a big, hairy audacious goal (BHAG). How is it likely to be achieved?

A: Pakka is working on creating the foundation of the next round of its growth, marked by scale, scalability and value addition. The Company will graduate from an Indian manufacturing location to dispersed global locations that are rich in bagasse availability. To these regions, we will bring our established bagasse manufacture and downstream conversion competence (developed across the decades). The complement of regional resource availability and our long-standing skills is expected to enhance value for the Company in line with its stated goal of making a disproportionate impact.

What gives us confidence is that we will be doing what we know: a deeper understanding of the raw material and diverse applications, and the fact that we are already selling our customized paper across developed markets. The Company recognizes that the world does not just need pulp at scale; it will need increasingly sophisticated product development competencies as well. At Pakka, we have drawn professionals from the world's largest compostable packaging innovation laboratory in Finland; we are building one the largest such labs in this part of the world. The team will leverage the power of biomimicry to create new formulations; it will make an extensive use of waste fibre – sea waste being the largest source - to create compostable packaging.

Q: How will you explain the opportunity?

A: Since bagasse is the by-product of cane crushing, it is natural, recyclable and – most importantly – compostable (if the packaging made from our product is interred in the ground, it will degrade, enhancing soil quality). To provide a larger picture: if all the packaging in the world were compostable, oceans and seas would be cleaner, there would be no plastic litter on snow-clad mountains, urban drains would be clearer and soil fertility higher. The food packaging market is estimated at USD 660 billion by 2030, which is the potential size of our total addressable market if you believe that current packaging substrates need to be replaced with bio-materials.

In a country like India, the packaging market has been estimated at USD 373 billion and growing by the day, which provides companies like ours with a multi-decade growth runway.

Q: You stepped down from an executive role into the position of Non-Executive Vice Chairman, which is unusual for a promoter. What is your present role within the Company?

A: The role segregation has been smooth, facilitated by a geographical distance between where I stay (Portland on the west coast of USA) and Ayodhya (our manufacturing and administrative hub). There is clear role segregation between the subject matter heads within our Company and myself, related to numerical and qualitative accountability. The senior management is aware of what it needs to deliver from the perspective of holistic stakeholder value - the bedrock of governance – and is accountable to the Board on a quarter-wise basis.

While my geographic distance may appear to be a drawback, it is in fact an advantage, accelerating the transition of our Company from promoter-driven to professional-managed. The shadow of the promoter does not hover over Pakka's professionals; there is no room for confusing crosstalk; lines of responsibility and reporting are clear. The result of this segregation has also enhanced the role of systems-driven decision-making. I am always available to the team electronically (via email, WhatsApp or call) after adjusting for time zones. This segregation has catalysed the organizational spirit; I have evolved my role from the hands-on to strategic interventions that will help the Company graduate from the national to the global.

What is likely to catalyze the Pakka growth story

Pakka is likely to emerge larger and more competitive in two years

The Company is creating a roadmap to commission global manufacturing locations

The Company generated 24 percent of revenues in FY 2022-23 from exports, higher than the industry average

The Company will invest 5 percent of its revenues in an innovative research laboratory

The Company has created a multi-functional team of subject matter experts

The Company possesses a secure Balance Sheet, marked by virtually no long-term debt

CONVERSATION

"We are at the cusp of a pulp and paper company personality transforming into a packaging solutions enterprise"

Ved Krishna,
Non-Executive Vice Chairman, highlights the direction in which Pakka is headed

Q: Why did the INR 575 crores expansion become necessary? Could the Company have announced a smaller expansion?

A: We are on a mission to disproportionately transform. There is no time to rest on our laurels. We created breakthroughs in compostable flexible packaging substrates and it is time to take the leap of faith to commercialize our offerings. We are fortunate that we can still carry out an expansion on our current site through a brownfield project instead of greenfield. The proposed scale is actually the minimum that we could have gone for considering market demand. We will be shoring up the site through this expansion and maximising our potential.

The expansion was necessary given the fact that the Company had already reached around 94 percent capacity utilization during the year under review. We could have sat on cash but since that corpus would have generated a far lower capital efficiency than if we had invested in our business, there was a need to reinvest in manufacturing capacities.

Now comes the question of scale. This was debated internally - whether we should address the expansion incrementally or make the big leap. Finally, the selection came down to the question of what we are (as an organization) and what we seek to become. We collectively agreed that we are in existence not just to make environment-friendly paper; we are here to leave the world cleaner. By merely manufacturing bagasse-based paper was one way of making the world relatively clean; however, we recognized that what our world needed most critically was compostable packaging. There are thousands of flexible packaging consumers in India who seek to make a switch to an environment-friendly packaging option. However, there is no compostable packaging manufacturer in the world's most populous country or the world's fastest-growing major economy. The result is we could have selected the status quo or we could have graduated to a larger orbit. We decided on the latter.

Q: What will the expansion entail?

A: The expansion is principally about entering the world of flexible packaging – the manufacture of wrappers generally used to package biscuits, chocolates, shampoos and a large number of FMCG products. Let me give you an idea of the size of this market: it is estimated that the size of the single-use plastic market the world over is 5 billion tonnes; even if one assumes that the quantum used in the manufacture of food packaging is 50 percent and the kind of capacity that we are proposing is 250,000 TPA, it would mean that we will be – even after an expansion that some may describe as 'sizable' – a speck in the ocean. The time has come for a number of post-expansion Pakkas to initiate a global compostable packaging revolution. There is no one in South Asia providing compostable packaging. This machine shall be one of its kind with best-in-class technology. The Company will be the first in India to produce greaseproof paper (butter paper) with integrated resources (bagasse pulp). There is only one company in India that makes this kind of paper and it depends on the Company's pulp. The machine shall be able to produce surface-sized paper as base paper for flexible food grade packaging.

Q: Could the Company have gone in for a smaller expansion?

A: Yes, but that would have warranted compromises. For instance, if we had selected to use some of our existing capacity for flexible packaging, the Company could have moderated its project cost; for the manufacture of flexible packaging one needs a slightly different kind of machine (the 'kitchen' in our parlance). The result is that the management felt that it would respond to the largest market opportunity in its existence with no compromise. The new machine (PM4) would take short bagasse fibres and make customized flexible packaging, playing to its strengths. The result is that the Company's infrastructure will be positioned as the 10 best across the globe for the grades to be manufactured.

Q: What gives you the optimism that the Company's projected aggregate 250,000 TPA production capacity will be adequately utilized?

A: The way we see the movement from FMCG companies for a shift towards more sustainable alternatives, this capacity may actually be a drop in the ocean. The size of the opportunity in the food packaging segment is unprecedented; we just have to get our act together, focus and deliver.

In fact, there is a possibility that we may run short of this capacity soon after commissioning. My optimism is based on a simple understanding: a few years ago, we began to work with a prominent multinational FMCG company based in India to develop a compostable shampoo sachet, replacing the petroleum-based alternative. The project was challenging: one needed to balance the needs of moderated chemical reactivity, lower

We are increasing our pulp processing capability by 40 tonnes per day to 170 TPD; we are enhancing our paper-making capacity by 30,000 TPA to 70,000 TPA and we will have around 35,000 TPA of flexible packaging capacity.

oxidation, enhanced vapour resistance and responsible costing. When we finished, the multinational was happy with the outcome and indicated a starting quantum that will be 50 percent of the flexible packaging capacity that we are starting out with. My understanding is that should an experiment like this succeed, we are sitting on an unprecedented once-in- a-lifetime opportunity where a large number of large companies – I must emphasize the word 'large' used in two places – will need to make an immediate switch. My fear is not that we may not be able to achieve our desired capacity utilization; my fear is that even as we have gone in for an unprecedented expansion based on our existing size, we may have under-shot the opportunity.

Q: What will be distinctive about the flexible packaging unit?

A: The 100 TPA coating machine shall comprise the following features: the coating machine shall possess the facility to produce flexible paper; this will serve as an alternative to plastic packaging for food applications. This flexible paper shall have oil and grease barrier properties. The oxygen and water barrier properties shall be enhanced through the coating route. What makes the scenario interesting is that this technology is still under development across the world and our Company could be among the first to take the lead. We continue to work towards finding better barriers and this differentiates us significantly from 'paper' manufacturers.

Q: Will compostable flexible packaging be economically viable?

A: At the moment, we are engaged in a neck-to-neck endeavour to match the prevailing petroleum-based costs. I must communicate that the cost of manufacturing compostable flexible packaging is slightly higher than the conventional alternative but as we increase capacity and make innovation-driven changes in processes and materials, we expect to become competitive. The day that transpires, we believe that cross-over will be so sharp that there will be a premium on expanding our capacity yet again - in next to no time. At Pakka, we are attractively placed to enhance our competitiveness from day one. We are integrated from bagasse upwards: to the manufacture of pulp and thereafter to paper. During the forthcoming expansion, we are increasing our pulp processing capability by 40 tonnes per day to 170 TPD; we are enhancing our papermaking capacity by 30,000 TPA to 70,000 TPA and we will have around 35,000 TPA of flexible packaging capacity (assuming that all our incremental paper is consumed within to make flexible packaging, reducing our market risk for the former and addressing the demand for a product with a virgin market).

Q: Will the expansion prove profitable?

A: Yes, and the two reasons that come to mind are that we will be building our flexible packaging solutions from bagasse upwards, among the widest value chains available among compostable flexible packaging companies the world over. We possess a rich 'kitchen' experience that will make it possible to adapt products from the base upwards for customers. Besides, if we sell bagasse-based paper today we address realizations of around USD 1000 a tonne but if we manufacture bagasse-based flexible packaging, the starting realization pay would be around USD 3000 a tonne. The delta available to us, combined with our installed capacity, should translate into an adequate re-investable surplus that kickstarts growth that is profitable and sustainable. There are two other points to be considered here. By the virtue of possessing a larger pool of bagasse pulp following our expansion, we will be empowered to accelerate the rollout of tableware manufacturing arrangements with private companies where we provide them with resource material; we will also utilize the inert calcium carbonate (presently landfilled) that is blended with bioplastics to make mineral-based biofilm. The result of these initiatives is that packaging solutions accounted for around 15 percent of our revenues during the last year but in a few years, on a doubled corporate turnover, they should account for around half our revenues.

We are therefore at the cusp of a pulp and paper company personality transforming into a packaging solutions enterprise.

Pakka's compostable tableware facility at the plant in Ayodhya

CONVERSATION

"We reported a landmark second half in FY 2022-23 from a manufacturing perspective, which should translate into an improved FY 2023-24"

130 TPD of pulp Capacity

39100 TPA of paper

Jagdeep Hira, Business Head - Pulp and Paper, at Pakka

Communicates how the last financial year was a landmark from a manufacturing perspective

Q: What is the big message that you wish to communicate?

A: The big message is that the last financial year proved to be a landmark from a manufacturing perspective. This was on account of an across-the-board improvement in operating parameters: the consistency of our quality benchmarks was now visible, there was a marked improvement in our operating efficiency (yield) and the Company successfully delivered new products by the later part of the last financial year. The fact that all three realities converged around the same time indicates that we have entered a new phase of manufacturing outperformance.

Q: What was the reason for this extensive improvement?

A: During the last financial year, the Company embarked on selective capital expenditure. This spending was deadlines and localized; all the components of our spending delivered attractive returns, which began to be manifested from the second half of the last financial year. Let me explain how the improvements were manifested. Following increased instrumentation investment, the quality of bagasse pulp improved and is widely recognized as the best in India. In the manufacture of paper, grammage and moisture variations across different batches of the same product declined nearly 80 percent; there was a sharp reduction in quality issues at the customer's end from the second half of the last year. The Company carried out capacity debottlenecking across three paper machines. The result is that PM1 reported a 400-bps improvement in capacity utilization, PM2 climbed to 110 percent capacity utilization by the end of the last financial year and there was a 10 percent improvement in PM3 output. What is creditable is that the improvements were not intermittent; there was a month-on-month improvement following the debottlenecking, which translated into a yield increase and per unit decline in manufacturing cost. The Company engaged in the development of new paper grades for the global market. These delivered a combination of volumes and superior net sale realization. The Company reported a 5 percent volume export growth from previous year. By offering a wider product range and enhanced backend flexibility, the Company was able to respond more effectively to changes in global markets. All these factors translated into enhanced stability: the shop floor moved from a culture of fire-fighting to streamlined stability; tactical responsiveness began to make way for strategic vision-setting.

Q: How did the Company perform in the manufacture of compostable tableware?

A: This has been one area of the business that has underperformed in the last few years. The capacity utilization of this business touched a low of around 20 percent some years ago due to technical glitches. These glitches are only now appearing to resolve; capacity utilization improved to 52 percent in FY 2022-23 and is expected to improve to more than 65 percent in the current financial year. At a time when the market for compostable bagasse tableware is growing rapidly, every increased tonne will reinforce the Company's profitability.

Q: What was the other manufacturing development likely to have a positive impact on the Company's financials?

A: The Company completed bio-methanation towards the end of the last financial year. This process will empower the Company to generate methane out of waste water, which is being used as boiler fuel. The two immediate positive outcomes: the organic discharge declined to near zero and whatever was available was used in the manufacture of egg trays; the discharge water quality improved.

Q: How does the Company intend to strengthen its manufacturing effectiveness?

A: The Company will continue to invest in new automated technologies with the objective to enhance maintenance reliability. The Company will accelerate new product development with the objective to strengthen exports. Besides, the Company will launch a kaizen initiative with a challenging target: moderate energy consumption by 20 percent, enhance productivity by 10 percent and move to value-added paper varieties that virtually eliminate the need to sell pulp.

Q: What is the manufacturing outlook for the current financial year?

A: At Pakka, we recognize that the capacity utilization headroom is limited with the Company having achieved an average 4 percent during the last financial year. Based on the improvements reported during the second half of the last financial year, the Company expects capacity utilization to improve by 300-400 bps this year; a large proportion of this increment will be allocated to value-added products, strengthening our overall profitability. Besides, we are optimistic that at this enhanced utilization, we should report superiors economies that translate into lower per unit costs of resources and consumables, strengthening our overall profitability.

Case study

Superior pulp mill performance in FY 2022-23

At Pakka, the pulp mill delivered a stellar performance in 2022-23, creating benchmarks in the 42 years of existence. The pulp mill delivered its highest daily, monthly and annual production during the year under review; the consumption of cooking chemicals, power, steam and water per end product unit declined to a low; product quality improved, validated by various measures and parameters; the mill made a 100 percent utilization of Knotter and Centricleaner rejects while delivering a significant reduction in Knotter rejects and wash aid consumption arising out of focused projects. Through a complement of process optimization, operational excellence and sustained improvement, the pulp mill has created a foundation on which it expects to build sustainable improvement going ahead.

CONVERSATION

"Pakka is attractively placed to fund and execute its capital expansion"

An analysis by **Himanshu Kapoor,** Non-Executive Director

Q: The Company is proposing an expansion of more than INR 500 crores when its turnover is less than this. What could be the rationale for this disproportionate investment?

A: It would be important to recognize that such an opportunity comes rarely – when we possess a predictably adequate cash flow based on the order book outlook at the moment and an inflection point in the world's preference for compostable material.

We have often been asked in the last few months: 'Why does the Company intend to make such an outsized investment?' There are a few ways to answer: one, we are already cash-rich and to remain this way would be to miss the large sectorial opportunity that comes but rarely; we recognize that we are in business to enhance stakeholder value, which will be under-achieved if we sit on cash or return cash to shareholders; if we don't make disproportionate investments in one go we would be in the danger of yielding market share; there is a critical mass of investment (in supporting infrastructure and shared facilities) that would need to be made irrespective of the scale of pulp capacity expansion; by investing upfront we would be hedging inflation that would make it possible for us to expand quicker and cheaper in subsequent expansions. Also, it is important to sweat all the assets to their full potential; by putting up this investment the asset at Ayodhya site would be completely sweated. In view of this, it would be important to communicate that while making a disproportionate investment is not a compulsion, it is a more prudent way of securing the business model.

Q: Shareholders are concerned whether the Company will achieve financial closure for this sizable expansion?

A: The management is confident of achieving financial closure for good reasons. The Company has been rated consistently at BBB, which indicates stability in performance and perception. The Company has a long-term debt of INR 20 crores, coupled with a net worth of INR 213.48 crores (as on

31st March, 2023), which provides it with extensive borrowing room without stretching the Balance Sheet. The Company's ongoing business is liquid, profitable and geographically broad-based. There will be a growing appetite for agro-based pulp in a world increasingly concerned about plastic use. This provides not just a favourable contextual background but also a positive business model to capitalize deeper on. In view of this, the Company is optimistic of achieving financial closure where all capital providers – equity or debt – are convinced that the expansion will be value-accretive.

The Company will launch a kaizen initiative with a challenging target: moderate energy consumption by 20 percent, enhance productivity by 10 percent and move to value-added paper varieties that virtually eliminate the need to sell pulp.

Q: What are the challenges and how will the Company seek to counter them?

A: The two challenges are the relatively large quantum of funds needed and the high-interest rate cycle during which the funds will be mobilized. The counter to these risks is that the long-term debt component of INR 375 crores and our net worth after two years would give us a reasonable peak debt-equity ratio that could then be drawn down as soon as the expanded project begins to generate surpluses (which we hope should happen from FY 2025-26 onwards). Should the Company select to infuse net worth, then the gearing could improve and debt mobilization correspondingly moderate. However, what I need to communicate is that even at peak gearing, the project would be viable based on the profitability of the last financial year after suitable discounting.

Q: What provides you with the optimism that the project will enhance the Company's competitiveness?

A: There are good reasons why the proposed expansion is a project whose time has come. For the last few decades, we have been engaged in the manufacture of the base raw material (bagasse/rice husk-based pulp); the time has come to broad-base this capacity – to service existing customers and also convert much of that pulp into downstream paper (glassine, non-grease and butter) and then some of that paper into flexible packaging; concurrently, some of the expanded pulp will also be used to make moulded fibres. The result is that we are broad-basing the base of the pyramid and creating a multi-layered apex above. We believe that by servicing the base and the value-added needs of our customers, we will be strengthening our existing operations (giving some of our customers the confidence to expand their capacities) and also entering adjacent spaces. The integration of concurrent expansions is expected to be transformative. We will be positioned to expand existing margins on account

Our governance features

- The promoter is the non-executive Vice Chairman
- The Board comprises four focused Committees
- The Company has been recognized as a Great Place to Work
- The Company has been rated as one of the most compliant across pollution parameters
- The Company has been cleared in customer audits for its People-Planet-Profit positioning
- The Company made extensive provisions as per IND-AS, enhancing accounting credibility
- The Company's moulded fibres brand has been inspected and cleared by USFDA

of superior economies and build completely new margins in new value-added spaces. In view of this, I would not term the proposed project as an 'expansion' but a 'synergic reinvention'.

Q: How will the Company secure its supply chain and product offtake?

A: The Company is located in a cane-rich part of Uttar Pradesh that generates a large quantum of bagasse, our principal raw material. In the last few years, the Uttar Pradesh State government modified the co-generated power purchase agreements for all sugar companies. The result is that power co-generation is no longer as remunerative as in the past. The more bagasse that is being generated out of increased crushing is now being sold to downstream users like us, who manufacture pulp to feed the growing appetite for environment-friendly paper.

There is a second factor that is expected to catalyze bagasse availability; virtually every sugar company (encouraged by the National Biofuel Policy 2018) is engaged in aggressive cane development. The more the cane coverage of command areas, the larger the indirect generation of bagasse. In view of this, we do not see any decline in bagasse availability, which secures our expanded appetite. However, we have secured our needs through a back-to-back procurement arrangement with one of the largest sugar companies in Uttar Pradesh for three years from within a radius of 100 kms.

On the downstream side, we are addressing the full blast of the Indian consumption story. At the moment, the downstream paper varieties we are intending to enter (glassine, butter paper and grease-proof paper) are being imported. As India's consumption of these paper varieties increases, there will be a focus on moving to national suppliers who can provide a lower carbon footprint. When this transpires – we expect sooner than later – there will be a premium on compostable pulp, where a company like ours will become integral to branded supply chains.

Q: What are some of the realities that stakeholders need to keep in mind when appraising this expansion project?

A: We possess an extensively under-borrowed Balance Sheet; for our core product (pulp) our receivables cycle was just about 15 days and for moulded fibers around 40 days; we have segregated promoter and professional roles within the Company and the team is capable of completing the project as per schedule. We believe that this complement provides us with an excellent foundation on which to build in a sustainably profitable way across the foreseeable future.

104
percent, plant utilization, FY 2021-22

108
percent, plant utilization, FY 2022-23

99.4
percent pulp output, FY 2021-22

103
percent, pulp output, FY 2022-23

100.10
percent, Paper output, FY 2021-22

101.70
percent, Paper output, FY 2022-23

CONVERSATION

"Pakka is placed in an attractive Balance Sheet position to graduate to the next orbit in a securely sustainable manner"

This is the perspective of **Neetika Suryawanshi, Chief Financial Officer**

Q: Were you pleased with the performance of the Company during the last financial year?

A: Yes, I was pleased with the performance of the Company in FY 2022-23. The answer is evident in the numbers: the Company grew revenues 40.26 percent and EBITDA 28.39 percent over the previous financial year, indicating that the growth had been profitable. During the first three quarters of FY 2022-23, this improvement was sustained each quarter in revenues, margins and EBITDA,
making it a landmark year. The record year was built around a 6 percent growth in sales volume by tonnage a volume cum value impact.

Q: What were some of the operational and financial reasons that translated into the record performance?

A: Let us start with the manufacturing perspective. The Company generated 103 percent capacity utilization of its pulp manufacturing capacity (99.4 percent in the previous year). The incremental output generated incremental revenues and increment EBITDA.

The Company also balanced some of its manufacturing capacities to enhance output; the full impact of this will be visible during the current financial year. This indicates the large role of manufacturing discipline in our financials, which was validated yet again during the last financial year.

Q: What is the other dimension of the business that enhanced the Company's profitability?

A: The one point that I would like to bring to the reader's

During the last few years, the proportion of working capital outlay derived from our earnings has increased, making it possible to moderate our interest outflow on short-term borrowings.

attention is the Company's EBITDA margin – 23 percent during the year under review. The attractive margin was the result of the following factors: a high-capacity utilization cum operating efficiency, strong pulp demand cum attractive realizations, ability to customize the pulp leading to strong customer retention, managing our logistics costs with majority of the raw materials being aggregated from within 200 kms and servicing almost 100 percent of our energy needs from within. The Company traded some moulded resource material (cutlery). The Company increased exports 5 percent in quantum terms in FY 2022-23; This resulted in exports to account for 27% of total revenues in FY 2022-23, which is rare for a pulp company. The combination of these factors translated into one of the highest EBITDA margins reported by the Company in years.

Q: What provides you with medium-term optimism?

A: I will not go into the subject of product demand and realizations because that is the outcome of factors outside the Company's control. We believe that this will initiate a virtuous cycle: the surplus from the incremental capacity will not be needed to service debt but can be reinvested. Over time, the flywheel impact will become evident, strengthening the sequence of surpluses and reinvestments, enhancing our profitability.

Q: How is the Company placed with respect to its credit rating?

A: The Company maintained its BBB credit rating until the close of the last financial year. We consider this to be a validation of our competitiveness through one of the more volatile markets (pandemic included). What is creditable is that CARE, a premier rating agency, maintained this rating after appraising the expansion project. This indicates the confidence of the rating agency in our business model, expansion plan and project execution capability. This credit rating should empower us to mobilize relatively affordable debt (short-term and long-term) in a rising interest rate environment.

Q: What are your key result areas for the current financial year?

A: There will be a premium on managing the ongoing nature of the business on the one hand and address the deadline capital expansion needs of the Company on the other. The latter will warrant a phased drawal from lending institutions and onward disbursement for capital equipment, among other things. The Company will seek to leverage the power of its Balance Sheet to mobilize at a lower cost of capital expansion and working capital funds. There will be a need to monitor the resource environment (especially rice husk) to buy large and at a low cost.

Q: What is your overall summary of the finance function of the Company?

A: The Company is attractively placed to build around a robust Balance Sheet. At the close of the year under review, the quantum of long-term debt on the Company's books was negligible, indicating that it was virtually debt-free. The Company's interest cover was strong, indicating an extensive comfort in meeting lender obligations. On the other hand, we possessed INR 213.48 crores in net worth as on 31st March, 2023. We believe that these fundamentals will empower us to borrow affordably and adequately for our capital expansion without stretching the Balance Sheet and without compromising the prospective earnings capacity of the Company. This has placed the Company in an attractive Balance Sheet position to graduate to the next orbit in a securely sustainable manner.

What profit we generated

93.89
INR crores, cash profit earned by Pakka, FY 2022-23

CFO Neetika Suryawanshi gives a vote of thanks at Pakka's bell ringing ceremony at NSE

CONVERSATION

"I intend drawing on rich wisdom and using it in my engagements at Pakka"

Dr Prasad Kaipa,
Coach and Mentor to the Promoter and Non-Executive Vice Chairman

Q: What could be the need for a professional of your background in an organization like Pakka?

A: Promoters today find themselves in need of executive coaching to achieve larger goals. In cricket, players often lose their effectiveness when put in authority positions, only to rediscover it when the status quo is restored. The distinction between visionary roles and active engagement leads to a win-win situation for the visionary and all players. This principle applies to Pakka: the vision lies with Ved Krishna, and leaving him to it will prove transformative; the passion is the Company's culture; the action lies with Jagdeep Hira. My role? Depends on what they need – to be a sounding board, sacred mirror, and listener, acting as coach, mentor, business advisor, and consigliere, a catalyst though not an employee – based on the context.

Q: You are based in San Francisco. Do you see that as a hindrance?

A: Not a hindrance, considering the Non-Executive Vice Chairman is also in the USA. Though lacking a granular ground-level perspective in Ayodhya, I have a 30,000-feet view of the Company's strategic direction. My role isn't making ground-level changes but helping the promoter translate his vision through the CEO. The importance of presenting a large vision to stakeholders for buy-in, ensuring a seamless execution of that vision, and monitoring outcomes is critical. Especially with the Company embarking on an expansion of more than INR 500 crores, where preventing delays is crucial... that's where I come in.

Q: How is your role different from that of other coaches and mentors?

A: A good question. While I use western frameworks and brain models, I primarily draw upon Indic wisdom, an inclusive and holistic approach with roots in diverse cultures. I believe the Indic legacy, with its ability to absorb and enrich, is more profound than most. I plan to use this rich wisdom in my work at Pakka. The Company's history and readiness to leap across the world in products and presence provide a platform. As a professional, I will ensure this leap is confident, calibrated, and enriching to India and the world.

While I use western frameworks and brain models, I primarily draw upon Indic wisdom, an inclusive and holistic approach with roots in diverse cultures.


Dr. Prasad Kaipa shares a lighter moment with members of the R&D team at Pakka's office in Bengaluru

CHUK

CONVERSATION

"Our compostables business is positioned to double revenues every year for the next few years"

Satish Chamy Velumani,
Business head of the compostables division, explains why Pakka's compostable bagasse tableware business is at the cusp of an outsized opportunity

Q: What makes you optimistic of the compostable bagasse tableware business?

A: The reasons are staring at us in the face, so to speak. There is a growing backlash against the use of plastic in our everyday lives; much of it is consumed and left to be landfilled (endangering soil fertility for generations). In fact, plastic packaging is virtually everywhere with some cities eliminating that critical intermediary – the rag picker – whose job was to segregate and earn a living. There is also an absence of legislation in some countries, helping single-use plastic proliferate; where there is legislation there is no effective execution of the policy, with just about every responsible entity looking the other way in the face of rampant single-use plastic consumption.

Q: So where is hope?

A: The hope is coming from various areas. There is a wider awareness – among the youth and children especially – that for a better world, plastic packaging needs to be compostable or recyclable. Prominent food brands are leading the way with an increased use of compostable packaging, which increases their billable amount but enhances their overall responsibility. These brands are shifting on account of an enumeration of their carbon footprint, which needs to be periodically reported to their stakeholders. The result is that prominent food brands are creating traction for compostable packaging. These brands will create traction for compostable packaging that will soon extend to caterers and then to individuals in their everyday decisions. Besides, some companies are signing global pledges to become free of single-use plastic, widening the market for compostables. The result is a secular movement towards responsible packaging and there is no question that this movement can only accelerate.

Q: Where do the challenges lie?

A: The one challenge I can

indicate immediately is that the cost of petrochemical-based packaging enjoys large economies of scale and will always be cheaper – by a third as a quick estimate - than agro-based packaging. There are two points here: the overall cost of the compostable packaging, despite being relatively expensive, would still account for a nominal share of the overall meal being ordered. I must emphasize the point: the cost of compostable packaging will not skew the cost-benefit proposition or make the overall delivered solution uncompetitive; besides, for compostable packaging to gain traction, governments and societies will have to bear a part of the burden in incentivizing companies like ours to build larger capacities, enhance economies of scale and ensure that much of that benefit translates into enhanced value for our customers (I must add that this is not an unusual suggestion and is happening with distilleries increasingly empowered to manufacture ethanol for onward blending with automotive fuel and reduce emissions).

India is attractively placed to play a global role in the area of compostable tableware solutions and all we need is a favourable long-term policy. What is happening in the area of increased ethanol investment is likely to happen with compostable packaging as well.

Q: How is bagasse placed to capitalize?

A: There is perhaps no natural material better than bagasse when it comes to the manufacture of compostable tableware. Trees take long to grow to maturity before they can be harvested (seven to ten years), for which acres need to be cleared, making it a resource-intensive process. Sugarcane, on the other hand, can be harvested annually, making it a rapidly renewable resource. Unlike plastic or polystyrene products, PFAS-free bagasse products are commercially and home-compostable. Under composting conditions, bagasse will break down into a nutrient-rich compost that can be used as fertilizer and soil conditioner.

India is the world's second-largest sugar producer (and hence, the second largest bagasse producer). India is well placed to play a global role in the area of compostable tableware solutions and all we need is a favourable long-term policy. What is happening in the area of increased ethanol investment is likely to happen with compostable packaging as well.

Q: How is Pakka attractively placed to capitalize?

A: The Company is the largest organized and listed brand in the area of compostable bagasse tableware in India. The Company is the only Indian company in its space with captive access to the bagasse-based pulp, ensuring

a longer value chain and the ability to customize pulp character or chemistry in response to downstream preference changes.

There are some other positive attributes that we have built: our brand is national; the brown colour of our cutlery sends out a message of naturalness; the shape of our compostable tableware is proving to be a differentiator in a me-too marketplace; we are bringing to this largely unorganized space the advantage of quality consistency; our products are distributed pan-India through 18 distributors.

Q: What did the business achieve during the last financial year and what does it seek to achieve during the current financial year?

A: The brand has emerged larger than our immediate capacity to service (which is being corrected with speed). And yet, during the last financial year, the Company doubled revenues over the previous financial year. The Company successfully explored its first outsourcing arrangement (where we provided the pulp in exchange for the end product as per CHUK quality standards) that moderated our dependence on our proprietary compostable tableware manufacturing capacity. During the last year, the Company also launched a food delivery (container with a lid) product, a trend that is likely to grow. During the current year, we expect to double revenues once again (a trend we expect to sustain for the next few years, making ours the fastest-growing business within the Company). This growth will be sustained through arrangements with more moulded fibre product converters, an asset-light way of growing our business. We also intend to commission two greenfield plants to service a total addressable Indian market of 2000 tonnes per day. Given this reality, the priority is to go out and evangelize; even if we succeed in carving away a small share of the total addressable market, it would keep us growing sustainably into the medium term. The business could have done better from a throughput perspective.

Q: How else does the Company intend to grow this business?

A: The priority of the day is to break into organized supply chains of prominent food delivery companies. The moment we do that, we will generate mutual value – respect for compostable compliance for our institutional customers and growing volumes for our business. We will need to showcase a sustainable partnership during the current financial year, where we come in as a green packaging partner that focuses completely on re-configuring the food container as per needs while the partner continues to strengthen logistical economies (one prominent Indian food delivery company plants trees as an offset of the plastic and fuel it consumes, so what we are offering is a win-win proposition).

Then comes the power of effective evangelization. We will not just manufacture and put products in the marketplace; we will engage in responsible advocacy with the government, we will collaborate with food brands; we will educate consumers. The day is not far off when food delivery brands will be rated for their environmental friendliness. When this transpires, our products will empower them to moderate their carbon footprint and earn carbon credits.

179
percent revenue in tableware as compared to FY 2021-22.

What trade partners have to say about CHUK

"I am the sole CHUK distributor in Jaipur. What makes CHUK unique is its colour (brown); the product quality is superior; the product uses oil-proofing chemicals that enhances rigidity (without sogginess). The wide CHUK range addresses the needs of quick service restaurants and caterers and the remarkable thing is that even though it is priced slightly higher, there is a demand pull on account of superior quality. Achche quality ki pehchaan hai, saab!"

Tushar Arora,
Greenage, Dealer, Jaipur

"What makes CHUK distinctive is that it is an organized brand in an unorganized business – systems, processes, manufacturing edge and compostable packaging. CHUK demand is more than supply and its three-compartment plate is the highest selling with virtually no idle stock. Today, if you go to any retail outlet or reseller and ask for quality compostable tableware, you will inevitably be given CHUK."

Hashveen Bedi
Sattvie Ecocare, Mumbai

"CHUK is ethical, straightforward and transparent. The tableware voice is vast. The product quality is superior. When a customer seeks an environment-friendly product, CHUK is the brand of first recall. Its brown colour has proved to be a winner!"

Goutam Surana,
ECO65, Bengaluru

What customers have to say about CHUK

"We partnered Chuk for years and its consistent product quality, team support and eco-friendly products range helped take our customers ahead."

Sourabh Jain
Director SCM, ChaiPoint

"We evaluated Chuk's product line and recognized the considerable potential within Australia, marked by distinctive attributes of shape, quality and design."

Deepanshu Bali,
Owner, Oppochoice LLP Australia

"Chuk streamlined our processes, marked by water conservation by 50 percent. Chuk's commitment to environmental stewardship has had a positive impact."

Saurabh Bapna
Owner, Tapri

The Indian market for compostable tableware is expected to grow rapidly

161.37
USD million, market for disposable tableware from sugarcane bagasse

359.84
USD million, market for disposable tableware from sugarcane bagasse, 2030

9.45
percent CAGR of disposable tableware market from sugarcane bagasse in India, 2022 to 2030.

CHUK is one of the brand successes of the last few years

- The only pulp-2 product brand in the world
- Respected for quality, consistency and reliable supply
- Modular design makes messy tableware options history
- Represents good garbage and a cleaner planet
- Makes food looks better
- Oven-able, freezable and microwavable
- Light, made of natural fibers and free of harmful toxins.

CHUK will build on strengths in its tableware business

- The business addresses about 4000 quick service restaurants in India
- Home delivery is rapidly growing the size of the compostable bagasse tableware market
- The Company's brand CHUK has emerged as a market leader
- The Company possesses a unique advantage in captive pulp availability
- The Company is catalyzing the asset-light business

The global market for compostable tableware is expected to become bigger

0.9
USD billion, market for biodegradable tableware, 2022

1.39
USD billion, estimated market for biodegradable tableware, 2030

6.45
percent CAGR of biodegradable disposable tableware market from 2023 to 2030

The biggest change in the next few years will come from how we package food

Pakka is poised to capitalize on the transition

The big picture: Why more people will prefer compostable disposables

Made from natural materials: CHUK tableware is made from agricultural waste like sugarcane pulp and is microwaveable, ovenable and freezable.

No-toxic chemicals: Unlike single-use plastic disposables, biodegradable or compostable disposables do not leave any harmful chemicals or toxins behind.

Breaks down easily: Biodegradable and compostable tableware products can break down or compost easily. After the entire composting process, it even keeps the fertility of the soil alive.

No cleaning: Eco-friendly tableware disposables do not require any cleaning as compared to other tableware. This eliminates the hard work and effort that goes into washing and cleaning the dishes.

Party Caddy - a new product with plates, spoons and tissues, launched in FY 2022-23 and received positive reviews

CONVERSATION

"The Company intends to invest about 5 percent of its topline in research & development across the foreseeable future."

Dr Ramji Subramanian, Business Head of Pakka Impact, explains how innovation will take the Company ahead

Q: What is the vision of innovation at Pakka?

A: Our vision in a sentence: 'Create materials at scale for regenerative packaging and impact.' Each word has been selected carefully. The word 'create' refers to a capacity to build from scratch as opposed to borrowing or copy-pasting, immediately putting a priority on fundamental and applied research. The word 'scale' is deliberate, indicating that whatever we do cannot be niche or small at a time when the world is seeking a viable solution.

The word 'regenerative' explains itself, indicating that the same material can have multiple lives through responsible recycling. The word 'impact' is a reflection of what we are and what we seek to do. We believe that the world is at an inflection point; there is an urgent need to graduate with unprecedented speed and scale to compostable solutions. In view of this, the big danger would be under-shooting the target, thinking local, regional or incremental at best, when nothing but the radical will do.

Q: Why is innovation so important to the Company's future?

A: There are good reasons for this. One, the Company as it exists today will not be the same Company that one sees in a couple of years down the line. At the moment, we are principally an agro-based pulp Company; in a couple of years, we will be a blend of eco-friendly fibre-based businesses – pulp (which will continue to represent the core of our operations), flexible packaging cum mineral pellets, and moulded fibres.

This could transform the complexion of the Company from base material to value-added options. The result is that anyone needing a compostable packaging solution is likely to come to our 'supermarket' – buy the base material (pulp) or flexible packaging or moulded fibres.

We will be able to take this positioning to its logical conclusion only if we have innovative solutions to offer at scale, which can transform societies.

Q: Why is this increasingly relevant now than ever before?

A: The word 'innovation' is increasingly relevant for various reasons.

One, the world needs compostable packaging choices that do not need to be landfilled.

Two, these solutions will need to be competitive with plastic (across costs, performance properties, development complexity, and layer simplicity).

Three, we will need to customize these to the diverse and evolving needs of downstream users, putting a premium on innovative flexibility.

Four, there is a premium on innovative outcomes because the world is looking for an innovative breakthrough that will accelerate the transition to cleaner alternatives beyond circularity.

Five there is a greater awareness of how the packaging of all that we consume ends up in oceans, rivers, mountains and drains ('The two ubiquitous things are God and plastic' goes a saying).

Six, some of the largest brands in the world have already embarked on eliminating the plastic in their packaging and going completely compostable.

The new paradigm in regenerative packaging

- Everything is a resource for something else.
- Use clean and renewable energy
- Adapt designs around nature

Source: Cradle to Cradle: Remaking the Way We Make Things by William McDonough and Michael Braungart

What we are doing in this space

- Building state-of-the-art research and innovation facility for compostable packaging substrates
- Building Intellectual Property that can be applied through manufacturing and commercialization
- Working with global organizations to build and provide solutions
- Attracting global talent and building teams to formulate and enhance novel products and formulations
- Enabling the incubation and acceleration of ideas through collaborations and partnerships with start-ups

CONVERSATION

"We shall create a learning culture through continuous improvements in training, individual development and performance management, enhancing retention and leadership promotion"

Navina John,
Head - Administration

Q: What measures were taken to strengthen skills at Pakka?

A: Pakka recognizes that the organization belongs to its people; people-centric practices are non-negotiable. The organization's success is driven by team passion; we are committed to individual and organizational aspirations, coupled with a spirit of reinvention leading to innovation and excellence.

Q: What is most precious at Pakka?

A: Pakka's culture is its most distinctive factor. The Company continued to foster a culture of training, resources, and services that promoted collaboration, workplace commitment, collegial engagement and organizational goals.

These initiatives translated into the Great Place to Work certification for the second consecutive year in FY 2022-23; Trust Index Score increased from 88 to 91. The Company entered the exclusive club of India's Best WorkplacesTM in Manufacturing 2023 - Top 50.

Q: How are the Company's systems helping create leaders at every level?

A: One recognition: 'What got you here won't get you there,' period. Learning and development are no longer incentives; they have become necessities for sustainability. Continuous unlearning and learning have become prerequisites; superior leadership is essential to global excellence; collaborating with mentors to enhance leadership excellence is increasingly critical.

Pakka's leadership development process comprises three key steps: **one,** 9x3 role profile (mission of the role, outcomes, technical skills, and container competencies); **two,** incumbent assessment (assess individuals in their roles to identify skill gaps); **three,** training identification (based on gap analysis).

The 9x3 matrix outlines nine attributes, each comprising three required skills essential to outperform. In FY 2023-24, we emphasize the development of container skills; the first phase of the Leadership Development Program began in August 2023 and the annual calendar is in motion.

Q: How did the Company strengthen recruitment?

A: Pakka continued to attract distinctive individuals with a similar vision and values. The online job portals were instrumental in attracting superior talent, followed by word-of-mouth and social media presence. This reaffirms the effectiveness of our people practices and recruitment channels. Ensuring the highest recruitment standards is fundamental to acquiring talent, aligned with our culture, values, and long-term aspirations. A diverse workforce helps aggregate fresh perspectives and innovation.

Our recruitment strategy is rooted in diversity, equity and inclusion. As a part of our recruitment, we invite potential talent to spend a day at our plant and experience life at Pakka. This allows both parties to explore the fundamentals required to build a lasting relationship.

The result is lower attrition. Besides, detailed exit interviews have helped identify improvement areas, with a focus on growth opportunities and enhancing prospective retention.

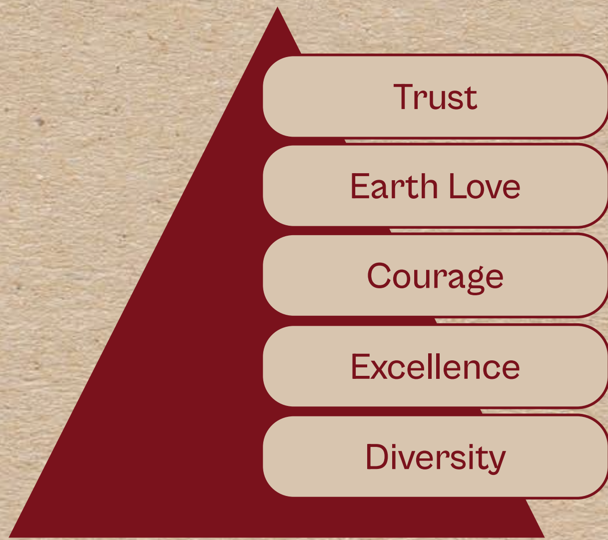
Key talent management achievements, FY 2022-23

- We welcomed 61 team members
- We moderated team attrition to 5 percent
- We maintained average worker age to 35, blending experience and youthfulness
- We achieved a women's employee proportion of 7 percent (to be improved 12 percent)

The four-decade old gate of the facility in Ayodhya proudly features the new name 'Pakka'

	Employee cost (INR in crore)	Employees	Average age	Women employees as percent of total employees
FY 2019-20	26.67	419	38	7
FY 2020-21	27.94	430	38	6.5
FY 2021-22	35.57	432	38	7.5
FY 2022-23	47.92	429	39	7

The foundation of our culture



OUR TALENT ENGAGEMENT PROGRAMMES

Yash Samriddhi Path: Comprises the capacity to create a standard operating procedures for each sangh (department) to standardize processes/practices; identifying and matching every role to desired expectations leading to an Individual Development Plan classified across levels (curious, skilled, efficient and knowledgeable/trainer)

Pakka Skills: This vocational training center prepares local talent, designed around government ITIs (recognized by the National Council for Vocational Training). Specialized courses (pulp and paper) prepare local talent. 100 percent campus placement was achieved, with students finding employment in other paper mills

Succession planning programs: The organization is creating a second line of leadership, offering career plans.

Our leaders at Pakka

1 Experienced technocrat with over 28 years of experience in the pulp and paper industry. Held senior management positions in paper companies. Proven track record in business transformation. Dedicated to compostable products development at scale. Credited with turning Pakka around in 2016. Driven subsequent growth. Focused on flat management practices (company recognized among the 50 great places to work in India by Arora India).

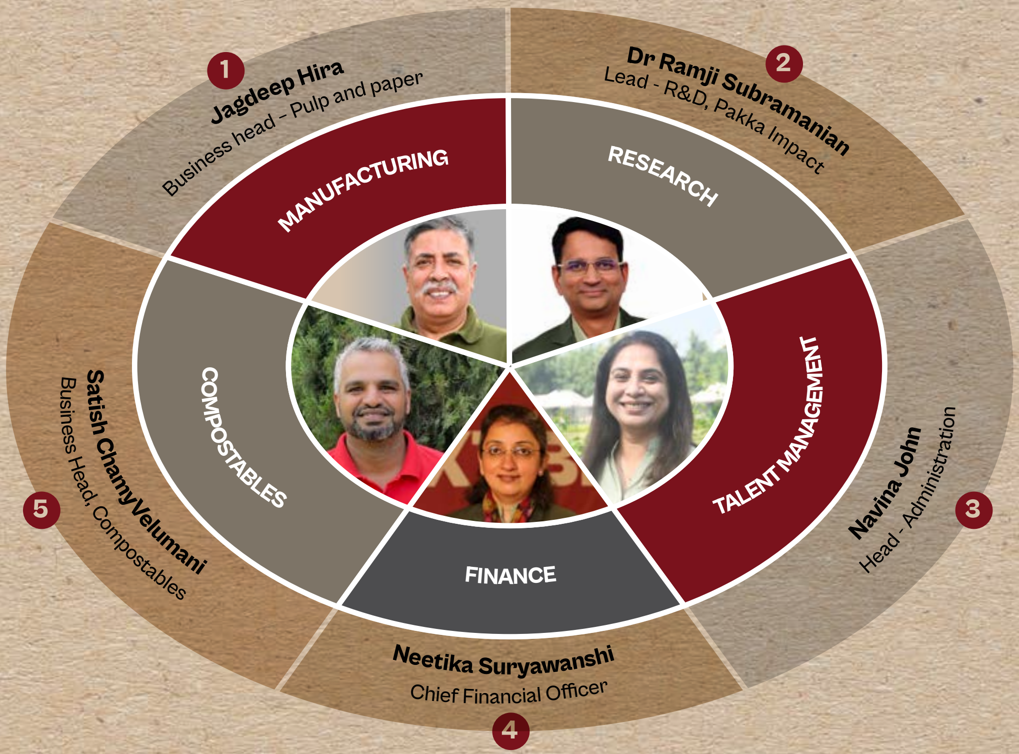
2 Specialist in materials and packaging. Focused on bio-polymers, coatings and packaging technology. More than two decades of industrial and academic experience across Europe and Asia, particularly in the pulp and paper technologies. Translated innovative ideas into sustainable packaging applications (paper, paperboard and converting).

Led projects in product creation, process improvement, yield improvement and Center of Excellence in coating. Hold multiple patents in the area of novel material formulations, scale-up technologies and commercial productization of sustainable packaging products (food, personal care and health care). Expertize in general management, analytics, problem-solving and empowerment. Track record in international collaborations, entrepreneurship and operating culture.

3 Navina is an experienced HR business partner and L&D professional. She has extensive experience in managing the complete team life cycle through consultative and participative processes, bringing in efficiencies in various HR led processes and execution of policies which lead to productivity and profitability enhancements. She is proficient in handling end-to-end management programs, organizational development programs and employee engagement initiatives and is also an experienced soft skills trainer. Her guidance and leadership have led Pakka to earn the distinction of being recognized as a 'Great Place to Work' twice in a row.

4 Chartered Accountant with 20 years of experience. Expertize in financing, fund-raising and cost efficiency. Responsible for fund management, controls, financing projects and operations, identifying cost-efficient areas and compliance with accounting, commercial, regulatory and statutory requirements.

5 Assumed multiple roles in his professional career. Educated at New Jersey Institute of Technology. Worked in engineering capacities at 3M (USA). Launched Atchayams Foodbox and Frshly, technology-driven food service startups; ventured into sports tech. Now spearheading the compostable division CHUK at Pakka. Committed to pursuing transformational and transactional growth in fostering multi-dimensional organizational development.



Decisive changes

"Two remarkable developments transpired within the Human Resources function at Pakka during the last financial year – with long-term implications. **One,** the Company onboarded specialized professionals from multi-national companies and from global locations, unusual for a company headquartered out of Ayodhya. This indicates the strength of the shared dream and passion. **Two,** the promoter shifted his location from Ayodhya to Portland and the research division was created out of Bangalore; this indicates the first step towards the Company becoming global – in mindset and location. Both these developments are likely to play a catalytic role in the next phase of the Company's evolution from the national to the global."

Navina John, *Head - Administration*

The Pakka culture

The foundation of the Company is its energized culture and its people

"I started in a nominal position at Pakka 37 years ago and today look after the accounts. My son is pursuing a Ph.D. and is appearing for the position of Assistant Professor. My perspective is that if you persevere, Pakka will look after you."

Moti Ram Yadav, *Supervisor in charge*

"In 2022, I joined Pakka for the third time for three reasons: a continued mentoring by the Non-Executive Chairman even when I was not working with the Company, a recognition that none of the companies I joined in the interim had a fraction of the freedom to experiment or move into different roles as I had here, and the range of learning here was the widest and the women presence here (around 20 percent across the Company, rising to 50 percent in the CHUK team."

Zuby Ahmed, *Executive Assistant and Learning & Development*

"I joined as a project engineer for Paper Machine 3 in 2004. In 2007, I joined the Research & Development team. In 2010, I was put in charge of Paper Machine 3 for pulp mill aTechnical Service, required to engage with customers and improve the product based on feedback. The best thing at Pakka: training for upskilling, like when it trained me in competent email communication."

Suresh Mishra, Head, Technical Service

Working at Pakka has been a blessing. It's the company I have always wanted to work for, ticking all the boxes of what makes a desirable workplace. Not only do I get to contribute to our planet through Pakka's mission, but the organization has also invested in my growth by sponsoring my courses. What truly sets Pakka apart is that the company takes personal interest in the well-being of the team members. The support I received from the team during my pregnancy was nothing short of amazing - flexible work arrangements and unwavering support made this journey memorable. Grateful to be a part of the Pakka family."

Sanchi Gupta, *Head – Brand Operations*

I joined Pakka as a receptionist who turned data entry operator who turned accounts assistant who turned sales team member who turned HR team member. Now I am Team Development Head, responsible for performance and culture. I 'lost' my front office role because the Company offered the role to the widow of a deceased employee; meanwhile I was graduated to HR, where I was counseled in addressing life challenges. This is not a company; this is a family."

Deepali Srivastava,
Team development head

I joined in January 2022 as Head - Quality Development and was soon promoted to Head - Research & Development in May 2022. What is creditable is that women are well represented in the management with equal opportunities for advancement. At Pakka, women are given a chance to operate machines; no work is influenced by gender. There is a pay parity across genders, which is refreshing. Even though I joined the Company as Quality Development head, I was promoted to the position of Research and Development head based on my performance. This company represents the new world!"

Meenu Joshi,
Head - Research & development

"**When I was required** to leave the night shift due to my wife's health, the Company arranged for a car and dropped us back following the check-up. I have received financial assistance from the Company during critical junctures (when my new-born son was hospitalized for over a month). I have worked elsewhere where workers turned up to work and left. I don't just come here to work; this company is a parivaar (family)."

Manoj Singh, *Machine Shift Head*

"**I have been** with Pakka for 31 years. The Company has not only looked after my well-being but has also provided for my family – accommodation and education at the Company's school and internship for my son at Pakka. I left the Company in 2008 but the promoter asked me to re-join at the same post with no salary reduction. On another occasion, my wife underwent surgery and the medical expense was covered by the Company through insurance. Last year, I received the Best Worker Award on Republic Day. This respect one cannot get elsewhere."

Joginder Singh, *In charge, Paper Machine 2*

"**When I joined** Pakka, I was nervous as I had been a homemaker for 19 years and this was my first job. What put me at ease was that a sense of physical and emotional security. I didn't need to feel threatened because of my gender. What a relief! The women of this company meet every quarter – our 'Board' meeting – and we thrash out issues. We have a voice here."

Kalpana Srivastava, *Front desk office*

"Following the untimely demise of my father, a Pakka employee, I was offered a position at the Company. Despite being only a graduate, I was trained across skills, including SAP. What I value most: employee well-being and not being permitted to work beyond 5:30 pm (the Company provided transportation services for those working overtime). This is just the kind of company to work for!"

Monika Choudhary, *Head of store documentation*

I started as an instrumentation-in-charge and 27 years later, am in charge of the Company's 2.5 MW power plant. The reason why I have stayed here is that this is a people-oriented company, a culture that started from KK babu (Jhunjhunwala). Pakka focuses not only on employees but also their families. Money can be earned anywhere, but respect cannot be earned everywhere. At Pakka, we not only get our salaries, but our families are also taken care of.

Rizwan Akhter, *Plant head, CP1*

I joined as a peon at Pakka 30 years ago but due to my intermediate education and English-speaking skill, I was promoted to the Collections department. During my son's wedding, the Company provided an advance, which proved to be a big help. A few years ago, I underwent a gall bladder surgery and the Company covered all my hospital expenses through insurance. This company is a mushkil ke waqt ka saathi.

Rajmani, *Collection Assistant*

Case study

Top 50 in India's Best Workplaces (Manufacturing) 2023.

Pakka featured in India's top 50 in India's Best Workplaces (Manufacturing) 2023. The award factored Pakka's peaceful industrial relationships, delegated work environment, respect for employee dignity, attached in-campus residential accommodation, succession planning for most roles, women employment in mechanical roles and post-retirement worker benefits. Besides, Pakka empowered team members to grow their personal capability along with professional competence.

How we are building long-term shareholder value in a sustainable manner

Market valuation

363.27
INR crores, market valuation as on 31st March, 2023

Overview

Pakka Limited is in business to enhance shareholder value (while benefiting other stakeholders). This focused value is being driven by strategic and financial discipline. The result is that Pakka Limited has been the amongst the best performing listed paper companies in India in the five years ending 31st March, 2023.

Our value-enhancing track record

Compounded sales growth	Percentage
10 years	13
5 years	15
3 years	17
TTM	55

Compounded profit growth	Percentage
10 years	41
5 years	33
3 years	23
TTM	42

Our contrarian approach

When Pakka began to deleverage as a strategic priority a few years ago, the business of paper and pulp manufacture was associated with debt on account of the capital-intensive nature of business. The Company embarked on a different approach across the foreseeable future: it grew the business through bottom-line accretion over capacity growth (except what could be nominally achieved through debottlenecking or by capitalising on higher realizations). Now that the Company's long-term debt has been completely repaid and the Company possess net cash on its books, it is positioned to commence re-investment through a deployment of its accruals, emerging as a growth-driven zero-debt company in a capital-intensive business.

The upsides

The debt-free approach is likely to generate the following outcomes.

One, the Company will invest in fresh ongoing maintainance-based capital expenditure through internal accruals.

Two, the lower interest burden will translate into higher annual cash flows.

Three, this approach will strengthen the Company's respect as a de-risked paper and pulp player in a cyclical business, strengthening valuations.

Four, this approach will enhance the Company's recall around scalability, responsibility and sustainability.

5 Drivers of shareholder value

1 Scalability

Focus on sustainable capacity growth (pulp, flexible packaging and compostable packaging)

Capacity adequate to service captive and market needs

Broad basing to reduce a dependence on commodity price swings

2 Portfolio integration

Extensive portfolio (Bleached agro pulp, unbleached agro pulp, compostable material for food packaging, compostable flexible packaging, moulded food service ware, food carry material)

Result: Single-stop solutions provider for customers

3 Strategic initiatives

Simplified Group structure

Credit rating was maintained at BBB for FY 2023-24 by the credit rating agency CARE until the end of FY 2023-24.

4 Sustainability

Company was net debt-free and cash positive in FY 2022-23

All maintainance capex to be funded by through accruals

Focus on protected liquidity across all market cycles

5 Responsibility

ESG-compliant business model

Robust governance and disclosures

Positioned to reduce carbon footprint

Pakka's sustainability framework

Our fiscal efficiency

- Cost leadership
- Scale business in niches
- Strengthen liquidity (cash on hand)
- Maximize free cash flows from operations
- Enhance RoCE and RoE

Overview

The Integrated Report enhances a perspective of a company is placed to enhance value for diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers). The report draws on diverse corporate dimensions (financial, management commentary, governance, remuneration and sustainability reporting) in explaining that organization's ability to create, enhance and sustain value.

Strategy - broad-based

- Manufacture products addressing a clean global packaging priority
- Position the Company as innovation-driven
- Manufacture products across the bagasse value chain

Strategy – new business areas

- Extend the business to the manufacture of green flexible packaging
- Invest 5 percent of revenues in innovation-driven research in compostables
- Explore the opportunity to commission global manufacturing facilities

Procurement economies

- Procure abundant bagasse and rice husk through secured contracts
- Buy economically and proximately (low carbon footprint)
- Procure superior quality, creating a quality foundation

Products basket

- Presently manufacture three products (to increase)
- Products linked by bagasse-based synergy
- Addressing a growing appetite for compostable paper and tableware

Manufacturing excellence

• Debottleneck, modernize and enhance output

• Invest in cutting-edge technologies to enhance quality consistency

• Consume less, moderate costs and reduce the carbon footprint

Financial structure

• Stay long-term debt-free (before the large expansion)

• Strengthen working capital cost and efficiency

• Mobilize cost-efficient resources for the expansion

Environment integrity

• Moderate resource consumption per unit of production

• Protect the region's environment balance (especially water drawl)

• Benchmark better than the regulatory compliance standards

People competence

• Attract subject matter experts; enhance talent productivity

• Invest in training, knowledge, experience and passion

• Accelerate human resource management reform

Brand building

• Pakka is on its way to become a global brand for regenerative solutions for food packaging, food service and food carry.

• Created CHUK (compostable tableware brand) from scratch to national leadership

• CHUK marked by specialist recall and larger demand than supply

• CHUK protected through captive manufacture and responsible outsourcing

Proposed expansion

• Proposed expansion (through debt and accruals) to enhance scale and scalability

• Entry into the innovation-driven area of compostable flexible packaging

• Broad basing revenues, enhanced value-addition and entry into fast growing segments

Exports

• Company positioned as an Indian origin, global presence organization

• 24 percent of FY 2022-23 revenues from exports, higher than sectorial average

• Exports made at attractive realizations across 40+ countries

Responsibility

• Commitment to ESG, compliance with emissions and waste disposal

• Investment in automated technologies to enhance resource efficiency

• Growing the business without stretching the Balance Sheet

Community support

• Deepen engagements with external communities through skill building

• Enhance the measurability of impacts and outcomes

• Engage in a sustainable way for extended impact

Who we create value for

Our team represents the aggregate knowledge of how to grow the business across a range of functions (bagasse procurement, manufacturing, business development, sales, quality, finance etc.). We provide an energized workplace, growing employment and help enhance talent productivity

Our shareholders provided capital when we went into business. Our focus is to generate re-investable free cash or commission projects around shortening paybacks, enhancing RoCE and, in doing so, increase value of shareholder holdings

Our vendors provide a continuous supply of resources (bagasse, equipment and services).
We maximize quality bagasse procurement through multi-year contracted arrangements that is remunerated with speed

Our customers consistently buy our products, generating the financial resources to grow. Our focus is to generate satisfaction for existing customers, sell to more customers and retain them, enhancing our revenue visibility

Our communities provide us with social capital (education, culture, security, safety etc.) and in turn we support these communities through consistent engagement

Our governments (State and Centre) provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen

At Pakka, the prudent interplay of the value generated by each stakeholder ensures business sustainability and enhanced stakeholder value.

The resources of value creation

Natural capital:
We obtain resources (bagasse, water, fossil fuels, carbon sinks) from this capital. Our engagement is influenced by the degree of dependence on natural resources, production's environmental impact and the need to operate within ecological limits.

Intellectual capital:
This includes resources like patents, copyrights, intellectual property and organizational systems, procedures and protocols.

Financial capital:
This comprises funds obtained through lenders or earnings - the funds pool available to manufacture goods

Social and relationship capital:
This represents the relationships between our Company and stakeholders (community, governments, customers and supply chain partners). These could also comprise licenses or dependence on the supply chain.

Human capital:
This refers to organizational skills and know-how, marked by talent retention and training leading to outperformance.

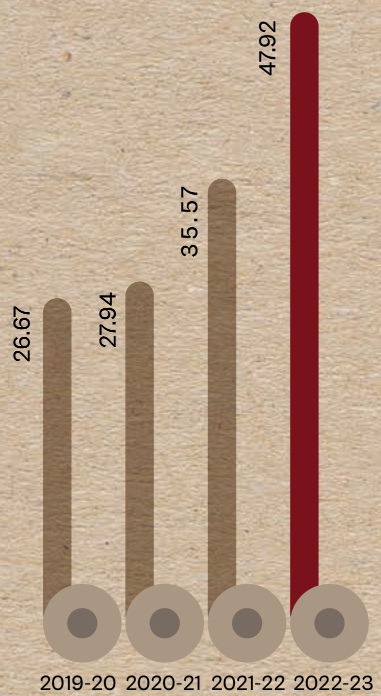
Manufactured capital:
This comprises physical infrastructure like buildings, that enhance organizational productivity.

Strategic focus	Key enablers	Material issues addressed	Capitals impacted
Innovate and excel	Building on a culture of manufacturing excellence; higher plant availability, superior process yield and higher throughput	Superior technology leading to production efficiency quality	Manufactured, Intellectual, Financial
Cost leadership	Focusing on operational excellence leading to cost leadership and higher margins. The Company is one of the lowest cost bagasse pulp and paper producers in its category – the capital cost per tonne of installed capacity being among the sector's lowest This is the result of scale, resource proximity, captive power generation and virtually no long-term debt	Creating the basis of long-term viability through an any market competitiveness	Financial, Intellectual, Natural, Social and Relationship
Supplier of choice	Reinforcing customer engagements through adequate capacity, timely product delivery and high product quality. Marked by the ability to service customers in India and across the world through a complete compliance with their quality needs	Enhancing revenue visibility through product criticality, enduring customer relationships, and global preference alignment	Intellectual, Manufactured, Social and Relationship
Robust people practices	Managing more than 429 resources (full time and contractual) across its factory, corporate office and research function The Company's people engagement has been marked by delegation, accountability and empowerment The Company's invigorating workplace is marked by training, engagement, fair appraisal and attractive reward	Creating a people-driven company marked by professionalism, authority, responsibility and accountability	Intellectual, Human
Responsible corporate citizen	Focusing on responsible corporate citizenship The Company is engaged in community development activities around its manufacturing facility The Company spent INR 137.75 lakhs in CSR activities, FY 2022-23	Deepening community engagements through programmes that enhance community prosperity	Social and Relationship, Natural
Value-creation	Focusing on enhanced value for all stakeholders The Company manufactures products that enhance environment responsibility Bagasse-based paper enhances environment responsibility Compostable bagasse tableware replaces plastic tableware and moderates land filling	Addressing the value-enhancing needs of stakeholders	Intellectual, Manufactured, Social and Relationship

Enhancing stakeholder value

Employee value

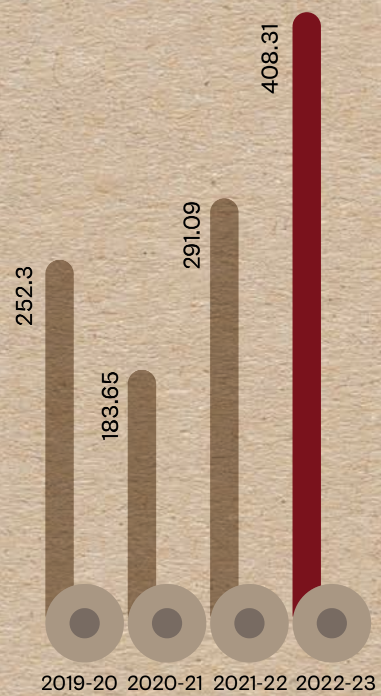
Salary and wages (INR crores)



The Company has invested a progressively larger quantum in employee remuneration, underlining its role as a responsible employer

Customer value (revenues)

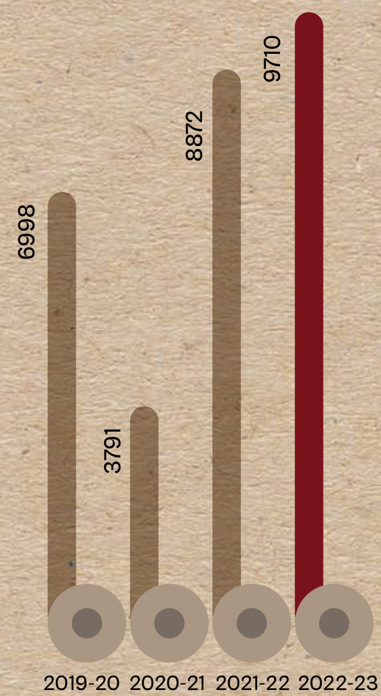
Sales revenues (INR crores)



The Company has generated higher revenues, an index of its sucessful customer engagement

Quantity of pulp sold

(tonnes)



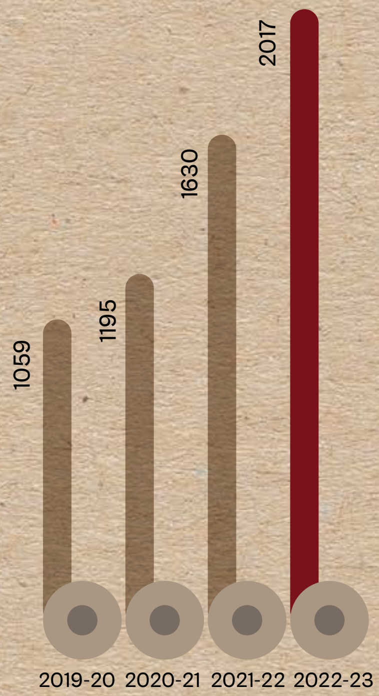
The Company has generated higher offtake, validating its superior price-value proposition

Quantity of paper sold

(tonnes)

The Company has generated higher offtake, validating its superior price-value proposition

Quantity of tableware sold
(INR crores)



The Company has grown all its businesses in the last few years, especially in the downstream consumer facing segments

CHUK team interacting with a customer at Aahar 2023, Delhi

Responsibility

Our environment-social-governance approach

Overview

At Pakka, our environment, social and governance (ESG) framework showcases our intent.

The environmental aspect emphasizes the manufacture of compostable products, use of sustainable resources, minimizing resource consumption, implementing efficient waste management, reducing fossil fuels and moderating our carbon footprint.

The social aspect of our ESG framework focuses on investing in people, nurturing a positive organizational culture, building strong customer relationships and fulfilling social responsibilities.

The governance element of our ESG framework outlines how we conduct our business, including strategic direction, ethical values, codes of conduct, board composition and alignment with United Nations Global Compact (UNGC) principles.

Pakka has minimized environmental impact essentially through environmentally friendly products with minimized ecological footprint

Our certifications

- ISO Certified Company, OHSI/1614
- ISO, FSMS/1164
- CIPET
- US FDA 21 CFR 176:170
- ISO, 14001:2015, QMSI/1612
- ISO, 9001:2015, QMSI/1613

Pakka's ESG priorities

Environment

- Reduced greenhouse gas (GHG) emissions
- Conducted carbon footprint mapping of products and operations
- Implemented efficient inventory and logistics management
- Promoted material reuse and recycling to reduce waste
- Provided environmental awareness training; promoted technology upgradation

Society

- Prioritized operational health and safety
- Implemented risk-based training
- Achieved zero fatal accidents across operations
- Prioritized the safety of employees and communities
- Provided financial assistance to social and environmental causes
- Promoted women's empowerment

Governance

- Strong Board with respected Independent Directors
- Six Independent Directors and five Non-Independent Directors (two women Director) among eleven Board members
- Effective Board Committee structures and committees
- Anti-bribery policy, Quality policy, Sustainability Policy, Whistle-blower policy / Vigil mechanism
- Policy against sexual harassment
- Prohibition of insider trading

Our environment commitment

Pakka's operations are centered on the 5R's: reduction, recycling, restoration, replacement and renewables. By investing in low-carbon technologies, Pakka makes bagasse-based pulp, paper and compostable packaging products.

Pakka's R&D expenses were focused on enhancing the environmental and social performance of its products, empowering consumers to adopt eco-friendly packaging products.

Pakka moderated emissions and improved energy management through conservation and energy-efficient product design. The Company invested in renewable and recycled materials; it remained committed to moderate water and energy use and its goal is to become water-positive and carbon-neutral.

Pakka set up a subsidiary in the US to gain insights into global environmental and sustainability trends. The Company is exploring the possibility to establish a manufacturing facility closer to the US to serve a demanding market and draw from global best practices.

Our Social commitment

Pakka is a responsible and sensitive corporate.

The Company is not only driven by the need to make the world a better place through the manufacture of a responsible product but also through a widening prosperity circle.

At Pakka, our corporate citizenship is defined by a number of priorities.

One, we believe that we are engaged in business to make the world a better place

Two, we believe that our corporate propriety must extend to do those who are not connected with the Company in any way.

Three, our engagement in corporate social responsibility projects is aligned with national and regional priorities.

Four, we have extended beyond mere 'cheque-writing' to a deeper engagement with the objective to make a lasting positive difference.

Five, we partner specialized NGOs who possess a deeper terrain experience and understanding.

Six, we believe in making initial investments where a moderate engagement from our side can translate into disproportionately larger societal impact.

Seven, we focus on responsible engagement where we empower beneficiaries to assume control of their lives.

Eight, we engage in programmes relevant to grass-root existences

Nine, these programmes are based on need-assessment surveys in relevant locations using various social research methodologies

Ten, the Company's engagement is directed by a defined CSR Policy, implemented under the guidance of a CSR Committee and senior management.

Eleven, the outcomes of these programmes are periodically tracked.

The Company is focused on various areas (education, skill development, women's empowerment and ecology) with the objective of mitigating poverty, unemployment and environment imbalance.

Our CSR Head Sarita Upadhyay comes with 20 years of experience in the social and corporate sectors. She has built social enterprises from the ground level up and scaled them across India. She is passionate about youth empowerment, livelihood generation and enhancing the ecological balance.

Our engagements

Education
Our Krishna Niketan program aims to strengthen pre-primary education in communities and help students transition into secondary education through our hub and spoke approach. We build ecological sensitivity from the age of three, with academics and 21st-century skills following thereafter.

Employment
The Company established Pakka Skills, a technical institution to build skills in the compostable packaging industry. In three years, our aim is to become a Global Center of Excellence for the compostable packing industry.

Women's development
Under the programme Sarathi the Company builds vocational skills in rural women for sustainable livelihoods. The Company provides end-to-end support including market linkages, making it possible for them to earn INR 75000 – 100,000 annually

Ecology
The Company adopted six ponds around its factory for rejuvenating and developing peripheral areas to create livelihood opportunities

Our Governance commitment

Global citizen: Pakka generated 24 percent revenues through exports in FY 2022-23, validating its commitment to a global mindset, practices, presence and technologies

Integrity: Pakka conducts business in a credible manner, marked by unbiased talent recruitment and appraisal, gender respect cum equality, zero tolerance for sexual harassment and ethical transgressions and environment preservation.

Board of Directors: Pakka's Board comprises individuals who have enriched our understanding of the economy, sector and strategic direction. Our six Independent Directors infuse an external perspective. The Nomination and Remuneration Committee reviews compensation; the Risk Management Committee provides an oversight of operational and climate risks.

Process-driven: Pakka is driven by processes, checks, balances, audits and compliances, enhanced trust in its reported numbers.

Balanced approach: Pakka believes in taking a conservative approach when interpreting accounting treatments to ensure that our financial statements accurately reflect our financial position. We also view market-facing initiatives as opportunities to prepare ourselves for potential opportunities in the future.

Customer adjacency: Pakka engages with customers (digitally and personally), building relationships with customers and increase wallet share.

Our CSR spending
(INR lakhs)

FY 2022-23
137.75

Core principles

Accountability

Transparency

Integrity

Social responsibility

Regulatory compliances

Environment management

At Pakka, our first value 'Earth Love', marked by a commitment to manufacture compostable packaging. Our environment management philosophy is based on the 5Rs (reduce, replace, recycle, renew and restore).

The Company is 100 percent agro-based, replacing fossil fuels with agro waste, converting waste fiber to egg trays and converting waste 'pith' to 'pith briquettes' (fuel for small boilers). Since power boilers and recovery boilers generate greenhouse gases and pollutants (solid, liquid and air), the Company invested in electrostatic precipitators, micro plate setter, dissolved air floatation and save-all equipment. The Company also undertook the initiative to rejuvenate six ponds in villages.

Gaseous emissions

In FY 2022-23, the Company upgraded its electrostatic precipitators. The Company measured emitted gases (PM_{10}, $PM_{2.5}$, SO_x, NO_x, CO, CO_2 and H_2S) through the competent use of its stack emission and ambient air quality (tested by an NABL-accredited laboratory).

Milestones

	Greenhouse gas and quantity generated	GHG emission per unit of production	GHG emissions management investments (INR lakhs)	Total emissions (tCO_2e)	GHG intensity (tCO_2e/revenue in crores)	Emissions avoided (tCO_2e) – compared with pet cock
FY 2020-21	CO_2 - 133642 (MT) NO_x - 27.5446	CO_2 - 3.45 (MT) NO_x - 0.0007118 (MT)	19	142822	732.8	252974
FY 2021-22	CO_2 - 148843 (MT) NO_x - 31.81249	CO_2 - 2.6083 (MT) NO_x - 0.0005574 (MT)	19	158324	529.1	287113
FY 2022-23	CO_2 - 144554 (MT) NO_x - 29.59757	CO_2 - 2.447 (MT) NO_x - 0.0005010 (MT)	19	153375	375.6	278653

Resource management

The Company's philosophy is to give to nature without harming the environment. The principal resources consumed by the Company are bagasse and rice husk as boiler fuel. The Company believes in the 'Good Garbage' initiative where all the waste generated should return to the environment without harm. The Company developed the CHUK brand, which includes a range of tableware products to eliminate single-use plastic in the food segment. Chemical-free products are composted within 90 days of disposal. To reduce resource consumption, the Company runs 100 percent on agro waste and has no dependence on fossil fuels. The Company promotes decomposable materials in its packaging and is constantly working with various research institutes and international firms (UIDO, CPPRI and CII etc.) to ensure efficient and environmentally friendly processes. The Company reuses system backwater at source to minimize freshwater use. The Company is engaged with experts and consultancy firms to guide in carbon footprint reduction. The Company aims to ensure no waste is landfilled, reprocessing/recycling all waste or handling it through scientific means. For example, the rejected fibre from the machine areas is converted into egg trays.

Resource management efficiency

Principal resource consumed by the Company by quantum (tonnes)

FY 2020-21

Bagasse: 70,303
Rice husk: 83,820
Pith: 10,409

FY 2021-22

Bagasse: 105,667
Rice husk: 96,808
Pith: 11,568

FY 2022-23

Bagasse: 93,099
Rice husk: 90,067
Pith: 14,444

Principal resource consumed by the Company by the unit of production (tonnes)

FY 2020-21

Bagasse: 1.82
Rice husk: 2.17
Pith: 0.27

FY 2021-22

Bagasse: 1.85
Rice husk: 1.70
Pith: 0.20

FY 2022-23

Bagasse: 1.58
Rice husk: 1.52
Pith: 0.24

Solid waste management

The Company generates three waste types: rejected fiber, lime sludge and effluent treatment plant (ETP) sludge. The rejected fiber is recovered and used to manufacture egg trays. Lime sludge sent to the cement industry is utilized in road construction and low-lying areas levelling. The ETP sludge is treated through an effluent treatment plant before disposal. The Company's innovation team develops products using lime sludge and other waste. The Company has reported a progressive decline in waste generation.

	Solid waste generated (tonnes)	Solid waste as a percent of the resource processed
FY 2020-21	52743.7	34.2
FY 2021-22	60205.3	29.7
FY 2022-23	91350.4	49.9

Green cover

The Company maintains green cover across 33 percent of its factory area. During the last five years, the Company undertook tree planting in villages. The Company is committed to plant 2 million trees in 10 years.

	Total number of trees within the Company's area of influence	Trees planted by the Company	CO_2 neutralized by the Company through its planted trees
FY 2022-23	4,500	75,000	225

Waste management practice (percent)

48
percent reprocessed in FY 2020-21

46.5
percent reprocessed in FY 2021-22

69
percent reprocessed in FY 2022-23

Water management

Water management is crucial for the sustainability of the Company's business as water is a precious resource and its scarcity a concern. To strengthen water management, the Company set a target of 30 kilo-liters/ton of production for freshwater consumption, making water reuse imperative.

	Water consumed (kilo-litres)	Water consumed per unit produced (kilo-litres/ metric ton)	Water reuse (kilo- litre)	Water intensity (million-litre/INR crores revenue)
FY 2020-21	17,10,800	44.2	7,20,902	8.78
FY 2021-22	19,54,861	34.26	8,59,531	6.53
FY 2022-23	21,35,935	36.16	11,35,898	5.23

Water saving initiatives

Micro plate settler (MPS) and Sedicell for paper machine backwater recovery

The micro plate settler (MPS) and Sedicell are utilized for paper machine backwater recovery, which results in a low total suspended solids (TSS) machine backwater that can be reused. The MPS equipment operates at a low cost and is efficient in settling heavy fibers present in the machine backwater. By removing suspended fibers, the backwater can be reused. The Company reused PM-3 backwater, amounting to approximately 800 m3/day. The MPS equipment reduced backwater TSS from 1500 ppm to 40-60 ppm, then passed through a multi-grade filter, where the TSS is reduced to below 10 ppm. This low TSS backwater is reused in low-pressure and high-pressure showers, moderating freshwater consumption. Year-on-year modifications and improvements in backwater recovery have moderated freshwater intake. The Company's backwater recovery and reuse demonstrate its commitment to responsible processes.

The Company applied a similar Kaizen concept to paper machines 1 and 2, where a Sedicell was installed in PM-1 and MPS in PM-2, which moderated freshwater consumption. The benefits: a lower consumption of fresh water and generation of effluents.

Settler (Save-All) installation

In normal operating procedures, the MPS or Sedicell purge is sent to the ETP. The Pakka team recovered the suspended solids in the purge (fine fibers of bleached pulp in the ETP drain mixing with other effluents, resulting in dark brown colour). A hill screen was installed to filter PM-3 drain effluent and recover bleached fiber, which was used as a raw material in egg tray production. The filtrate from the hill screen was sent to a save-all to recover filtered water, which was reused in the process. This achievement led the team to set up a similar system for PM-1 and PM-2 effluents. As a result, the Company reduced total water consumption from 50 m^3/Ton to 37 m^3/Ton, saving an estimated 750 million liters of water a year. The current year's target is 25 m^3/Ton of water consumption.

	Water storage capacity (kilo-litre)	Water conservation infrastructure investment (INR in lakhs)
FY 2020-21	700	75
FY 2021-22	700	45
FY 2022-23	700	345

Big numbers

2135.93 Ml, Groundwater consumed in FY 2022-23

682.04 Ml, Water discharged in FY 2022-23

The Company invested in equipment like MPS and IC reactor. The efficient water management program moderated freshwater consumption per ton of product and groundwater withdrawal. The micro plate settler (MPS) played a key role in efficient water management, empowering the Company to reuse backwater at source and reduce effluent load in the effluent treatment plant. The Company was given the Noteworthy Water Efficient Unit award by Confederation of Indian Industry in 2022. The Company also commissioned seven rainwater harvesting pits in its factories (recharge volume not metered).

Energy

The Company consumed 1036 kW/MT for per tonne of the end product in FY 2022-23, decreasing year-on-year in three years. The Company set specific targets of 990 kW/MT for specific power consumption and 9.7 MT/MT for specific steam consumption. A dedicated team was available 24x7 inside the plant premises to monitor wastewater quality parameters and ETP operations. New equipment addressed energy and water efficiency standards, resulting in lower steam and power consumption, resource conservation and low production costs. The Company's energy conservation target remained 990 kW/MT for specific power consumption and 9.7 MT/MT for specific steam consumption. During the year under review, the Company saved around 5.15 lac units of energy.

	Energy consumed (kW)	Energy consumed per unit of the end product (units)	Energy intensity (GJ/revenue in crores)
FY 2020-21	47854503	1236.69	883.9
FY 2021-22	61525478	1078.18	740.3
FY 2022-23	61221780	1036.35	539.8

Effluents

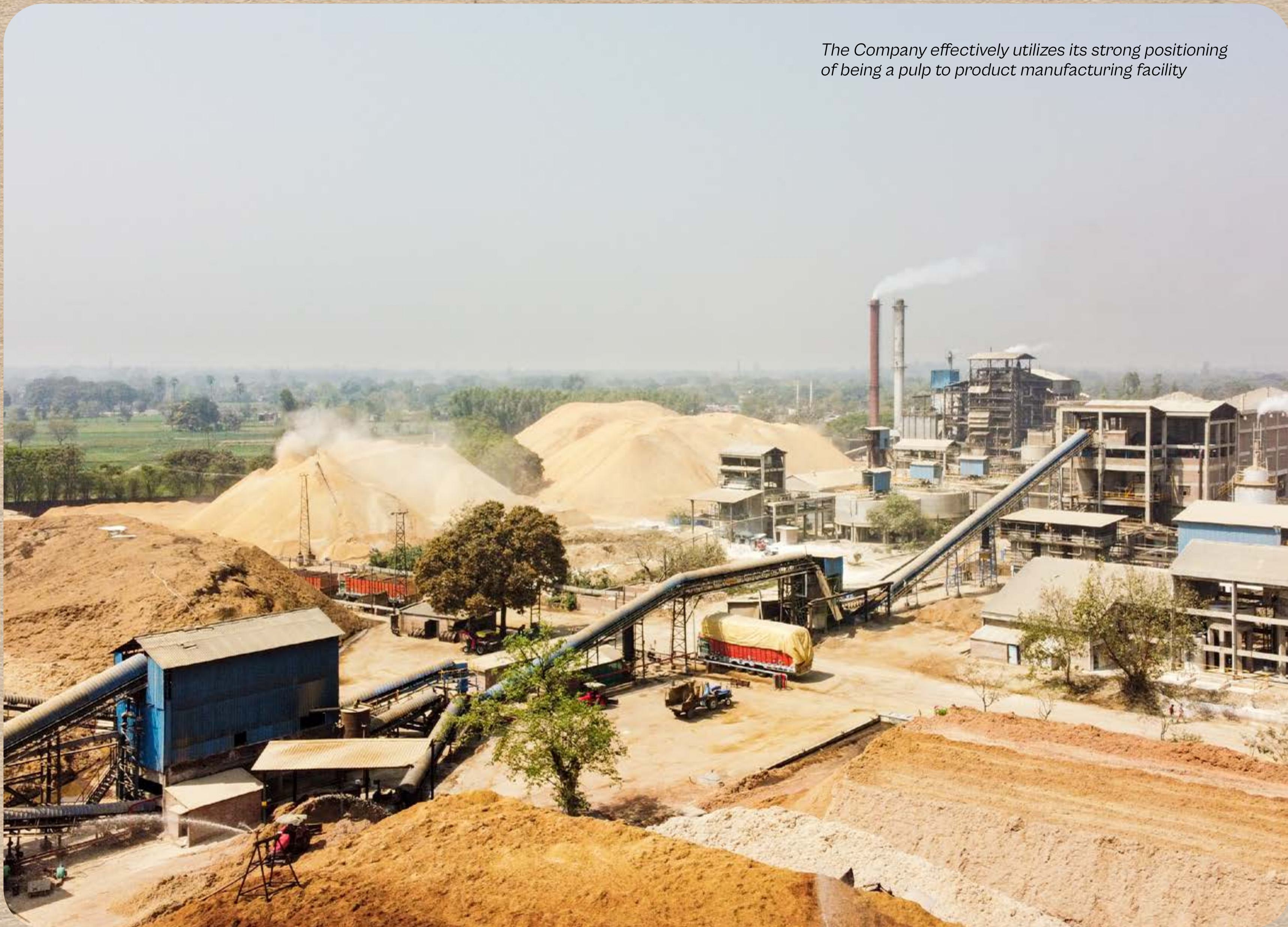
The Company reduced pollution load at source through MPS and DAF installation. Around 40 percent freshwater consumed was reused after treatment. The Company's effluent management goals comprised the following: maintaining COD levels below 120 mg/l, BOD levels below 18 mg/l and limiting fresh water consumption to less than 30 KL/MT of production (currently 36 KL/MT).

Effluents

	Effluents generated (kilo-litres)	The Effluent generated per unit of the end product (kilo-litres)	Investment to moderate effluents generation (INR)	Installed capacity of effluents management (KLD)	The recycled proportion of products (KL treated water reused/Ton produced	Chemicals consumption per unit of the end product (INR/MT of product)
FY 2020-21	2076642	53.66	-	12,000	18.6	-
FY 2021-22	2560093	44.86	1,51,11,414	12,000	15.1	129
FY 2022-23	2203372	37.30	3,15,43,204	12,000	19.2	150

Safety

The Company measures safe operations through dedicated, qualified team members who maintain records of accidents, accident-free hours and other safety-related metrics. Daily safety-related violations are announced in the morning meeting and monthly safety meetings, which include top management, involve discussions on safe man-hours, incidents and root cause analysis. The Company's approach to safety management ensures that safety violations are minimized and safe operations are prioritized. The Company addresses safety violations by imposing penalties on defaulters. The penalty amount may increase for repeat violations, or the member's entry into the premises may be temporarily restricted.



The Company effectively utilizes its strong positioning of being a pulp to product manufacturing facility

The United Nations presented 17 Sustainable Development Goals to help build a better, cleaner and more equitable world.

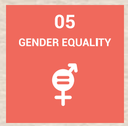
As a responsible corporate citizen, Pakka is committed to fulfil goals relevant to its business model. The Company's economic, social and environmental objectives and actions are aligned with SDGs.

Good health and well-being

Our Company's policies prioritize employee health and well-being. We organize monthly health camps for full body checks.

Quality education

The Pakka Foundation uses a unique hub-and-spoke model, connecting six pre-primary models (Krishna Niketans) with hub schools for primary and secondary education.



Gender equality

Reduced inequalities

Our Company has stringent policies against child labour, slavery, sexual harassment and discrimination - internally and with suppliers.

Decent work and economic growth

Through a comprehensive learning and development policy, Pakka offers career management counseling and training programmes.

Sustainable cities and communities

Pakka's culture is defined by its values centered on a shift from just pulp and paper manufacture to sustainable packaging and tableware.

Clean water and sanitation

Pakka meticulously tracks water consumption through metering. The Company monitors key performance indicators (KPIs) such as biochemical oxygen demand (BOD) and chemical oxygen demand (COD) to moderate effluents.

Industry, innovation and infrastructure

By fostering extensive social engagements, the brand deepens its community relevance.

Responsible consumption and production

Our Company prioritizes sustainable agricultural practices, by ensuring minimal environmental impact in sugarcane raising, a crucial raw material in biobased tableware production.

The Company repulps and reuses rejected products, enhancing the role of a circular economy within operations. CHUK has eliminated plastic in product design.

Climate action

Pakka employees planted saplings on World Environment Day.

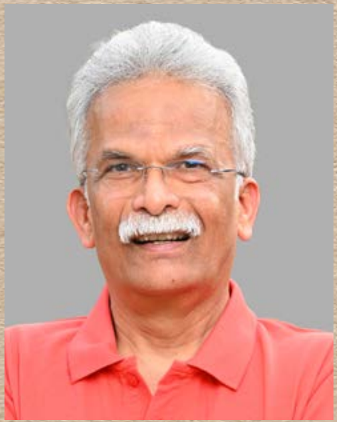
Life below water

In collaboration with the Malligavad Foundation, Pakka adopted six ponds and lakes covering over 3.56 acres around the Ayodhya plant.

Life on land

In Ayodhya, Pakka has created a Miyawaki mini-forest of 5,000+ saplings of around 30 different species and shrubs, in an area of around 2,600m2 near Pakka Skills.

Our Board of Directors



Pradeep Vasant Dhobale

Chairman and Independent Director

Mr. Pradeep Dhobale is a prominent figure in the paper industry, with an extensive career spanning from a trainee to the Board at ITC. He led the paper division of ITC and achieved significant growth during his tenure. Even after retirement, he continues to be a dedicated learner and mentor to several start-ups, helping budding entrepreneurs achieve their goals. We are privileged to have his expertize and guidance on our Board.

Ved Krishna

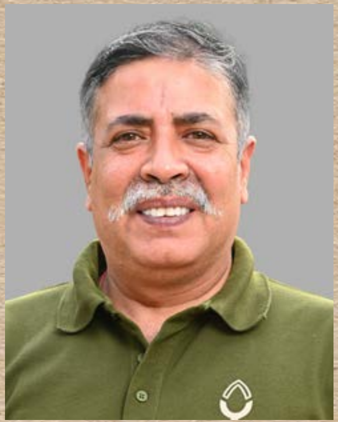
Non-Executive Vice Chairman (Promoter)

Our Vice-Chairman is an eternal optimist. Under his leadership, we have overcome numerous challenges. He possesses a keen strategic mind and is always on the lookout for innovative ways to grow the business. With over 24 years of experience, he has helped the Company quadruple. He motivates the team to reach new heights.

Jagdeep Hira

Managing Director

Jagdeep has dedicated most of his professional career to the paper industry, where he has gained extensive experience operating various machines and developing multiple paper grades. He has worked in diverse settings, both domestic and international and enjoys leading teams to build successful organizations. His deep involvement in the process allows him to comprehend, apprehend and address issues efficiently.



Manjula Jhunjhunwala

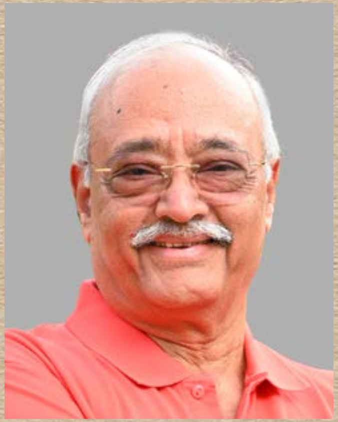
Director, Promoter

Ms. Jhunjhunwala is our esteemed Founder Director. In addition to her business acumen, she is a respected educationist and philanthropist through Jingle Bells Nursery Schools Society. She is committed to building a better nation for future generations and works tirelessly towards this goal.

Kimberly Ann McArthur

Director, Promoters' Group

Kim brings an international perspective to the Board. She holds a Master's degree in Communication and is the founder of Freerange Studios, a renowned design firm that focuses on social causes. Kim possesses excellent communication skills and has a sharp mind. Her experience in running her business has equipped her with valuable strategic business knowledge, as well as exceptional aesthetics and design acumen. Kim is deeply committed to Pakka's CSR initiatives.



Atul Kumar Gupta

Independent Director

Mr. Gupta spent a significant portion of his career serving the state as an officer in the Indian Administrative Services, contributing to good governance. He rose to the position of Chief Secretary in Uttar Pradesh, earning a reputation as an exemplary officer and a gentleman. Currently, he is pursuing his passion for reading and writing books and we look forward to his work. We consider ourselves fortunate to have him as a mentor and guide for our Company.

Dr. Indroneel Banerjee

Independent Director

Dr. Indroneel is known for his empathetic voice on the Board and he has taken up the mantle proficiently after his father, one of the founder Directors of the Company. His insightful mind offers a unique perspective and guides us towards becoming better individuals. In addition to being a practicing homoeopath, he is passionate about helping people. He remains a guiding force in our organizational endeavors.

Basant Kumar Khaitan

Independent Director

Mr. Khaitan is a successful entrepreneur and his corporation Wires and Fabrics Limited is one of the major suppliers to the paper industry. He is recognized for his exceptional intellect and adds value to every discussion. Mr. Khaitan possesses a sharp business acumen and emphasizes the importance of customers and efficient business practices. His strength lies in his ability to interpret numbers and extract valuable insights from data.

Himanshu Kapoor

Non-Executive Director

Himanshu, possessing 25 years of experience as a Chartered Accountant, excels in financial domains such as global taxation, mergers and acquisitions, funding and equity investments. His international presence has played a pivotal role in significant choices for Pakka. Despite his impressive background, Himanshu remains approachable and friendly, always open for a coffee chat.

Shubham Tibrewal

Independent Director

Shubham, a representative of the new generation on Pakka's Board, brings a strong finance background and global perspective. His expertize enhances Pakka's global expansion plans. With refined financial acumen and fluency in French, gained from a decade in Paris, Shubham contributes valuable insights to Board deliberations. He advocates health and environmental-conscious products, reflecting his commitment to societal betterment.

Rahul Krantikumar Dharmadhikary

Independent Director

Mr. Dharmadhikary is a researcher turned business development professional who has now become a global industry leader. He earned his Ph.D. in Fiber and Polymer Science from North Carolina State University in Raleigh, NC. He began his career in the pulp and paper industry and then established himself in the non-woven and filtration space. He serves as our guide when it comes to channeling innovative systems and application-based work.

Our team at Pakka

Management Discussion & Analysis

Global economy

Overview: The global economic growth was estimated at a slower 3.2 percent in 2022, compared to 6 percent in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7 percent in 2022, among the highest in decades. US consumer prices decreased about 6.5 percent in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26 percent of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10 percent.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4 percent to USD 55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15 percent to USD 36.75 billion between April and December 2022. Global trade expanded by 2.7 percent in 2022 (expected to slow to 1.7 percent in 2023).

The S&P GSCI TR(Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realizations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (percent)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

- **United States:** Reported GDP growth of 2.1 percent compared to 5.9 percent in 2021
- **China:** GDP growth was 3 percent in 2022 compared to 8.1 percent in 2021.
- **United Kingdom:** GDP grew by 4.1 percent in 2022 compared to 7.6 percent in 2021 .
- **Japan:** GDP grew 1.7 percent in 2022 compared to 1.6 percent in 2021.
- **Germany:** GDP grew 1.8 percent compared to 2.6 percent in 2021.

(Source: PWC report, EY report, IMF data, OECD data)

Outlook

The global economy is expected to grow 2.8 percent in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7 percent. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK, and South Korea are not in a recession. Approximately 70 percent of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in E urope did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid po licy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9 percent in 2024. Interestingly, even as the global economy is projected to grow less than 3 percent for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth estimated at 7.2 percent in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth(percent)	3.7	(6.6)	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (percent)	13.1	6.3	4.4	6.1

(Source: Budget FY 2023-24; Economy Projections, RBI projections)

according to the India Meteorological Department, the year 2022 delivered 8 percent higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tonnes (MMT) in FY 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tonnes (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31 percent from 102.36 lakhs hectares in FY 2021-22 to 109.84 lakhs hectares in FY 2022-23.

India's auto industry grew 21 percent in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY 2022-23, crossing 3.2 million units in FY 2018-19. The commercial vehicles segment grew 33 percent. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84 percent.

Till the end of Q3FY 2022-23, total gross non-performing assets (NPAs) of the banking system fell to 4.5 percent from 6.5 percent a year ago. Gross NPA for FY 2022-23 was expected to be 4.2 percent and a further drop is predicted to 3.8 percent in FY 2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5 percent to USD 714 billion as against USD 613 billion in FY 2021-22. India's merchandize exports were up 6 percent to USD 447 billion in FY 2022-23. India's total exports (merchandize and services) in FY 2022-23 grew 14 percent to a record of USD 775 billion in FY 2022-23 and is expected to touch USD 900 billion in FY 2023-24. Till Q3 FY 2022-23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD 18.2 billion, or 2.2 percent of GDP. India's fiscal deficit was estimated in nominal terms at ~ INR 17.55 lakhs crores and 6.4 percent of GDP for the year ending 31st March, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD 74.01 billion in 2021 to a record USD 84.8 billion in FY 2021-22, a 14 percent Y-o-Y increase, till Q3FY 2022-23. India recorded a robust USD 36.75 billion of FDI. In FY 2022-23, the government was estimated to have addressed 77 percent of its disinvestment target (INR 50,000 crores against a target of INR 65,000 crores).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD 70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from USD 606.47 billion on 1st April, 2022, reserves decreased to USD 578.44 billion by 31st March, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from INR 75.91 to a US dollar to INR 82.34 by 31st March, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66 percent in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3 percent during the period. In 2022, CPI hit its highest of 7.79 percent in April; WPI reached its highest of 15.88 percent in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5 percent, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew 5.1 percent year-on-year as against a growth of 11.4 percent in FY 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5 percent higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE **2022-23.**

The total gross collection for FY 2022-23 was INR 18.10 lakhs crores, an average of INR 1.51 lakhs a month and up

22 percent from FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to INR 1.6 lakhs crores. For FY 2022–23, the government collected INR 16.61 lakhs crores in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to INR 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of USD 2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in FY 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY 2023-24, catalyzed in no small measure by the government's 35 percent capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilization and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in FY 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4 percent is less than India's GDP estimate of 6.8 percent and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyze the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilization, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget FY 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33 percent to INR 10 lakhs crores, equivalent to 3.3 percent of GDP and almost three times the FY 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of INR 5.94 lakhs crores was made to the Ministry of Defence (13.18 percent of the total Budget outlay). An announcement of nearly INR 20,000 crores was made for the PM Gati Shakti National Master Plan to catalyze the infrastructure sector. An outlay of INR 1.97 lakhs crores was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY 2023-24 by 16-21 percent to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages.

These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services.

Global packaging industry overview

The global packaging industry is at the cusp of a dramatic change. After having used petrochemical-based inputs for decades with hardly any control on packaging recall the world is waking up to the horrors of ubiquitous plastic – on land, oceans, forests and mountains. There is a greater priority today to graduate to compostable alternatives, which, even if left unattended, would return to spoil-like conditions over time.

The global packaging sector is being driven by the rapid growth of food delivery and takeaway services, busy lifestyles that warrant calling for food, e-commerce and smartphone penetration. Online food ordering has seen a significant increase marked by the wider availability of online platforms. Ordering food through mobile applications and online portals has become more popular due to its convenience and cost-effectiveness. The availability of online services has made many restaurants accessible to a larger consumer base.

Certain trends are discernable: there is a trend towards creative and innovative packaging forms and designs; flexible packaging is preferred due to its flexibility, recyclability and cost-effectiveness. The Asia-Pacific accounts for the largest market led by China, Japan and India. The European packaging market is driven by the pharmaceutical, personal care, food and beverages sectors with a growing trend towards packaging sustainability.

The result is that the global packaging industry is expected to grow at a CAGR of 3.92 percent between 2022 to 2027, a market increase of USD 223.96 billion. The global packaging market is expected to reach USD 1,438 billion by 2030, growing at a CAGR of 5.10 percent.

(Source: globenewswire.com, marketresearchfuture.com, technavio.com)

Indian packaging industry overview

The growth in the Indian packaging industry has been catalyzed by a surge in e-commerce, food processing, pharmaceuticals, FMCG, manufacturing and health care sectors. The Indian government's 'Make in India' initiative has catalyzed the packaging industry and the country's paper and packaging industry is the fifth largest sector in the economy.

India is a major exporter of flattened cans, printed sheets, components, crown cork, lug caps, plastic film laminates, craft paper, paperboard and packaging machinery. The laminates and flexible packaging segment, particularly PET and woven sacks are growing fastest. Packaging-grade paper accounts for 55 percent of the main types of paper produced domestically in the paper and paperboard industry.

India is a significant player in the global packaging materials market, catalyzing exports. India's export of packaging materials grew at a CAGR of 9.9 percent to USD 1,119 million in 2021-22 up from USD 844 million in 2018-19. United States was the leading export destination for the Indian packaging industry, followed by United Kingdom, United Arab Emirates, Netherlands and Germany.

The Indian paper and paperboard market is also predicted to expand at 6-7% annually. Source: ibef.org, niir.org) India's paper and packaging industry is expected to grow to a value of $204.81 billion by 2025, with a CAGR of 26.7% from 2020 to 2025.

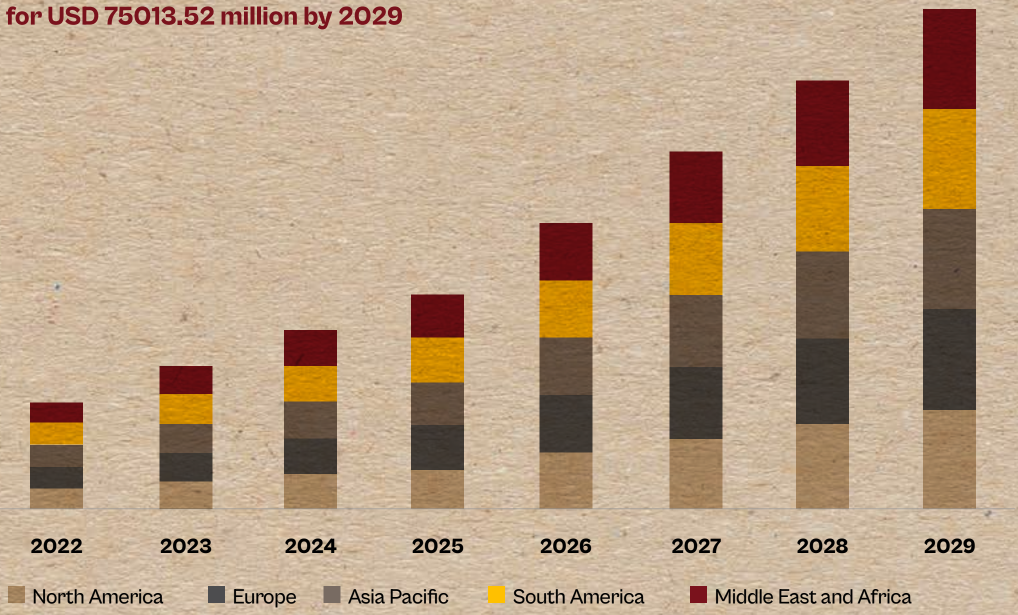
(Source: ibef.org, niir.org)

Global compostable packaging overview

Compostable products are materials that can biodegrade and disintegrate into natural elements in a composting environment, leaving no harmful residues. To qualify as compostable, packaging materials and products must break down completely and convert into natural elements within a short period following disposal.

North America is the leading market player in the global compostable packaging sector (by revenues and market share) while Asia-Pacific is the largest (by volume), a trend that is likely to be sustained. The global compostable packaging market was USD 46.36 billion in 2021 and is estimated to grow to USD 75 billion by 2029, a CAGR of 6.20%. With government policies directed at sustainable packaging, a rapid growth in the global compostable packaging market is forecast. The rise of e-commerce and online food orders, the compostable packaging market is expected to expand 1.5x during the projected period.

The global compostable packaging market is expected to account for USD 75013.52 million by 2029



(Source: databridgemarketresearch.com, futuremarketinsights.com)

Compostable packaging drivers

Online retail: Online shopping has expanded in China, India, Brazil, ASEAN and others due to the widening use of smartphones leading to online shopping translating into enhanced use of corrugated boxes and paper bags.

Literacy: India's literacy rate is 77 percent. The government has allocated INR 1,12,899 crores to education in the Union Budget 2023. This quantum is expected to widen the market for eco-friendly packaging awareness.

E-commerce: The Indian e-commerce market is expected to grow from USD 74.8 billion in 2022 to USD 350 billion by 2030, influencing the use of sustainable packaging.

Rising population: India's population has surpassed China and is estimated at 1.41 billion, catalyzing the Indian packaging sector.

Demographic dividend: The Indian population's median age is now at 28.4 years in 2022 as against 30 years of global average, strengthening the offtake of green packaging products.

Restaurant takeaway: The Indian food and beverage packaging market stood at USD 31.75 billion in 2022. Between 2023 to 2029, Indian food and beverage packaging market size is expected to grow at a CAGR of 14.8 percent growing to USD 85.9 billion by 2029. Higher standard of living and fast paced urban life are the factors which are contributing to the growth of online food delivery paired with packaged food.

Organized retail: By 2032, the retail industry is expected to be worth a staggering USD 2 trillion. The percentage of contemporary retail (including e-commerce) is predicted to rise to 35 percent, while traditional retail is anticipated to decline to 65 percent, despite the fact that the industry is mostly unorganized. India's per capita net national income is estimated to be INR 172,000 yearly for FY 2022-23, recording a growth of 14.4 percent over the previous year.

Company overview

Pakka Limited is an established bagasse-based pulp, paper and compostable tableware, flexible packaging manufacturer in India. The Company operates an integrated manufacturing facility in Ayodhya, Uttar Pradesh. The Company's products are increasingly popular on account of superior customized quality. The goods are produced from locally obtained and pulped sugarcane waste. Paper, pulp and moulded goods are among the Company's manufacturing divisions. The Company has also started production of low-grammage kraft grades.

At present, the Company is concentrating on developing compostable packaging solutions.

Company's financial performance

During the year under review, the Company generated a revenue of INR 408.31 crores compared to INR 291.08 crores in the previous year, a growth of 40 percent. However, the Company incurred a net profit of INR 51.46 crores, as opposed to a net profit of INR 38.20 crores in the previous year.

Details of significant changes in the key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, details of significant changes in key financial ratios and any changes in Return on Net worth of the Company including explanations thereof are given below:

Year ended 31st March	2023	2022
Current ratio	1.35	1.18Ω
Debt equity ratio	0.48	0.63
Return on Networth/ Equity	24.11	23.18
Net profit ratio	12.6	13.12
Return on capital employed (percent)	31.58	28.44

Risk management

At Pakka, our approach aims to maximize opportunities, reducing the impact of potential risks. The management prioritizes risk management to ensure that we can continue to enhance long-term value.

The Company's enterprise risk management (ERM) integrates with strategy and execution. The objective is to address the most significant risks that could impact our Company and take appropriate measures to mitigate them or capitalize. The ERM framework ensures a consistent approach to risk management. The principal risks faced by the Company are mapped below.

Risk / uncertainty	Impact on capitals	Inherent risk	Mitigation strategy
Credit risk The risk of default in trade receivables due to uncertain trade or economic conditions.	• Financial • Social and relationship	As on 31st March, 2023, the Company had a total trade receivable of INR 225.3 million on revenues of INR 24.44 crores	• The receivables quantum was low and safe • The Company is promoting a quicker cash conversion cycle • Recovery specialists are working with clients to collect dues • The Company's exports were secured
Health and safety risk Risk of threats to occupational health and safety among workers.	• Social and relationship • Human	Being a manufacturing-oriented organization, the employee health and safety risk is always high, considering that the Company works with hazardous chemicals and high temperature.	• The Company's certified system for health and safety management safeguards our employees against potential risks. • The Company established stringent safety measures for industrial settings that enhanced safety and security • The Company invested in safety training, signages, protocols and protection equipment
Cyber breaches and risks Loss of operational and confidential data due to security breaches/ system breakdowns and disruption to operations due to breakdowns in IT systems.	• Intellectual • Social and relationship • Financial	There is an inherent risk of data breach on account of a high data volume being processed	• The Company invested in comprehensive controls and audits to protect IT infrastructure and data • Periodic technical assessments were to identify and plug network vulnerabilities • The Company took consistent data storage • The Company educated employees on information security
Reputational risk Failure to manage social and environmental impacts can cost a social license to operate, disrupting the business.	• Intellectual • Financial • Social and relationship • Human • Natural		

Inherent risk	Mitigation strategy
There is an inherent risk of systemic transgressions arising due to a large number of employees and operations	• The code of conduct ensures ethical employee behaviour • There is a prompt response to impacts on account of certified quality, environmental management systems and a social accountability management system • The Company is engaged in mutually beneficial partnerships with the community and business partners
There could be a decline in margins on account of market volatility	• The Company is integrated forwards from bagasse onwards – pulp, paper and compostable tableware • The Company is expected to remain viable across market cycles • The Company's profitability is derived from scale, integration, experience, value-addition and varied product mix • The Company has virtually no long-term debt on its books
The products manufactured by the Company could encounter market resistance	• The market for compostable products is growing worldwide • Governments are encouraging a switch from plastics to compostable resources, widening the market • The market for compostable flexible packaging and tableware are vast and growing

Human resource management

The Company believes that the quality of its workforce is crucial to its success and is dedicated to providing them with the necessary skills and knowledge to adapt to advancements in technology. During the year, the Company maintained positive relation with its employees and focused on providing training and skill development opportunities to help them navigate the changing work environment. As of 31st March, 2023, the Company employed 429 permanent employees.

Internal control system and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. Pakka Limited, well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure the efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other such data.

Cautionary statement

Certain statements in this Management Discussion and Analysis, describing the Company's objectives, outlook and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and such other factors over which the Company does not have any direct control.

PAKKA LIMITED

(Previously known as Yash Pakka Limited)
Regd. Office: 2nd Floor, 24/57, Birhana Road, Kanpur, Uttar Pradesh - 208001, India
Corp. Office: Yash Nagar, Ayodhya, Uttar Pradesh - 224 135, India
CIN - L24231UP1981PLC005294 | T: +91 5278 258174
E: connect@pakka.com| Website: https://www.pakka.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF PAKKA LIMITED will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") on Friday, the 29th September, 2023 at 10:00 a.m. (IST) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and the Auditors thereon and if thought fit, to pass, the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors' and Auditors' thereon laid before this meeting, be and are hereby considered, approved and adopted".

2. To receive consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Auditors thereon and if thought fit, to pass, the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2023 and the report of the Auditors thereon laid before this meeting, be and are hereby considered, approved and adopted".

3. To declare a final dividend of ₹ 2.40 per equity share for the year ended 31st March, 2023 and if thought fit, to pass, the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT approval be and is hereby accorded for the payment of final dividend of ₹2.40/- (Rupees two and forty paise only) per equity shares of the face value of Re. 10/- each for the financial year ended 31st March, 2023 as recommended by the Board of Directors at their meeting held on 29th April, 2023".

4. To appoint a Director in place of Mrs. Kimberly Ann McArthur (DIN: 05206436), who retires by rotation and being eligible, offers her candidature for re-appointment and if thought fit, to pass, the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with Article of Association of the Company, Mrs. Kimberly Ann McArthur (DIN: 05206436), who retires by rotation and being eligible seeks re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation".

SPECIAL BUSINESS:

5. Re-Appointment of Mr. Jagdeep Hira (DIN: 07639849) as the Managing Director from 21st July, 2023 to 20th July, 2028.

   To consider and, if thought fit, to pass the following Resolution(s) as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation of Nomination and Remuneration Committee, the approval of the Shareholders of the Company be and is hereby accorded for the reappointment of Mr. Jagdeep Hira (**DIN:** 07639849) as the Managing Director of the Company for a period of 5 years with effect from 21st July, 2023 on the following remuneration and terms and conditions:-

(a) **Basic Salary:** ₹9,00,000/- (Rupees Nine Lakhs Only) per month. Increment will be effective from 1st June each year. The increment amount will be decided by the Board on the recommendation of Nomination & Remuneration Committee subject to maximum ceiling limit of ₹20,00,000/- (Rupees Twenty Lakhs Only) per month.

(b) **Variable Dearness Allowance (V.D.A.):** ₹5,347/- per month. The same will be variable as per applicable government order.

(c) **Outfit Allowance:** ₹25,000/- (Rupees Twenty-Five Thousand) per month. The same will be as applicable from time to time.

(d) **Driver Allowance**: ₹25,000/- (Rupees Twenty-Five Thousand) per month. The same will be as applicable from time to time.

(e) **For Serving Office Duties:** ₹25,000/- (Rupees Twenty-Five Thousand) per month. The same will be as applicable from time to time.

(f) **Special Allowance:** ₹42,100/- (Rupees Forty-Two Thousand and One Hundred) per month. The same will be as applicable from time to time.

(g) **Production Incentive:** As per applicable scheme for the Team Members of the Company, as amended from time to time.

(h) **Commission on Net Profit:** Mr. Jagdeep Hira will be entitled for Commission up to 0.50% of the net profit of the Company w.e.f. 1st July, 2023.

(i) **Bonus:** Mr. Jagdeep Hira will be entitled for Bonus as per applicable scheme for the Team Members, as amended from time to time.

(j) **Employees Provident Fund (EPF):** Mr. Jagdeep Hira will be entitled to the Employees Provident Fund as per policy of the Company. The Company's contribution to Provident Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

(k) **National Pension Scheme (NPS):** Mr. Jagdeep Hira will be entitled to his employers' contribution to the National Pension Scheme as per the policy of the Company.

(l) **Gratuity:** Mr. Jagdeep Hira will be entitled to Gratuity payable as per the policy of the Company.

(m) **Encashment of Leave:** Mr. Jagdeep Hira will be entitled for Encashment of Leave. However, Encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(n) **Minimum Remuneration:** If in any accounting year, the Company has no profits or its profits are inadequate or in any case, remuneration by way of salary, perquisites and other allowances will be subject to the ceilings set out in Schedule V of the Companies Act, 2013.

(o) **Other Expenditure:** Mr. Jagdeep Hira will be entitled to reimbursement of entertainment, traveling, hotel and other expenses actually incurred by him in performance of the duties on behalf of the Company.

(p) **Other Benefits:** Any other benefits, facilities, allowances and expenses may be allowed under Company rules/schemes and available to other employees.

(q) **Sitting Fees:** No Sitting Fees will be paid for attending the meetings of the Board of Directors of the Company or Committees thereof.

(r) **Allowance:** Payment of all the allowances including production incentive shall be limited to ₹20,00,000/- (Rupees Twenty Lakhs Only) p.m.

(s) **Retire by rotation:** Mr. Jagdeep Hira's office shall be liable to retire to rotation in terms of the provisions of Section 152(6) of the Companies Act, 2013.

RESOLVED FURTHER THAT the aforesaid terms and conditions shall be effective from 1st June, 2023 except commission on net profit which is effective from 1st July, 2023.

RESOLVED FURTHER THAT Mr. Jagdeep Hira shall, subject to superintendence, control and directions of the Board of Directors, have substantial powers of management of the affairs of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby accorded for payment of aforesaid remuneration, (i) notwithstanding loss or inadequacy of profit in the respective financial year during the tenure of his office; or (ii) even if the above payment or aggregate managerial remuneration of Managing Director/ Whole Time Directors or aggregate managerial remuneration of all directors exceeds the limits as specified in Section 197 (1) of the Companies Act, 2013 or the first/second proviso thereof; (iii) or even if the above payment exceeds the limits specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, modify or alter the terms and conditions of said reappointment as it may deem fit and as may be acceptable to Mr. Jagdeep Hira in compliance with Schedule V of the Companies Act, 2013 and other applicable provisions and laws, if any.

RESOLVED FURTHER THAT the Mrs. Neetika Suryawanshi, Chief Financial Officer and Mr. Sachin Kumar Srivastava, Company Secretary & Legal Head of the Company be and are hereby severally authorized to do all acts and take all such steps as necessary, proper or expedient to give effect to this resolution and to settle any question, or doubt that may arise in relation thereto."

6. Regularize the Appointment of Mr. Shubham Ashok Tibrewal (DIN: 07926807) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Shubham Ashok Tibrewal (**DIN:** 10274024), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 12th August, 2023 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, , the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Shubham Ashok Tibrewal (**DIN:** 10274024), who has submitted a declaration confirming that he meets the criteria for independence as provided under the Act and the SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as an "Independent Director" (Non-Executive) of the Company, not liable to retire by rotation, for a term commencing from 12th August, 2023 to 11th August, 2028."

RESOLVED FURTHER THAT Mr. Jagdeep Hira, Managing Director and Mr. Sachin Kumar Srivastava, Company Secretary & Legal Head of the Company be and is hereby severally authorized to do all such acts, deed, things as may be necessary to give effect to this resolution."

7. Regularize the Appointment of Mr. Rahul Krantikumar Dharmadhikary (**DIN:** 02116207) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rahul Krantikumar Dharmadhikary (**DIN:** 02116207), who was appointed as an Additional Director of the Company by the Board of Directors through Resolution passed by circulation on 5th September, 2023 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Rahul Krantikumar Dharmadhikary (**DIN:** 02116207), who has submitted a declaration confirming that he meets the criteria for independence as provided under the Act and the SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as an "Independent Director" (Non-Executive) of the Company, not liable to retire by rotation, for a term commencing from 5th September, 2023 to 4th September, 2028."

RESOLVED FURTHER THAT Mr. Jagdeep Hira, Managing Director and Mr. Sachin Kumar Srivastava, Company Secretary & Legal Head of the Company be and is hereby severally authorized to do all such acts, deed, things as may be necessary to give effect to this resolution."

By Order of the Board of Directors,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Head Legal
FCS No.: 11111

Place: Ayodhya
Date: 5th September, 2023

NOTES:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circular No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021, No.21/2021 dated December 14, 2021 and No.02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as (**'MCA Circulars'**) and Circular of SEBI dated 12th May, 2020 ("SEBI Circular") and other applicable circulars issued by the SEBI and MCA in this regard, the Company is convening the 43rd AGM through Video Conferencing ('**VC**') or Other Auditor-Visual Means ('**OAVM'**), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at 2nd Floor, 24/57, Birhana Road, Kanpur – 208001, Uttar Pradesh, India, which shall be the deemed venue of the AGM.

2. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of the Special Business as appearing at Item No.5 to 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in regard to the business as set out Item No.5 above and the relevant details of the Directors seeking re-appointment /appointment as set out in Item Nos. 4 to 7 above as required under Regulation 36(3) of the Listing Regulations and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.

4. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by email at amitguptacs@gmail.com with a copy marked to evoting@nsdl.co.in and sachin.srivastava@pakka.com.

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's (NSDL) e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without any restrictions on first come first served basis.

9. In terms of the MCA Circulars and the SEBI Circulars, the Company is sending this AGM Notice along with the Annual Report for FY23 in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Company shall send the physical copy of the Annual Report for FY23 only to those Members who specifically request for the same at sachin.srivastava@pakka.com. The Notice convening the AGM and the Annual Report for FY23 have been uploaded on the website of the Company at www.pakka.com and may also be accessed from the relevant section of the website of the Stock Exchanges i.e. BSE Limited (BSE) at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. **The Record Date is Friday, 22nd September, 2023 for the purpose of payment of dividend and AGM for FY23.** If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made, subject to deduction of tax at source (TDS), on or after October 2, 2023, as under:

    i. To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by NSDL and Central Depository Services (India) Limited (CDSL) (both collectively referred to as 'Depositories') as of the close of business hours on Friday, 22nd September, 2023;

    ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 22nd September, 2023.

11. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

    Members having valid Permanent Account Number ("PAN") 10% or as notified by the Government of India

Members not having PAN/ valid	PAN 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2023 does not exceed ₹5,000 and also in cases where members provide Form 15G / Form 15H(Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962

- Copy of Tax Residency Certificate for fiscal 2023 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

12. **Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members holding shares in physical form are requested to send the following details/ documents to the Company's Registrars and Transfer Agent (RTA), viz. Skyline Financial Services Private Limited (SFSPL), at D-153A , 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020, latest by Friday, September 22, 2023:

a) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at https://www.pakka.com/wp-content/uploads/2022/06/Form-ISR-1-KYC-details-updation.pdf and on the website of the RTA at https://www.skylinerta.com/profile-updation.php.

b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:

   i) Cancelled cheque in original;

   ii) Bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

c) Self-attested copy of the PAN Card of all the holders; and

d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Further, Members are requested to refer to process detailed on https://www.skylinerta.com/profile-updation.php and proceed accordingly. Shares held in electronic form: Members holding shares in electronic form may please note that their Bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such Bank details. Accordingly, the Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by Friday, 22nd September, 2023.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. For Members who are unable to receive the dividend directly in their Bank account through Electronic Clearing Service or any other means, due to nonregistration of the Electronic Bank Mandate, the Company shall dispatch the Warrant/ Bankers' Cheque/Demand Draft through postal or courier services and in case of any disruption of postal or courier services due to prevalence of COVID-19 in containment zones, upon normalisation of such services.

13. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at https://www.pakka.com/wp-content/uploads/2022/06/Form-ISR-1-KYC-details-updation.pdf. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.

14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement;

Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at https://www.pakka.com/wp-content/uploads/2022/06/Form-ISR-4-Request-for-issue-of-Duplicate-Certificate-and-other-Service-Requests.pdf and on the website of the Company's RTA at https://www.skylinerta.com. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the Bank and branch details, Bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website https://www.pakka.com/wp-content/uploads/2022/06/Form-SH-13-Nomination.pdf (under 'Investor Relations' section). Members are requested to submit the said form to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

18. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

19. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in e-Form/web form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to Report on Corporate Governance, which is a part of this Annual Report. The unclaimed/unencashed dividends for the following financial years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF), on the dates specified against the year:

i.	March 31, 2019	-	October 21, 2026
ii.	March 31, 2020	-	November 1, 2027
iii.	March 31, 2021	-	October 31, 2028
iv.	March 31, 2022	-	October 31, 2029

20. Members desiring inspection of statutory registers during the AGM may send their request in writing in advance to the Company at sachin.srivastava@pakka.com.

21. Members who wish to inspect the relevant documents referred to in the Notice can send an email to sachin.srivastava@pakka.com upto the date of the AGM.

22. This AGM Notice is being sent by email only to those eligible Members who have already registered their email address with the Depositories/the DP/the Company's RTA/the Company or who will register their email address with Skyline Financial Services Private Limited, on or before 5 p.m. (IST) on Friday, 22nd September, 2023.

23. The recorded transcript of the forthcoming AGM, shall also be made available on the website of the Company i.e. www.pakka.com in the Investors' Section, as soon as possible after the meeting is over.

24. **Process for registration of email addresses to receive the Notice of AGM and the Integrated Annual Report for FY23 electronically and cast votes electronically:**

    (i) **Registration of email addresses with Skyline Financial Services Private Limited:**

    To facilitate Members to receive this Notice electronically and cast their votes electronically, the Company has made special arrangement with Skyline Financial Services Private Limited for registration of email addresses in terms of the MCA Circulars. Eligible Members who have not submitted their email address to Skyline Financial Services Private Limited, are required to provide their email address to the RTA, on or before 5 p.m. (IST) on Friday, 1st September, 2023 pursuant to which, any Member may receive on the email address provided by the Member, Notice of the AGM along with the Integrated Annual Report for FY23. The process for registration of email address is as under:

    I. **For Members who hold shares in Electronic form:**

    a) https://www.skylinerta.com/profile-updation.php
    b) Select the name of the Company from dropdown.
    c) Enter details in respective fields such as DP ID and Client ID, Name of the Member, PAN details, mobile number and email ID.
    d) System will send OTP on mobile number and email ID.
    e) Enter OTP received on mobile number and email ID and submit.

    II. **For Members who hold shares in Physical form:**

    a) https://www.skylinerta.com/profile-updation.php
    b) Select the name of the Company from dropdown.
    c) Enter details in respective fields such as Folio no. and Certificate no., Name of the Member, PAN details, mobile number and email ID.
    d) System will send OTP on mobile number and email ID.
    e) Enter OTP received on mobile number and email ID and submit.

    After successful submission of the email address, NSDL will email a copy of the Integrated Annual Report for FY23 along with the remote e-Voting user ID and password on the email address registered by the Member. In case of any queries, Members may write to sachin.srivastava@pakka.com or evoting@nsdl.co.in

    (ii) **Registration of email address permanently with Company/DP:**

    Members are requested to register their email address with their concerned DPs, in respect of electronic holding and with the RTA, in respect of physical holding, by writing to them at sachin.srivastava@pakka.com.

    (iii) **Alternatively, those Members who have not registered their email addresses are required to send an email request to evoting@nsdl.co.in along with the following documents for procuring user ID and password for e-Voting for the resolutions set out in this Notice:**

    - In case shares are held in physical mode, please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), self-attested scanned copy each of PAN card and Aadhaar card.
    - In case shares are held in electronic mode, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy each of PAN card and Aadhaar card.
    - If you are an individual Member holding securities in electronic mode, you are requested to refer to the login method explained at para VI below under step 1 (A) i.e. Login method for remote e-Voting and joining virtual meeting for Individual shareholders/ Members holding securities in electronic mode.

25. For permanent registration of their email address, Members are requested to register their email address, in respect of electronic holdings, with their concerned DPs and in respect of physical holdings, with the RTA.

26. Those Members who have already registered their email addresses are requested to keep their email addresses validated with their DP/SFSPL to enable serving of notices/documents/Annual Reports and other communications electronically to their email address in future.

27. Process and manner for Members opting for e-Voting is as under:

    I. In compliance with the provisions of Section 108, and other applicable provisions of the Act, read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations, the Company is offering only e-Voting facility to all the Members of the Company and the business will be transacted only through the electronic voting system. The Company has engaged the services of

NSDL for facilitating e-Voting to enable the Members to cast their votes electronically as well as for e-Voting during the AGM. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.

II. Members are provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM.

III. Members who have already cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-Voting.

IV. Members of the Company, holding shares either in physical form or electronic form, as on the cut-off date of Friday, 22nd September, 2023, may cast their vote by remote e-Voting. The remote e-Voting period commences on Tuesday, 26th September, 2023 at 9 a.m. (IST) and ends on Thursday, 28th September, 2023 at 5 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

V. The instructions for Members attending the AGM through VC/OAVM are as under:

A. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned below for 'Log-in to NSDL e-Voting system'. The link for VC/OAVM will be available in 'Member login' where the EVEN of the Company will be displayed. After successful login, the Members will be able to see the link of 'VC/OAVM link' placed under the tab 'Join Annual General Meeting' against the name of the Company. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman.

B. **Members may join the AGM through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.**

C. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at sachin.srivastava@pakka.com before 5 p.m. (IST) on Tuesday, 26th September, 2023. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

D. Members who would like to express their views/ ask questions as a Speaker at the AGM may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to sachin.srivastava@pakka.com between Tuesday i.e. 26th September, 2023 (9 a.m. IST) and Thursday, 28th September, 2022 (5 p.m. IST). Only those Members who have pre-registered themselves as Speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VI. The instructions for Members for remote e-Voting are, as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Log-in method for e-Voting and joining virtual meeting for Individual Shareholders/Members holding securities in demat mode**

In terms of the Circular issued by the Securities and Exchange Board of India dated 9th December 2020, on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the individual Demat account holders, by way of single login credential, through their

Demat accounts/websites of Depositories/ DPs in order to increase the efficiency of the voting process. Individual Demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Members are advised to update their mobile number and email ID with their DPs in order to access e-Voting facility.

Log-in method for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	i. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. iv. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Members	Login Method
Individual Members holding securities in demat mode with CDSL	i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login Method	Helpdesk details
Individual Members holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

iv) Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

v) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with **NSDL**.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with **CDSL**.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 119696 then user ID is 119696001***

vi) Your Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

vii) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

viii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix) Now, you will have to click on "Login" button.

x) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

VII. **The Instructions for Member for e-Voting during the proceedings of the AGM are as under:**

A. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/ OAVM.

B. Only those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

C. C. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

D. D. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Manager – NSDL or Mr. Amit Vishal, Senior Manager - NSDL at evoting@nsdl.co.in or call on : 1800 1020 990 and 1800 22 44 30.

General Guidelines for Members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.:1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager-NSDL or Mr. Amit Vishal, Senior Manager-NSDL at evoting@nsdl.co.in.
3. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 22, 2023.

IX. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, September 22, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/SFSPL.

However, if the person is already registered with NSDL for remote e-Voting, then the existing user ID and password of the said person can be used for casting vote. If the person forgot his/her password, the same can be reset by using 'Forgot user Details/Password' or 'Physical user Reset

Password' option available on www.evoting.nsdl.com or by calling on toll free no. 1800 1020 990 and 1800 224 430. In case of Individual Members holding securities in Demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, September 22, 2023 may follow steps mentioned in the notes to Notice under 'Access to NSDL e-Voting system'.

X. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.

XI. The Board of Directors has appointed Mr. Amit Gupta (FCS 5478, CP 4682) of Amit Gupta & Associates, Company Secretaries as Scrutinizer to scrutinize the voting at the 43rd AGM and remote e-Voting process, in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

XIII. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the Meeting and, thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIV. The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website www.pakka.com and on the website of NSDL www.evoting.nsdl.com, immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and National Stock Exchange of India Limited be made available on their respective websites viz. www.bseindia.com and www.nseindia.com.

By Order of the Board of Directors,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Head Legal
FCS No.: 11111

Place: Ayodhya
Date: 5th September, 2023

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No.5

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.5 of the accompanying Notice dated 12th August, 2023:

The Board of Directors of the Company appointed pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Jagdeep Hira as an Additional Director (Executive) and CEO (Key Managerial Personnel) of the Company and further designated him as Executive Director and CEO (Key Managerial Personnel) of the Company with effect from 22nd October, 2016. Mr. Jagdeep Hira was re-designated as Managing Director of the Company in the meeting of Board of Directors held on 21st July, 2017. Mr. Jagdeep Hira was further re-designated as Managing Director & CEO of the Company in the meeting of Board of Directors held on 22nd September, 2018. Mr. Jagdeep Hira was further re-appointed as Managing Director of the Company w.e.f 21st July, 2023 in the 40th Annual General Meeting held on 31st October, 2020.

Mr. Jagdeep Hira has a vast experience of 29 years in specialty paper manufacturing and paper mill management. He had worked in domestic and MNC companies with extensive international experience.

In appreciation of the dedicated services, the Board of Directors at its meeting held on 20th July, 2023, approved the re-appointment of Mr. Jagdeep Hira as a Managing Director of the Company as recommended by Nomination and Remuneration Committee for a period of three years w.e.f. 21st July, 2023 subject to approval of the Members of the Company.

Pursuant to the provisions of Section 196(4) read with Schedule V of the Companies Act, 2013 and provisions of the Regulation 17 of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Shareholders of the Company is required for such re-appointment.

Pursuant to Section 197(1) of the Act, the total managerial remuneration payable by a public company, to its Directors, including Managing Director and Whole-time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of the company for that financial year computed in the manner laid down in Section 198 of the Act. However, pursuant to first proviso to Section 197(1) of the Act, the Company in General Meeting may, authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V to the Act.

Further, pursuant to second proviso to Section 197(1) of the Act, except with the approval of the Company in General Meeting, by a Special Resolution, the remuneration payable to any one Managing Director or Whole-time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such Directors and Manager taken together.

Further, pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders of the company by way of a Special Resolution is required for (i) payment of annual remuneration to executive director, who is a promoter or member of the promoter group of the company, exceeding rupees 5 crore or 2.5 per cent of the net profits (computed as per the provisions of Section 198 of the Act) of the Company, whichever is higher; or (ii) where there is more than one such director, payment of aggregate annual remuneration to such directors exceeding 5 percent of the net profits (computed as per the provisions of Section 198 of the Act) of the company.

In terms of the provisions of Schedule V to the Act, the payment of aforesaid remuneration shall be made, for a period of three years from July 01, 2023 to June 30, 2027, in the event of inadequacy of profits or losses in the respective financial year.

As proposed in item no. 5, the approval of the members of the Company by way of special resolution is sought in terms of the provisions of section 196, 197 read with schedule V, other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and regulation 17(6)(e) of the SEBI Listing Regulations, 2015 for:

a) the approval of the appointment of Mr. Jagdeep Hira on the terms and conditions as set out above for the period of five years from July 01, 2023, in terms of the provisions of section 196(3) and part I of Schedule V of the Companies Act, 2013;

b) payment of aforesaid managerial remuneration, even if the aggregate managerial remuneration of all directors exceeds the limit as specified in Section 197 (1) of the Companies Act, 2013;

c) payment of aforesaid managerial remuneration, even if Individual limit exceeds five percent of the Net Profits of the Company or aggregate limit exceeds ten percent of Net Profits of the Company, in terms of the provisions of the second proviso to section 197(1) of the Companies Act, 2013;

d) payment of aforesaid managerial remuneration, even if the same exceeds the limits provided in the table provided in Section II of Part II of Schedule V to the Companies Act, 2013; and

e) payment of aforesaid managerial remuneration, even if the same exceeds five percent of the net profits or Rupees Five crore, whichever is higher, in terms of regulation 17(6)(e) of the SEBI Listing Regulation, 2015.

The Board has considered the parameters given under Section 200 of the Act and the rules made thereunder read with Schedule V to the Act for recommending the above remuneration. Details of Mr. Jagdeep Hira pursuant to the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are given in Annexure to the Explanatory Statement. Details required as per Schedule V to the Act are also given as Annexure to the Explanatory Statement. The above may be treated as a written memorandum setting out the terms of remuneration of Mr. Jagdeep Hira under Section 190 of the Act.

Information as required under Para (B) of Section II of Part II of Schedule V to the Companies Act, 2013 is given elsewhere in the Annual Report.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013 (in respect of business proposed at item no. 4):

<table>
<tr><td>I.</td><td colspan="2">General Information</td></tr>
<tr><td></td><td>Nature of Industry</td><td>Pakka Limited is engaged in the business of manufacturing and trading of products viz. Pulp, Kraft Paper, Poster Paper, Moulded (Tableware) Products, Bagasse Pith Pallets and Egg Tray.</td></tr>
<tr><td></td><td>Date or expected date of commencement of commercial production</td><td>Existing Company incorporated on 05.05.1981</td></tr>
<tr><td></td><td>Financial performance based on given indicators</td><td>For the financial year 2022-2023, the Company made a turnover (Standalone) of ₹40,830.82 Lakhs and Profit (Standalone) of ₹7,231.17 Lakhs after tax.</td></tr>
<tr><td></td><td>Foreign investments or collaborations, if any</td><td>-NA -</td></tr>
<tr><td>II.</td><td colspan="2">Information about the appointees</td></tr>
<tr><td></td><td>Background details</td><td>Mr. Jagdeep Hira has a vast experience of 29 years in specialty paper manufacturing and paper mill management. He had worked in domestic and MNC companies with extensive international experience.</td></tr>
<tr><td></td><td>Past remuneration</td><td><table><tr><th>Year</th><th>Remuneration (₹ In Lakhs)</th></tr><tr><td>2020-21</td><td>181.64</td></tr><tr><td>2021-22</td><td>193.20</td></tr><tr><td>2022-23</td><td>246.76</td></tr></table></td></tr>
<tr><td></td><td>Recognition or awards</td><td>He has received many recognitions and awards related to his profession.</td></tr>
<tr><td></td><td>Job profile and his suitability</td><td>Mr. Jagdeep Hira has extensive experience in Leadership, project management and knowledge of industry.

As the Managing Director, he is responsible for meeting the objectives to the Board /Company in performing the functions.</td></tr>
</table>

	Remuneration proposed	As mentioned in the resolution proposed for approval of the shareholders. At present the remuneration proposed to be paid is within the limits prescribed under Section 197 & 198 of the Companies Act, 2013 read with Schedule V. However, in future it may exceed the said limits.
	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Chief Executive Officer / Managing Director levels of similar sized companies in similar Industry.
	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Jagdeep Hira is not related to any of the Directors and Key Managerial Personnel of the Company. Besides remuneration, he is in no manner concerned and does not hold any share of the Company.
III.	**Other Information**	
	Reasons of special resolution for payment of proposed remuneration in case of inadequate profits	At present, the Company is having adequate profits. However, the appointment is for a term of five years and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole and Paper Industry in particular and other relevant factors. Therefore, the limits specified under Section 197(1) read with Schedule V of the Act and Listing Regulations, may exceed during the term of appointment and therefore necessary approval of the shareholders of the Company by way of special resolution is proposed to be obtained.
	Steps taken or proposed to be taken for improvement	With the improvements in technology and processes that the Company has introduced and it expects a significant reduction in its operational costs. Further, the Company has been taking all the measures to have better yield and to reduce cost. The measures being taken by the Company, shall significantly improve the profitability of the Company.
	Expected increase in productivity and profits in measurable terms	The Company is continually taking several initiatives in all spheres of its operations which, inter alia, include product innovation, launch of value-added products, improvement of efficiency parameters, cost reduction, increasing market share of its products and building a formidable branding position. The performance of the Company has consistently improved over the last few years. Such measures will enable the Company to have sustained growth and further consolidate its position in the industry in coming years.
	Defaults	The Company has not committed any default in payment of dues to any bank or public financial institution or nonconvertible debenture holders or any other secured creditor.
IV.	Disclosures: Disclosures pursuant to Schedule V to the Act is given in the explanatory statement hereinbefore. Details of remuneration paid / payable to the Directors for the year ended 31st March, 2023 and their shareholding and other disclosures as on that date are as under:	

Sr. No.	Particulars	Amount (₹ In Lakhs)
1.	Gross salary	170.67
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	
	(c) Profits in lieu of salary under section7(3) Income tax Act, 1961	
2.	Stock Option	3,00,000 Options
3.	Sweat Equity	--
4.	Commission as % of profit - Others, specify...	76.09
5.	Others, please specify-P.F.	
	Total (A)	**246.76**
	Service Contract/ Notice period/ Severance Fees	--
	Shareholding (Equity)	Nil

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No.6

The Board of Directors in its meeting held on 12th August, 2023 has appointed Mr. Shubham Ashok Tibrewal (**DIN:** 10274024) as an Additional Director (Non-Executive & Non-Independent) of the Company. Regulation 17(1C) of the Listing Regulations provide that the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Shubham Ashok Tibrewal aged 33 years, is a citizen of France. He has done his bachelor's degree in engineering production from the University of Mumbai. He has completed Grand Ecole MSc Management specializing in Corporate Finance and Strategy from BNP Paribas Personnel Finance, Paris, France. He is the founder of Brawny Bear Nutrition, headquartered in Mumbai, India.

The Nomination and Remuneration Committee of the Board of Directors has recommended the appointment of Mr. Shubham Ashok Tibrewal as an Independent Director for a term of 5 (five) years on the Board of the Company.

The Board as per the recommendation of the Nomination and Remuneration Committee considers and proposed to appointment of Mr. Shubham Ashok Tibrewal as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Mr. Shubham Ashok Tibrewal is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Shubham Ashok Tibrewal for the office of Director of the Company.

The Company has also received declarations from Mr. Shubham Ashok Tibrewal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations as amended.

In the opinion of the Board, Mr. Shubham Ashok Tibrewal fulfills the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Mr. Shubham Ashok Tibrewal is an independent of the Management.

Brief resume of Mr. Shubham Ashok Tibrewal nature of his expertise in specific function areas and name of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are provided elsewhere in the notice.

Copy of the draft letter for respective appointment of Mr. Shubham Ashok Tibrewal as an Independent Director setting out the terms and conditions are available for inspection by members.

This Statement may also be regarded as a disclosure the Listing Regulations as amended.

Mr. Shubham Ashok Tibrewal is interested in the resolutions set out respectively at Item No.7 of the Notice with regard to their respective appointment.

The relatives of Mr. Shubham Ashok Tibrewal may be deemed to be interested in the resolutions set out respectively at Item No.7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions

Item No.7

The Board of Directors passed resolution through circulation on 5th September, 2023 and appointed Mr. Rahul Krantikumar Dharmadhikary (**DIN:** 02116207) as an Additional Director (Non-Executive & Independent) of the Company. Regulation 17(1C) of the Listing Regulations provide that the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Rahul Krantikumar Dharmadhikary is a researcher turned business development person and now a global industry leader. He started his career in pulp and paper and then built himself in the non-woven and filtration space. He is our guide when it comes to channelization of innovative systems and application-based work. He brings insights from a wide variety of domains.

The Nomination and Remuneration Committee of the Board of Directors has recommended the appointment of Mr. Rahul Krantikumar Dharmadhikary as Independent Director for a term of 5 (five) years on the Board of the Company.

The Board as per the recommendation of the Nomination and Remuneration Committee considers and proposed to appointment of Mr. Rahul Krantikumar Dharmadhikary as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Mr. Rahul Krantikumar Dharmadhikary is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Rahul Krantikumar Dharmadhikary for the office of Director of the Company.

The Company has also received declarations from Mr. Rahul Krantikumar Dharmadhikary that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations as amended.

In the opinion of the Board, Mr. Rahul Krantikumar Dharmadhikary fulfills the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Mr. Rahul Krantikumar Dharmadhikary is an independent of the Management.

Brief resume of Mr. Rahul Krantikumar Dharmadhikary, nature of his expertise in specific function areas and name of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are provided elsewhere in the notice.

Copy of the draft letter for respective appointment of Mr. Rahul Krantikumar Dharmadhikary as an Independent Director setting out the terms and conditions are available for inspection by members.

This Statement may also be regarded as a disclosure the Listing Regulations as amended.

Mr. Rahul Krantikumar Dharmadhikary is interested in the resolutions set out respectively at Item No.7 of the Notice with regard to their respective appointment.

The relatives of Mr. Rahul Krantikumar Dharmadhikary may be deemed to be interested in the resolutions set out respectively at Item No.7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item No.7 of the Notice for approval by the shareholders.

By Order of the Board of Directors,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Head Legal
FCS No.: 11111

Place: Ayodhya
Date: 5th September, 2023

PURSUANT TO REGULATIONS 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CALUSE 1.2.5 OF THE SECRETARIAL STANDARDS – 2, THE DETAILS OF THE DIRECTOR PROPOSED TO BE RE-APPOINTED / APPOINTED AT THE ENSUING FORTY THIRD ANNUAL GENERAL MEETING ARE GIVEN BELOW:

Sr. No.	Particulars	Mr. Jagdeep Hira	Mrs. Kimberly Ann McArthur	Mr. Shubham Ashok Tibrewal	Mr. Rahul Krantikumar Dharmadhikary
1.	Category / Designation	Managing Director	Promoters' Group (Non-Executive and Non-Independent Director)	Additional Director (Independent Director)	Additional Director (Independent Director)
2.	Director Identification Number (DIN)	07639849	05206436	10274024	02116207
3.	Age	51 years	53 years	33 years	54 Years
4.	Date of Birth	17-01-1972	19-05-1974	09-01-1990	25-07-1969
5.	Original Date of Appointment	22-10-2016	13-02-2012	12-08-2023	05-09-2023
6.	Qualifications	Bachelor of Engineering	Master In Communication	MSC Management	Ph.D. – Fiber and Polymer Science
7.	Occupation	Service	Business	Business	Business
8.	Directorship in other Companies*	-	-	-	-
9.	Chairmanship / Membership of Committees in other Companies*	NIL	NIL	NIL	NIL
10.	Number of Equity Shares held in the Company	NIL	NIL	NIL	NIL
11	Number of Equity Shares held in the Company for any other person on a beneficial basis	NIL	NIL	NIL	NIL
12.	Relationship between Directors inter-se; with other Directors and Key Managerial Personnel of the Company	None	Wife of Mr. Ved Krishna, Vice-Chairman, Non-Executive (Promoter) and Daughter in Law of Mrs. Manjula Jhunjhunwala, Non-Executive Director (Promoter)	None	None
13.	Terms and conditions of appointment or re-appointment	Appointed as Managing Director for 5 years on retire by rotational basis.	-	5 Years	5 Years
14.	Remuneration last draw (in FY 2022-23), if applicable	₹246.76 Lakhs	Mrs. Kimberly Ann McArthur is a Non-Executive Director (Promoters' Group) of the Company and is paid sitting fees ₹30,000/- for attending each meeting of Board, 25,000/- for Committee of Board.	N.A.	N.A.

Sr. No.	Particulars	Mr. Jagdeep Hira	Mrs. Kimberly Ann McArthur	Mr. Shubham Ashok Tibrewal	Mr. Rahul Krantikumar Dharmadhikary
15.	Remuneration proposed to be paid	As per Special Resolution proposed in the 43rd AGM to be held on 29th September, 2023.	Sitting Fees as applicable to the rest of the Directors.	Sitting Fees as applicable to the rest of the Directors.	Sitting Fees as applicable to the rest of the Directors.
16.	Number of Meetings of the Board attended during the year	6	7	1	-
17.	Justification for choosing the appointees for appointment / re-appointment as Independent Director	Considering his extensive knowledge and experiences and that would be in the best interest of the Company and will continue to provide relevant skill-set.	Considering her extensive knowledge and experiences and that would be in the best interest of the Company and will continue to provide relevant skill-set.	Considering his extensive knowledge and experiences and that would be in the best interest of the Company and will continue to provide relevant skill-set.	Considering his extensive knowledge and experiences and that would be in the best interest of the Company and will continue to provide relevant skill-set.
18.	Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. Jagdeep Hira has lived and breathed paper most of his working life. He has run all kinds of machines and developed numerous grades of papers. He has worked in different kind of companies and environments and has also had great international exposure. He loves to build organizations taking the team along with him. He is able to understand, grasp resolve issues due to his deep involvement with the process.	Mrs. Kimberly Ann McArthur is passionate about life. She earned a Masters in Communication and built her company Freerange Studios in the USA from a start up to a well known design firm that works on social causes. Mrs. Kimberly Ann McArthur knows how to communicate. She has a brain that can look at issues and guide as they need to be handled. From experience in running her own business for ten years, she gained business strategic experience combined with her great acumen for aesthetics and design. She also has a deep commitment to Papers' CSR efforts.	Mr. Shubham Ashok Tibrewal aged 33 years, is a citizen of France. He has done his bachelor's degree in engineering production from the University of Mumbai. He has completed Grand Ecole MSc Management specializing in Corporate Finance and Strategy from BNP Paribas Personnel Finance, Paris, France. He is the founder of Brawny Bear Nutrition, headquartered in Mumbai, India.	Mr. Rahul Dharmadhikary is a researcher turned business development person and now a global industry leader. He started his career in pulp and paper and then built himself in the non-woven and filtration space. He is our guide when it comes to channelization of innovative systems and application-based work. He brings insights from a wide variety of domains.

By Order of the Board of Directors,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Head Legal
FCS No.: 11111

Place: Ayodhya
Date: 5th September, 2023

Directors' Report

Dear Members,

The Directors have pleasure in presenting their 42nd Annual Report and Audited Financial Statements for the year ended 31st March 2023.

1. Financial Results:

₹ In Lakhs

Particulars	Standalone		Consolidated	
	For the year ended March 31		For the year ended March 31	
	2023	2022	**2023**	2022
I. Revenue from operations	40,830.82	29,108.63	40,830.82	29,108.63
II. Other income	1,158.47	813.25	1,160.29	813.25
III. Total Income	**41,989.29**	**29,921.88**	**41,991.11**	**29,921.88**
IV. Expenses				
Cost of materials consumed	15,402.18	11,746.92	15,402.18	11,746.92
Purchase of stock-in-trade	578.25	6.18	578.25	6.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	219.81	-124.56	219.81	-124.56
Employee benefits expenses	4,792.11	3,557.01	5,010.34	3,736.38
Finance costs	1,112.91	936.26	1,126.28	939.62
Depreciation and amortization expenses	1,272.79	1,021.54	1,274.65	1,021.54
Other expenses	11,380.07	7,409.21	11,687.07	7,475.48
Total Expenses (IV)	**34,758.12**	**24,552.56**	**35,298.58**	**24,801.56**
V. Profit before Tax (III – IV)				
VI. Tax expense:	**7,231.17**	**5,369.32**	**6,692.53**	**5,120.32**
1. Current tax				
2. Deferred tax	1,434.61	980.00	1,434.61	980.00
3. Tax adjustments relating to earlier years	650.32	565.11	650.32	565.11
VII. Profit for the period (V – VI)	0.00	4.19	0.00	4.19
VIII. Other comprehensive income	5,146.24	3,820.02	4,607.60	3,571.02
(i) Items that will not be reclassified to profit or loss Re-measurements of the defined benefit plans	-38.13	-67.51	-38.13	-67.51
(ii) Income tax related to items that will not be reclassified to profit or loss	11.10	19.66	11.10	19.66
(iii) Foreign Currency Transition Reserve	-	-	8.67	-0.71
(vi) Non-Controlling Interest	-	-	3.31	0.00
Sub Total	**-27.03**	**-47.85**	**-18.36**	**-48.56**

₹ In Lakhs

Particulars	Standalone		Consolidated	
	For the year ended March 31		For the year ended March 31	
	2023	2022	2023	2022
IX. Total comprehensive income for the period (VII – VIII)	5,119.21	3721.17	4589.24	3,522.46
X. Earnings per equity share				
1. Basic	13.51	10.03	12.10	9.38
2. Diluted	13.45	10.03	12.04	9.38

2. PERFORMANCE REVIEW

2.1 CONSOLIDATED

The Operative Revenue stood at ₹40,830.82 lakhs in FY23 compared to ₹29,108.63 lakhs in FY22 on a consolidated basis. There was an increase of 40.27% in Operative Revenue in comparison to last financial year. The Consolidated Profit after tax in FY23 was at ₹4,607.60 lakhs compared to ₹3,571.02 lakhs in FY22. There was an increase of 29.03% in consolidated profit after tax.

2.2 STANDALONE

The Operative Revenue stood at ₹40,830.82 lakhs in FY23 compared to ₹29,108.63 lakhs in FY22 on a standalone basis. There was an increase of 40.27% in Operative Revenue in comparison to last financial year. The Standalone Profit after tax in FY23 was at ₹5,146.24 lakhs compared to ₹3,820.02 lakhs in FY22. There was an increase of 34.72% in standalone profit after tax.

2.3 PRODUCTION AND SALES

Your Company has reported following production and sales:

(₹ In lakhs)

Name of Products	Unit of Measurement	Productions		Sales	
		Current Year 31.03.2023	Previous Year 31.03.2022	Current Year 31.03.2023	Previous Year 31.03.2022
Kraft Paper	MT	22,384	22,824	22,332	22,332
Poster Paper	MT	17,384	16,315	17,308	16,183
Total Paper	**MT**	**39,768**	**39,139**	**39,631**	**38,515**
Pulp	MT	10,134	8,872	9,710	8,815
Moulded (Tableware) Products	MT	2,018	1,630	2,327	1,596
Pith Pallet	MT	6295	6,639	5,096	4,934
Egg Tray	Pieces in Lakhs	140.38	117.08	132.85	117.37

2.4 ANNUAL PERFORMANCE

Details of your Company's annual performance are published on the Company's website and presented during the Investors Meet. The same can be accessed under the Investors Meet tab in the Investor Section of the website of the Company: www.pakka.com.

3. DIVIDEND

Based on the Company's performance, the Directors have recommended a final dividend of 24% (₹2.40 per equity share) for the year ended 31st March, 2023 subject to approval of the members at ensuing Annual General Meeting.

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Final Dividend for the year ended ₹2.40 per share (P.Y. ₹2 per share)	913.88	761.57
Total	**913.88**	**761.57**

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at the prescribed rates as prescribed under the Income-tax Act, 1961.

The dividend on equity shares, if approved by the members, would involve a cash outflow of ₹913.88 lakhs.

4. TRANSFER TO RESERVES

As per Standalone financials, the net movement in the reserves of the Company for FY23 and FY22 is as follows:-

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	37.32	37.32
Securities Premium	1,172.16	1,172.16
Employees Share Base payment Reserve	227.15	-
General Reserve	550.00	550.00
Retained Earnings	15,692.41	11,253.18
Other Comprehensive Income	(138.60)	(111.57)
Total	**17,540.44**	**12,955.65**

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

We, along with our subsidiaries, provide manufacturing, consulting, technology, outsourcing and marketing services. We had 3 subsidiaries i.e., Pakka Inc, an USA-based Company, Pakka Pte Ltd, a Singapore based subsidiary company and Pakka Impact Limited, an India based subsidiary company. The financial transactions of the said subsidiary during the year are included in the Consolidated Financial Statements of the Company.

During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the Consolidated Financial Statements of the Company, which form part of this Annual Report based on the financial statements certified by the Management of the subsidiary company. Further, a statement containing the salient features of the financial statements of our subsidiary in the prescribed format AOC-1 as per Section 129(2) of the Companies Act, 2013 (the Act) is appended as 'Annexure - I' to the Director's report. The statement also provides details of the performance and financial position of each of the subsidiary, along with the changes that occurred, during FY23.

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including consolidated financial statements along with relevant documents of the Company and management certified financial statements of the subsidiaries are available under tab of Annual Report of Investor Section on the website of the Company www.pakka.com.

The policy for determining material subsidiaries of the Company has been provided in the following link under tab of Policy of Investor Section on the website of the Company www.pakka.com.

6. SHARE CAPITAL

The authorized share capital of the Company was ₹6005 lakhs divided into 565 lakhs equity shares of ₹10 each and 4 lakhs preference share capital of ₹100 each as on 31st March, 2023. the authorized share capital increased to ₹6,005 lakhs after merger of Yash Compostables Limited into the Company.

The paid up Equity Share Capital of the Company as on 31st March, 2022 was ₹3,524 lakhs. The paid up Equity Share Capital of the Company was increased to ₹3807.85 lakhs on 13th May, 2022 on account of merger of Yash Compostables Limited. The paid up Equity Share Capital of the Company is ₹3807.85 lakhs on 12th August, 2023 i.e. the date of Directors' Report.

The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares during the year under review.

The Company has paid Listing Fees for the financial year 2022-23 and 2023-24 to BSE Limited, where its equity shares are listed.

7. TSOP (ESOP) DISCLOSURE

Your Company has approved TSOP (ESOP) in the Board Meeting in the year 2019 i.e., 'Yash Team Stock Option Plan – 2019' and approved by the members of the Company in the 39th Annual General Meeting held on September 20, 2019 and further medication approved in the 40th Annual General Meeting held on 31st October, 2020, which was not implemented.

The Members of the Company in their Extra Ordinary General Meeting held on May 6, 2022 approved the new scheme 'Yash Team Stock Option Plan – 2021' ('TSOP'/'Plan'), in supersession of earlier Special Resolution passed by the Members of the Company as aforesaid and authorised the Board (including Compensation Committee) to create, offer, issue, reissue, grant, transfer and allot from time to time, and in one or more tranches, such number of Team (Employee) Stock Options (hereinafter referred to as "Options"), under the YASH TEAM STOCK OPTION PLAN – 2021 ('New TSOP') and to issue fresh options, re-issue options that may lapse/ get cancelled/ surrendered in future under the New TSOP, in complete supersession of any earlier team member (employee) stock option plan of the Company and to issue and allot such number of Equity Shares of the Company ₹10 (Rupees ten only) each not exceeding 20,00,000 (Twenty Lakhs) Equity Shares, representing in the aggregate 5.68 % (approx.) of the issued, paid-up and subscribed share capital of the Company (as on April 01, 2022) at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of New TSOP and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations, to or to the benefit of the eligible team members i.e. employees/ directors of the Company (i.e. Eligible Beneficiaries as defined in the 'New TSOP')

Thereafter, the Nomination and Remuneration Committee (Compensation Committee) of the Board of Directors of the Company ("NRC") in its meeting held on July 7, 2022 has granted 14,16,600 stock options of the Company to 361 number of the eligible Team members in terms of TSOP at an exercise price of ₹82.21 (Rupees Eighty-Two and Twenty-One paisa Only) per Share.

The disclosure relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 ("SBEB Regulations") is provided on the website of the Company www.pakka.com under Investor Section.

A certificate obtained from the Secretarial Auditors, confirming that the TSOP (ESOP) Schemes of the Company are in compliance with the SBEB Regulations and that the Company has complied with the provisions of the Companies Act, 2013 and the SBEB Regulations is also provided in 'Annexure - II' forming part of this Report.

8. HUMAN RESOURCE DEVELOPMENT

A key area of focus for your Company is to create a performance driven workforce while ensuring the health and well-being of employees and their families.

Many policies and benefits were implemented to maximize employee engagement and welfare. Your Company also continues to endeavour to create a work environment which is collaborative and learning and growth oriented to enable employees to perform at their full potential. Our Human Resource (HR) strategy adopts a multipronged approach covering all the key facets of employee development.

Learning as a stated value of the Company also sets the tone of your Company's aim to develop competencies to rise to new challenges especially posed by ventures into new business areas.

9. CREDIT RATING

During the year under review, the Company has given mandate for Credit Rating, however the same is under evaluation till the date of report.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANIAL YEAR AND DATE OF THE REPORT

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

11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

12. SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND YASH COMPOSTABLES LIMITED

The Board of Directors and Members of the Company had approved a scheme of arrangement between (i) the Company, its shareholders and creditors, and (ii) Yash Compostables Limited (YCL) and its shareholders and creditors (the "Scheme"). The Scheme contemplates the merger by absorption of YCL by the Company. The Scheme had been approved by the Hon'ble National Company Law Tribunal, Allahabad Bench vide order dated April 18, 2022 and Stock Exchange had also given its final approval to the Company. YCL has been dissolved without winding up basis on terms and conditions as detailed in the Scheme.

Subsequent to the year under review, 28,38,500 Equity Shares of Face Value of ₹10/- each of Pakka Limited has been allotted on 13.05.2022 to the Shareholders of Yash Compostables Limited (i.e. 56.77 (Fifty-Six point Seventy-Seven) Equity Shares of Face Value of ₹10/- each of Pakka Limited to the Shareholders of Yash Compostables Limited for every 1 (One) Equity Share of Face Value of ₹10/- each held by the Shareholders of Yash Compostables Limited) pursuant to Clause 8.1 of the Scheme of Merger by Absorption as approved by the Hon'ble National Company Law Tribunal, Allahabad Bench vide order dated 18" April, 2022.

13. DEPOSITS

During the year under review, the Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the rules framed thereunder, and the requisite returns have been filed. The Company does not have any unclaimed deposits as of date.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such IFCs with reference to the Financial Statements are adequate. The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Companies Act, 2013.

Your Company has appointed Mahajan & Aibra., Chartered Accountants, Mumbai as Internal Auditor of the Company. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

15. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance forms part of this Annual Report.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with its Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code of Conduct cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of Directors of the Company for redressal. No person has been denied access to the Chairman of the Audit Committee of Directors.

The Company has a Whistle Blower Policy to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company under Policy Tab of Investor Section on www.pakka.com.

17. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has revisited the Internal Complaints Committee members and emphasized on the roles and responsibilities expected from the members. Posters and Banners were refreshed with the list of committee members and strengthened the awareness of zero tolerance through campaigns.

Opening as on 01.04.2022	Received during FY 2022-23	Redressed during FY 2022-23	Closing as on 31.03.2023
0	0	0	0

18. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

19. SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per the requirement of Section 186(4) of Companies Act, 2013, particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements forming a part of the Annual Report. The Company is in compliance with the limits as prescribed under Section 186 of Companies Act, 2013 read with Rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014.

21. RELATED PARTY TRANSACTION

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the Policy on Materiality of Related Party Transactions and the same can be accessed under Policy Tab of Investor Section on www.pakka.com.

During the year under review, all transactions entered into with related parties were approved by the Audit Committee of the Board. Certain transactions, which require the approval of the Board, were approved by the Board also. During the year, the Company had not entered into any contract, arrangement or transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which are required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The disclosures as required under Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in accordance with Ind AS 24 in the notes to Standalone Financial Statements.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of the Company has adopted a Corporate Social Responsibility (CSR) Policy as available under Policy tab of Investors Section on the website www.pakka.com of the Company on the recommendation of CSR Committee and this policy has been amended from time to time to ensure its continued relevance and to align it with the amendments to applicable provisions of law. The Company undertakes CSR activities in accordance with the said Policy.

The Company undertakes majority of CSR through Pakka Foundation (Previously known as K. K. Charitable Foundation). Pakka Foundation works along with the Board and the CSR committee in order to identify and implement CSR initiatives of the Company. Key CSR initiatives of the Company focus on Women Education, Child Development, Water Conservation, Healthcare and Sanitation. During the year under review, the Company has spent ₹137.75/- Lakhs for its CSR activities during the financial 2022-23.

The disclosures required to be given under section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in 'Annexure - III' forming part of this Directors' Report.

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

23. AUDITORS' OBSERVATION:

23.1 STATUTORY AUDITOR REPORT

The Statutory Auditor of the Company has given unqualified report during the year under review.

23.2 SECRETARIAL AUDITOR REPORT

The Secretarial Auditor of the Company has given unqualified report during the year under review.

24. DIRECTORS:

24.1 CHANGES IN DIRECTORS

The Members of the Company at their Extra Ordinary General Meeting held on 6th May, 2022, approved the re-appointment of Mr. Narendra Kumar Agarwal (DIN - 05281887) as Director (Works). However, Mr. Narendra Kumar Agarwal has resigned from directorship of the Company with effect from 30th July, 2022 due to personal and unavoidable circumstances.

Further, the Members of the Company at their Extra Ordinary General meeting held on 6th May, 2022 had also approved the reappointment of Mr. Pradeep Vasant Dhobale as an Independent Director for the second term of five years w.e.f. 25.09.2022.

Further, the Members of the Company at their Extra Ordinary General meeting held on 6th May, 2022 had also approved the appointment of Mr. Ved Krishna as Vice Chairman (Non-Executive) of the Company.

Further, the Members of the Company have approved re-appointment of Mr. Basant Kumar Khaitan (DIN: 00117129) for the 2nd term as an Independent Directors at the 42nd Annual General Meeting of the Company.

Further, the Board of Directors of the Company has approved the appointment of Mr. Shubham Ashok Tibrewal (DIN: 10274024) as an Additional Director (Independent Director) of the Company in the meeting of Board of Directors held on 12th August, 2023.

In accordance with the requirements of the Act and the Company's Articles of Association, Mrs. Kimberly Ann McArthur (DIN: 05206436), Director of the Company, retires by rotation is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for her re-appointment.

24.2 CHANGES IN KEY MANAGERIAL PERSONNEL

There are following changes in the Key Managerial Personnel during the year.

Mrs. Bhavna Kodarbhai Patel (Membership No.A31586), Company Secretary & Compliance Officer (KMP) of the Company has resigned from the post of Company Secretary & Compliance Officer with effect from August 1, 2022 due to personal reasons.

Mr. Sachin Kumar Srivastava (Membership No.F11111), Legal Head of the Company has been appointed to the post of Company Secretary and Legal Head of the Company with effect from 10th August, 2022.

Mr. Jignesh Shah has resigned from the post of Chief Financial Officer with effect from 24th November, 2022 due to his health issues.

Mrs. Neetika Suryawanshi has been appointed on the post of Chief Financial Officer with effect from 26th December, 2022.

25. DECALARATION OF INDEPENDENCE

The Company has received Declarations of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that he/she is not disqualified from being appointed/re-appointed/ continue as an Independent Director as per the criteria laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are also displayed on the website of the Company www.pakka.com under Investor Section.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors are exempted from undertaking the online proficiency self-assessment test conducted by IICA.

26. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act and the Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive Director and NEDs. The Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The above criteria are broadly based on the Guidance note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017. In a subsequent Board meeting, the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

27. POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES AND REMUNERATION POLICY FOR SENIOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the Nomination and Remuneration Committee is responsible for determining qualification, positive attributes and independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, KMP and other employees.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company under Policy Tab of Investor Section at www.pakka.com.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls (IFCs) and compliance systems established and maintained by the Company, the work performed by the Statutory, Secretarial and Internal Auditors and external consultants, including the audit of IFCs over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee of Directors, the Board is of the opinion that the Company's IFCs were adequate and effective during FY23. Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to the material departure;

b) They 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 of the Company for that period;

c) They have taken proper and sufficient care for the 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 fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29. BOARD AND COMMITTEES OF THE BOARD

29.1 Board Meetings

8 Board Meetings were held during the year under review. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

29.2 Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes the Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The same can be accessed in Policy Tab of Investor Section at www.pakka.com. All Senior Management personnel have affirmed compliance with the Code of Conduct of the Company. The Managing Director has also confirmed and certified the same. The certification is enclosed as 'Annexure - I' at the end of the Report on Corporate Governance.

30. AUDITORS

30.1 STATUTORY AUDITORS

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, Statutory Auditor CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 101961W/W-100036) were re-appointed for the 2nd term as Statutory Auditor of the Company at the 42nd AGM held on 30th October, 2022 to hold office from the conclusion of the said meeting till the conclusion of the 47th AGM to be held in the year 2027.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013, the Code of Ethics issued by the Institute of Chartered Accountants of India.

30.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed Amit Gupta & Associates, Practicing Company Secretaries (C.P.No.4682) to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2023.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report is provided in 'Annexure - IV' to this Report.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

30.3 INTERNAL AUDITORS

The Board of Directors of the Company in its meeting held on 29th April, 2022 has appointed Mahajan & Aibra, Chartered Accountants, Mumbai of the Company as Internal Auditor of the Company for conducting the Internal Audit for the financial year ended 31st March, 2023.

30.4 COST AUDITORS

As per the requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to appoint cost auditors and maintain cost records.

31. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

32. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is a pioneer in propagating energy conservation and operational efficiency with the objective of providing substantial benefit to customers in the form of reduced emissions, pollutants and deliver cost effective and environment friendly energy solutions.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure - V' and forms an integral part of this Report.

33. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31st March, 2023 is available on the Company's website and can be accessed at www. https://www.pakka.com/investors.

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis, as required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Annual Report.

35. PARTICULARS OF EMPLOYEES

DETAILS PERTAINING TO 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 information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Directors / KMP	Remuneration of the Director / KMP in F.Y.2022-23 (₹ in Lakhs)	Remuneration of the Director / KMP in F.Y.2021-22 (₹ in Lakhs)	% Increase in F.Y.2022-23 (₹ in Lakhs)	Ratio (times) of the remuneration of each director to the median remuneration of the employees
Mr. Ved Krishna, Vice-Chairman	2.67	48.11	-*	0.59
Mr. Jagdeep Hira, Managing Director (KMP)	246.76	193.20	27.72%	54.32
Mr. Narendra Kumar Agrawal, Director Works	20.41	45.08	-*	4.49
Mrs. Neetika Suryawanshi, Chief Financial Officer (KMP)	21.31	-	-	4.69
Mr. Sachin Kumar Srivastava, Company Secretary & Compliance Officer (KMP)	19.49	-	-	4.29
Mr. Jignesh Shah, Chief Financial Officer (KMP)	48.83	62.34	-21.67%*	10.75
Ms. Bhavna Patel, Company Secretary & Compliance Officer (KMP)	6.79	19.51	-65.20%*	1.49

*The figures are not comparable due to resigned / worked for part of the financial year only.

ii. The median remuneration of employees of the Company during FY23 was ₹4,54,303/- in comparison to ₹3,88,172/- during the FY22.

iii. In the financial year, there was an increase of 17.04% in the median remuneration of employees;

iv. There were 464 permanent employees on the rolls of the Company during the FY23 in comparison to 472 permanent employees on the rolls of the Company during FY22.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in FY23 was 18.45 % whereas the decrease in the managerial remuneration for the same financial year was 0.54%. The figures for managerial remuneration are not comparable to last year due to appointment/changes made in managerial person during the said period.

vi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Schedule V of the Companies Act, 2013, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees; and

vii. It is hereby affirmed that the remuneration paid is as per the as per the Schedule V of the Companies Act, 2013, Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

viii. Except Mr. Jagdeep Hira, Managing Director of the Company, no other employee was employed throughout the financial year at an aggregate salary of ₹1,02,00,000/- per annum.

ix. Except, Mr. Jagdeep Hira, Managing Director, no other employee was employed for a part of the financial year at an aggregate salary of ₹8,50,000/- per month.

x. Details of Top Ten employees of the company as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide Notification dated 30th June, 2016 by Ministry of Corporate Affairs for the year ended 31st March, 2023:

Sl. No.	Name & Age	Qualification	Designation	Date of Joining	No. and % of equity shares held	Remuneration	Previous employment
1	Mr. Jagdeep Hira (51 Years, 2 Month)	Bachelor of Engineering Technology	Managing Director	10/10/2016	Nil	2,46,76,152	Trident Group Limited
2	Mr. Jignesh Vinodchandra Shah (52 Years, 3 Month)	Chartered Accountant	Chief Financial Officer	01/06/2020	Nil	59,93,374	Gerresheimer
3	Mr. Narendra Kumar Agrawal (52 Years)	Bachelor of Engineering	Director Works	15/12/2011	500 (0.00%)	53,98,050	Century Paper and Pulp
4	Mr. Manoj Kumar Maurya (48 Years, 9 month)	M.Com	Commercial Head	01/09/1998	Nil	36,67,687	-
5	Thomas James (41 Years, 6 Month)	BE & MBA	Operations Head	03/11/2022	Nil	36,33,383	MRF Tyres
6	Mr. Neeraj Kamra (50 Years, 2 Month)	PGDM in Pulp & Paper	Production Head	25/02/2019	Nil	31,40,069	Shree Rishabh Paper
7	Ms. Navina John (44 Years)	Master in Human Resource Management	Admin & IR Head	17/05/2018	Nil	30,91,283	Muthoot Finance Ltd.
8	Sachin Kumar Srivastava (38 years)	CS, Cost Accountant, LLb, MBA, PGDCA, M.Com	Company Secretary & Legal Head	15/05/2006	100	24,49,145	-
9	Shailesh Singh (43 Years)	Master in International Business	Paper Sales Head	23/01/2017	Nil	23,59,652	-
10	Anoop Kumar (42 Years)	Diploma in Electrical Engineering	Electrical Head	01/10/2016	Nil	20,91,576	-

*Mr. Jignesh Vinodchandra Shah resigned from the post of Chief Financial Officer of the Company w.e.f. 24th November, 2022 and from the Company w.e.f. 7th January, 2023

xi. No employee of the Company receiving remuneration part of the financial year in excess of the amount drawn by the Managing Director. No one was employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by the Managing Director.

36. COMPANIES WHICH CEASED TO BE HOLDING, SUBSIDIARY OR ASSOCIATE COMPANY

During the year under review, no company ceased to be holding, subsidiary or associate company of the Company.

37. INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company was not required to transfer any amount and shares to Investor Education and Protection Fund ("IEPF").

38. CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

39. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year alongwith their status as at the end of the financial year, as no such proceedings initiated or pending.
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, as there was no instance of onetime settlement with any Bank or Financial Institution.

40. ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors (both international and domestic), bankers, financial institutions and academic institutions for all the support rendered during the year.

The Directors are thankful to the Government of India, the various ministries of the State Governments, communities in the neighborhood of our operations, municipal authorities of Ayodhya, Uttar Pradesh and local authorities in areas where we are operational in India; as also partners, governments and stakeholders in international geographies where the Company operates, for all the support rendered during the year.

The Directors appreciate and value the contributions made by all our Team Members and their families for making the Company what it is.

For and on Behalf of the Board

Pradeep Vasant Dhobale
Chairman
DIN: 00274636

Place: Lucknow
Date: 12th August, 2023

Annexure - I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

I. Pakka Impact Limited

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Pakka Impact Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	₹2,00,00,000
5.	Reserves & surplus	₹-3,17,82,082
6.	Total assets	₹3,19,40,598
7.	Total Liabilities	₹3,19,40,598
8.	Investments	-
9.	Turnover	₹21,75,000
10.	Profit/(loss) before taxation	₹-3,17,82,082
11.	Provision for taxation	-
12.	Profit after taxation	₹-3,17,82,082
13.	Proposed Dividend	-
14.	% of shareholding	97.50%

II. Pakka Inc, an USA based Company

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Pakka Inc, an USA based Company
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 USD = ₹82.2169
4.	Share capital	₹3,76,01,000
5.	Reserves & surplus	₹-6,34,96,894
6.	Total assets	₹2,48,46,974
7.	Total Liabilities	₹2,48,46,974
8.	Investments	-
9.	Turnover	-
10.	Profit/(loss) before taxation	₹-3,91,12,062

Sl. No.	Particulars	Details
11.	Provision for taxation	-
12.	Profit after taxation	₹-3,91,12,062
13.	Proposed Dividend	-
14.	% of shareholding	100%

III. Pakka Pte Ltd, a Singapore based Company

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Pakka Pte Ltd, a Singapore based Company
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 SGD = ₹61.7543
4.	Share capital	₹ 1,72,73,550
5.	Reserves & surplus	₹-12,18,716
6.	Total assets	₹1,73,30,295
7.	Total Liabilities	₹1,73,30,295
8.	Investments	-
9.	Turnover	₹2,11,004
10.	Profit/(loss) before taxation	₹-12,18,716
11.	Provision for taxation	-
12.	Profit after taxation	₹-12,18,716
13.	Proposed Dividend	-
14.	% of shareholding	100%

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849
Place: Lucknow
Date: 12th August, 2023

Dr. Indroneel Banerjee
Director
DIN: 06404397
Place: Lucknow
Date: 12th August, 2023

Neetika Suryawanshi
Chief Financial Officer
Place: Lucknow
Date: 12th August, 2023

Sachin Kumar Srivastava
Company Secretary
Place: Lucknow
Date: 12th August, 2023

Annexure - II

ESOP Certificate

[PURSUANT TO REGULATION 13 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASES EMPLOYEE BENEFITS AND SWEAT EQUITY REGULATIONS, 2021]

The Board of Directors,
Yash Pakka Limited,
(CIN -L24231UP1981PLC005294)
2nd Floor, 24/57 Birhana Road,
Kanpur, Uttar Pradesh - 208001

Dear Sir(s)

Sub: Secretarial Auditor's Certificate for the Year ended March 31, 2023, in accordance with Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat equity) Regulations, 2021.

We have examined the records and documents maintained by Yash Pakka Limited ("the Company") and based on the information and explanations given to us and to the best of our knowledge and belied, We confirm that the following schemes of the Company for the year ended March 31, 2023 have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat equity) Regulations, 2021, as amended and in accordance with the respective resolutions of the Company passed in the general meeting.

Sr. No.	Scheme	Details of Shareholders meeting regarding approval/amendment of the Scheme
1.	YASH TEAM STOCK OPTION PLAN – 2021	May 06, 2022

This Certificate has been issued on the request of the management of the Company and is solely for the purposes as stated in Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat equity) Regulations, 2021. This certificate should not be used for any other purposes.

For Amit Gupta & Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C. P. No. 4682
UDIN - F005478E000433059
Date: May 30, 2023
Place: Lucknow

ANNEXURE - III

Report on Corporate Social Responsibility

1. Brief outline on CSR Policy of the Company

The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. The Company strives to contribute positively to improve their standard of living, through its interventions in Education, Skill development, Employment, health and sanitation.

The Company's CSR Policy as available on www.pakka.com under Policy tab of Investor Section framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

2. Composition of the CSR Committee

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Kimberly Ann McArthur	Chairperson (Promoter Director)	1	1
2.	Dr. Indroneel Banerjee	Vice-Chairperson (Independent Director)	1	1
3.	Mr. Ved Krishna	Member (Promoter Director)	1	1
4.	Mrs. Manjula Jhunjhunwala	Member (Promoter Director)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

The Composition of the CSR Committee, CSR Policy Framework and CSR Projects approved by the Board are available in the Investor Section on the website https://pakka.com/investors/ of the Company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The provisions regarding Impact assessment of CSR projects carried out in pursuance to sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No	Financial Year	Amount available for set-off from preceding financial years (In lakhs)	Amount required to be set off for the financial year, if any (In lakhs)
1.	2022-23	-	-

6. Average net profit of the Company as per Section 135(5): ₹79.31 Lakhs.

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹79.31 Lakhs.

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c): 79.31 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

The Company was required to spend an amount of ₹79.31 lakhs as CSR expenditure during FY2023.

Total Amount Spent for the Financial Year (₹ in Lakhs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
137.75	NIL	-	-	NIL	-

b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activi- ties in sched- ule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration (in years)	Amount allocated for the project (in ₹)	Amount spent in the Current Financial Year (in ₹)	Amount trans- ferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Imple- men- tation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR reg- istration number
Not Applicable												

C. Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Location of the Project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR reg- istration number
1	Woman Education and Water Conservation	(i) and (ii)	Yes	Uttar Pradesh	Ayodhya	137.75	No	Pakka Foundation (Earlier known as K. K. Charitable Foundation)	CSR00010697

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: NIL

f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹137.75 Lakhs. g. Excess amount for set off, if any: N.A.

Sl. No.	Particulars	Amount (₹ In Lakhs)
(i)	2% of average net profit of the company as per section 135(5)	79.31
	Amount available for set-off from preceding financial year 2021-22	-
	Amount required to be spent in the financial year 2022-23	79.31
(ii)	Total amount spent for the financial year	137.75
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities. of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	58.44

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount Spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any			Amount remaining to be spent in succeeding financial Years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project inthe reporting financial year (in ₹).	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project – Completed / On-going
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details)

a) Date of creation or acquisition of the capital asset(s) – NA

b) Amount of CSR spent for creation or acquisition of capital asset - Nil

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

d) Provide details of the capital asset(s), created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5) – Not Applicable

Jagdeep Hira
Managing Director
DIN: 07639849
Place: Lucknow
Date: 12th August, 2023

Dr. Indroneel Banerjee
Vice-Chairperson CSR Committee
DIN: 06404397
Place: Lucknow

Annexure - IV

Form No. Mr.3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Yash Pakka Limited,
(CIN -L24231UP1981PLC005294)
2nd Floor, 24/57 Birhana Road,
Kanpur, Uttar Pradesh - 208001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Yash Pakka Limited** (CIN - L24231UP1981PLC005294) (hereinafter referred as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

i. The Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder; and also

ii. The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations");**

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **("ICDR Regulations");**

c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **("Takeover Regulations");**

d) The Securities and Exchange Board of India **(Buyback of Securities) Regulations, 2018 ("Buyback Regulations") - (Not applicable to the listed entity during the review period);**

e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, Regulations 2021 **("SBEB Regulations");**

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2021 **("Non-convertible Securities Regulations") - (Not applicable to the listed entity during the review period);**

g) The Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **("Delisting Regulations") - Not applicable as the listed entity has not made any delisting during the year under report;**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client - **Not applicable as the listed entity is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 **("DP Regulations");**

vi. The following other laws on account of the nature of industry are specifically applicable to the Company:

(a) The Boilers Act, 1923;

(b) The Explosives Act, 1884;

(c) Acts and Rules prescribed under prevention and control of pollution;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

(ii) Listing Agreement entered into by the Company with BSE Limited,

During the period under review, the Company has complied with the provisions of the Act, and the Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.,
- Adequate notice is given to all directors to convene the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decisions are carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that the systems and processes in the Company require further strengthening and improvements, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following material event having bearing on the affairs of the Company:

(i) Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide its order dated 18.04.2022 (certified true copy issued on 20.04.2022) has approved a Scheme of Merger by Absorption of Yash Compostables Limited ("YCL" or the "Transferor Company") and Yash Pakka Limited ("YPL" or "Transferee Company") and their respective shareholders with appointed date of 01.04.2020, in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder;

(ii) The shareholders of the Company in their extra ordinary general meeting held on May 06, 2022 approved the new Scheme 'YASH TEAM STOCK OPTION PLAN – 2021' ('TSOP'/ 'Plan'), in supersession of earlier special resolution passed by the Shareholders of the Company in 39th Annual General Meeting held on 20th September, 2019 and further modification approved in the 40th meeting held on October 31, 2020. During the financial year 2022-23 the Company has granted 14,16,600 stock options of the Company to the eligible employees in terms of TSOP.

(iii) A case under the Environment (Protection) Act, 1986 before the Hon'ble National Green Tribunal, Principal Bench, New Delhi vide O.A. No. 116/2014 titled as Meera Shukla V. Municipal Corporation, Gorakhpur has been disposed off vide order dated September 13, 2022, however the recovery certificate of ₹40.80 lacs as an Environmental Compensation issued by Uttar Pradesh Pollution Control Board in compliance of order dated 27.09.2019 passed by the Hon'ble National Green Tribunal, Principal Bench, New Delhi in aforesaid case, continues stayed in terms of order dated 14.01.2020 passed by the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench, Lucknow in Case No. MISB 866 of 2020 titled as Yash Pakka Limited Vs. U. P. Pollution Control Board & Others.

For Amit Gupta & Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682
UDIN - F005478D000778877
Date: May 30, 2023
Place: Lucknow

Note: This report should be read with the letter of even date by the Secretarial Auditors.

ANNEXURE - V

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo Etc:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

1. CONSERVATION OF ENERGY

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

2. CONSERVATION OF ENERGY

(A) ENERGY CONSERVATION MEASURES TAKEN

I. ETP sump pit pump replaced with energy efficient pump.

II. PP1 cooling water pumps replaced with energy efficient pump.

III. Installation of FRP blade in PP-2 cooling tower fan.

IV. Installation of VFD on PP1 cooling tower Fan

V. Tableware vacuum pumps replaced from 250 KW to 160 KW

VI. Tableware vacuum pump line modification

VII. Steam traps replacement in PM3 HMP heater

VIII. Broke tower agitator motor size reduction from 22 Kw to 18.5 Kw

(B) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

I. Installation of VFD on pulp mill caustic pump.

II. Micro turbine for 65 to 14 kg/cm2 PRDS.

III. Installation of VFD on PP2.

IV. PM-3 vacuum pump replacement on felt with a single vacuum pump.

V. Installation of FRP blades on chemical recovery evaporator cooling tower fans.

VI. Installation of online oxygen analyzer and optimize excess air in boiler 5

VII. Replacement of MPS pump with energy efficient pump

VIII. Downsize of UTM agitator Pulper motor in PM3

IX. Installation of pressure based VFD on BSW 1,2&4 dilution pump

X. Installation of level control loop VFD on Hypo Tower pump

XI. Installation of level control loop VFD on Alkali tower pump

XII. Replacement of 132KW,975 RPM motor of TDR by 110 KW,750 RPM.

XIII. Steams trap replacement in Recovery boiler air preheaters.

(C) IMPACT OF THE MEASURES OF THE ABOVE

I. Reduction of power from 1073 KW/MT to 939 KW/MT of Paper.

II. Reduction of steam from 10.62 MT/MT to 9.81 MT/MT of Paper.

III. Reduction of power from 5542 KW/MT to 5127 KW/MT of Moulded (Tableware) Products.

(D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM A OF THE ANNEXURES IN RESPECT OF THE INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

I. POWER AND FUEL CONSUMPTION

Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
(a) Electricity		
(i) Purchased Unit (lakhs)	37.53	Nil
Total Amount (₹ in lakhs)	322.57	Nil
Rate / Unit (₹)	8.59	Nil
(ii) Own generation	Nil	Nil
Through Diesel Generator		
Unit (lakhs)	3.48	1.37
Unit per liter of Diesel Oil	3.10	3.12
Cost / Unit (₹)	29.56	24.36
Through Steam Turbine		
Unit (lakhs)	608.73	613.88
Unit per MT of fuel (Paddy husk)	1367	1197
Cost / Unit (₹)	4.40	2.42

Notes: *Steam Turbine is extraction cum condensing type hence fuel allocation is on estimated basis.

Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
(a) Coal Quantity (MT)	Nil	Nil
(b) Furnace Oil Quantity (Kilo litre)	Nil	Nil
(i) Paddy Husk Quantity (MT)	91559	102280
Total Cost (₹ in lakhs)	5504.77	2961.45
Average Rate (₹)	6012	2895
(ii) Baggase / Pith Quantity (MT)	51173	30695
Total Cost (₹ in lakhs)	1362.33	475.24
Average Rate (₹)	2662.00	1548.24

II. CONSUMPTION PER UNIT OF PRODUCTION

a. Paper (Including Egg Tray & Pith Pallets)

Particulars	UOM	Current Year 31.03.2023	Previous Year 31.03.2022
Electricity	Units	1073	1091
Furnace Oil	Litre	Nil	Nil
Coal	MT	Nil	Nil
Paddy Husk	MT	1.35*	1.35*
Baggase Pith	MT	3.00*	3.00*

b. Moulded (Tableware) Products

Particulars	UOM	Current Year 31.03.2023	Previous Year 31.03.2022
Electricity	Units	5606	5542

(E) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCE OF ENERGY.

Since inception the Company is using Biomass as a fuel for generating the Steam. In year 1995, the Company installed a 2.5 MW and in 2007, a 6 MW cogeneration power plant using biomass (rice husk and pith) as fuel. The Company has also installed a Black liquor (Pollutant generated during pulping of Agro waste raw material) fired Boiler, generating steam and thereby power.

(F) CAPITAL INVESTMENTS ON ENERGY CONSERVATION EQUIPMENTS.

Total Capital investment on energy conservation equipment during FY23 is approximate ₹21,00,000/-

3. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER PRESCRIBED FORM B of the Annexure.

(A) Specific areas in which R & D & Innovation is carried out by the Company

R&D

I. Successful production of high Burst factor (33+) paper at PM-3.

II. Optimization of pulping & papermaking parameters & successful production of certain grades of Kraft paper without long fiber.

III. Lab evaluation of different grades of Oil & Grease resistance chemicals for paper.

IV. Lab evaluation of Bagasse to generate seasonal trends for Strength properties.

V. Lab evaluation of different types of Retention Aids, Drainage aids & plant trial for optimization.

VI. Lab evaluation & plant scale trial of color removal chemicals at Effluent Treatment plant.

VII. Lab evaluation of different types of Dry Strength Additives.

VIII. Lab evaluation & plant scale trial of Bio based Cooking Aids for Food grade application.

IX. Lab evaluation & plant trials of DEP dark shade paper.

X. Plant trials of removal of moisture from lime sludge ~18%.

XI. Plant trials of Strength improvement in Egg trays.

XII. Chemical cost reduction in overall process.

XIII. Plant trials for biodegradable packaging in Reels.

XIV. Pilot plant trials for black liquor viscosity reduction.

Innovation

I. Flexi pack trial using different grades of paper and biopolymers.

II. Trial for the manufacturing of cutlery and carry bags from mineral pellets.

III. Trial and validation on the water absorption reduction for delivery containers

IV. Exploration of the chemical (wet end / dry end) for PFAS free delivery containers.

(B) Benefits derived as a result of the above R & D

Above efforts have resulted in quality improvements, cost reduction, better realization, waste reduction.

High moisture barrier property for flexi pack, patent filed for flexi pack, successful pilot trials for injection molded spoon using lime sludge, reduced water absorption percentage for delivery containers.

(C) Future plan of action R&D

- Development of High strength paper (≥35)
- Development of grease proof paper for Flexible packaging.
- Adoption of Compostable packaging
- Scientific disposal of lime sludge
- Check bagasse strength & yield with seasoning & without seasoning.
- Establishment of antiscale at pulp mill
- From raw material to paper machine monitor all centricleaner & rejects point at pulpmill to make a material balance to know how much good fiber we are loosing.
- Optimization of Retention aid & drainage programme
- Optimization of PFAS free chemicals for moulded products.
- Removal of colour from back water at Paper machine.

Innovation

I. Development and exploration of coating material for high water / oxygen barrier properties for flexi pack.

II. Development of delivery containers with less water absorption percentage and good retention time.

III. Validation of delivery container with reduced water absorption percentage at different places / pan India.

IV. Exploration of dried lime sludge for thermoformed articles.

V. Utilization of lime sludge for the development of heat resistant cutlery.

VI. High strength and burst factor paper of carry or wrap

VII. Exploration of potato starch for value added applications.

VIII. Exploring home compostable options for cutlery.

(₹ in Lakhs)

S. No.	Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
1.	Capital	-	-
2.	Recurring	44.31	84.79
3.	**Total**	**44.31**	**84.79**
4.	Total R & D Expenditure as a percentage of total Turnover	0.11%	0.29%

(E) Technology absorption, adaptation and innovation

I. Efforts, in brief, made towards technology absorption, adaptation and innovation:-

a. Pope reel replacement at PM-1 with improved technology.

b. Hot air heater at PM-1.

c. Grinding & coating of MG cylinder at PM-1 & PM-2.

d. Ceramic tops for wire table at PM-3.

e. Replace Refiner disks at PM-1 & PM-2 with new design (fine Bar).

f. Usage of clarified back water in Hi pressure showers at PM-3.

II. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.:-

Improvement in existing process and product quality, less qualities variations, improved productivity, cost reduction and reduction in use of imported softwood pulp, reduction in fresh water consumption

a. PM-1 reel winding improvement and wastage reduction.

b. Air temperature rise with the same energy consumption.

c. MG surface improvement resulting in Paper quality enhancement.

d. PM-3 wire table drainage and paper formation improvement.

e. Fiber strength improvement with less cutting& more fibrillation.

f. Fresh water reduction at PM-3 by using clarified machine back water for felt conditioning Hi pr showers.

III. Imported Technology (Imported during the last five years reckoned from the beginning of the financial year)

Not Applicable

4. FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

The Company has continued thrust on exports.

Total foreign exchange used and earned

In ₹

S. No.	Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
1.	Used	26,18,34,674	41,74,64,769
2.	Earned	92,85,42,342	67,89,83,695

For and on Behalf of the Board

Pradeep Vasant Dhobale
Chairman
DIN: 00274636

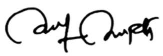
Place: Lucknow
Date: 12th August, 2023

To,
The Members,
Yash Pakka Limited,
(CIN -L24231UP1981PLC005294)
2nd Floor, 24/57 Birhana Road,
Kanpur, Uttar Pradesh - 208001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates
Company Secretaries



Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682
UDIN - F005478D000778877
Date: May 30, 2023
Place: Lucknow

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a manner which ensures accountability, integrity and transparency in all transactions in the widest sense. Corporate governance underpins the way business is conducted. The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company believes that strong governance standards are vital not only for healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. Commitment to the adoption of good and effective corporate governance practices in all spheres of working, has always been an imperative factor in driving the Company's decisions and activities. The Company has adopted various codes and policies that provide a structure within which directors and the management can effectively pursue the Company's objectives. Company's corporate governance strategy operates on the pillars of transparency, accountability, leadership, and strong standards of corporate management.

2. Board of Directors:

i. The Board is the focal point and custodian of corporate governance for the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible, will be balanced appropriately.

ii. **The size and composition of the Board as on 31st March, 2023 is as under:**

As on 31st March 2023, the Company has 9 (nine) Directors. Out of 9, 4 (Four) Directors are Independent, Non-Executive, 4 (Four) are Non-Independent, Non- Executive and 1 (one) is Executive including 1 (one) Managing Director.

None of the Directors held directorship in more than 7 (seven) Listed companies. Further, none of the Independent Directors of the Company served as an Independent Director in more than 7 (seven) Listed companies. None of the Independent Directors serving as a Whole-Time Director/ Managing Director in any listed entity, serves as an Independent Director of more than 3 (three) Listed entities. None of the Directors held directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies.

None of the Directors is a member of more than 10 (ten) committees or acted as Chairperson of more than 5 (five) committees (being AC and SRC, as per Regulation 26(1) of the Listing Regulations) across all the public limited companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act) and Listing Regulations. The Chairman of the Company is an Independent, Non-Executive Director and not related to the CEO & Managing Director.

iii. **The composition of the Board is in compliance with the requirements of the Act and Regulation 17 of the Listing Regulations. The profile of the Directors can be accessed on our website at https://www.pakka.com/our-team/.**

iv. 8 (eight) Board meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The said meetings were held on 6th April, 2022, 13th May, 2022, 28th May, 2022, 10th August, 2022, 29th October, 2022, 26th December, 2022, 28th January, 2023 and 23rd March, 2023.

v. The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document relevant to an agenda item, the same is tabled at the meeting.

vi. There are no inter-se relationships between the Board members.

vii. The details of each member of the Board as on 31st March, 2023 and their attendance at Board Meeting during the year and last AGM are provided hereunder:

Name of Director and DIN	Category	Number of Board Meetings attended during FY23	Whether attended last AGM held on September 30, 2022	No. of Directorship1		No. of Committee Positions held2		No. of shares held in the Company	Directorship in other listed entities including debt listed (Category of Directorship)
				Member	Chairperson	Member	Chairperson		
Mr. Pradeep Vasant Dhobale **DIN:** 00274636	Chairman & Independent Director	8	Yes	1	Nil	2	Nil	Nil	International Travel House Limited
Mr. Ved Krishna3 **DIN:** 00182260	Non-Executive & Non-Independent Director	7	Yes	2	2	Nil	Nil	13844388	-
Mr. Jagdeep Hira **DIN:** 07639849	Executive & Managing Director	6	Yes	Nil	Nil	Nil	Nil	Nil	-
Mrs. Manjula Jhunjhunwala **DIN:** 00192901	Non-Executive & Non-Independent Director	4	Yes	1	Nil	Nil	Nil	556743	-
Mrs. Kimberly Ann McArthur **DIN:** 05206436	Non-Executive & Non-Independent Director	7	Yes	1	Nil	Nil	Nil	Nil	-
Dr. Indroneel Banerjee **DIN:** 06404397	Independent Director	8	Yes	Nil	Nil	Nil	Nil	730	-
Mr. Atul Kumar Gupta **DIN:** 01734070	Independent Director	7	Yes	1	Nil	3	Nil	Nil	
Mr. Basant Kumar Khaitan **DIN:** 00117129	Independent Director	5	Yes	4	Nil	9	Nil	Nil	
Mr. Himanshu Kapoor **DIN:** 07926807	Non-Independent, Non-Exeuctive	4	N.A.	Nil	Nil	Nil	Nil	Nil	N.A.

Notes:

1. Category of Directorship held: @ Non-Independent, Non-Executive, # Independent, Non-Executive, ^Nomine Director.
2. Excludes directorship in the Company, private companies, foreign companies and companies under Section 8 of the Act.
3. Pertains to the membership/chairmanships of the Audit Committee and Stakeholder Relationship Committee of Public Companies (excluding the Company) as per Regulation 26(1)(b) of the Listing Regulations.

viii. The Company has not issued any convertible instruments.

ix. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2023 have been made by the Directors.

x. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company have included their names in the data bank of IDs maintained with the Indian Institute of Corporate Affairs.

xi. Skills/expertise/competencies of the Board of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size. The Company requires skills/expertise/ competencies in the areas of strategy, finance, leadership, technology, governance, mergers and acquisitions, human resources, etc. to efficiently carry on its core businesses such as manufacturing of paper, pulp, moulded products, supply chain management, finance, legal and technical expertise in compostable products.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Name of the Directors	Area of Skills / Expertise / Competence							
	Strategy	Finance	Leadership	Technical	HR	Governance	M&A	Government / Regulatory
Mr. Pradeep Vasant Dhobale	√	√	√	√	-	√	√	-
Mr. Ved Krishna	√	√	√	√	√	√	√	-
Mr. Jagdeep Hira	√	√	√	√	√	√	√	√
Mrs. Manjula Jhunjhunwala	√	-	√	-	√	-	-	√
Mrs. Kimberly Ann McArthur	√	√	√	-	√	√	-	-
Dr. Indroneel Banerjee	-	√	√	-	-	-	-	-
Mr. Atul Kumar Gupta	√	√	√	-	-	√	√	√
Mr. Basant Kumar Khaitan	√	√	√	√	√	√	√	√
Mr. Himanshu Kapoor	√	√	√	√	√	√	√	√

xii. Changes in Board composition

The shareholders of the Company at their Extra Ordinary General meeting held on 6th May, 2022, approved the re-appointment of Mr. Narendra Kumar Agarwal (DIN - 05281887) as Director (Works). However, Mr. Narendra Kumar Agarwal has resigned from directorship of the Company with effect from 30th July, 2022 due to personal and unavoidable circumstances.

Further, the Members of the Company at their Extra Ordinary General meeting held on 6th May, 2022 had also approved the reappointment of Mr. Pradeep Vasant Dhobale as an Independent Director for the second term of five years w.e.f. 25.09.2022.

Further, the Members of the Company at their Extra Ordinary General meeting held on 6th May, 2022 had also approved the appointment of Mr. Ved Krishna as Vice Chairman (Non-Executive) of the Company.

Further, Mr. Himanshu Kapoor was appointed as an Additional Director in the Board Meeting held on 29th October, 2022 and regularized as Director in the Extra Ordinary General Meeting held on 28th January, 2023.

Further at the 42nd Annual General Meeting of the Company held on September 30, 2022, the Members approved the re-appointment of Mrs. Manjula Jhunjhunwala who retired by rotation and being eligible for appointment has been reappointed as Non-Executive Director of the Company.

Further, the approval of shareholders of the Company is sought for re-appointment of Mr. Basant Kumar Khaitan (DIN: 00117129), for a second term as an Independent Director of the Company for a period of 5 consecutive years from 19th May, 2023 to 18th May, 2028.

Further, the Board of Directors in its meeting held on 20th July, 2023 has approved re-appointment of Mr. Jagdeep Hira (DIN: 07639849) as Managing Director of the Company for next 5 years w.e.f. 21st July, 2023.

Further, the Board of Directors in its meeting held on 12th August, 2023 has approved appointment of Mr. Shubham Ashok Tibrewal (DIN: 10274024)) as an Additional Director (Independent Director) of the Company subject to approval of shareholders for next 5 years w.e.f. 12th August, 2023 in the ensuing Annual General Meeting.

Further in terms of the provisions of section 152 of the act, Mrs. Kimberly Ann McArthur (DIN: 05206436), retires by rotation at the ensuing 43rd Annual General Meeting and the Board commends for her re-appointment.

xiii. Term of Board membership

The Nomination and Remuneration Committee (NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They also possess expertise and insights in sectors/areas relevant to the Company and have ability to contribute to the Company's growth. As per the existing policy, the retirement age for MD / EDs is 60 years, NEDs is 75 years and IDs is 75 years.

xiv. Selection and appointment of new directors

The Board is responsible for the appointment of new directors. The Board has delegated the screening and selection process for new directors to the Nomination and Remuneration Committee. Considering the existing composition of the Board and requirement of new domain expertise, if any, the NRC reviews potential candidates. The assessment of candidates to the Board is based on a combination of criteria that include ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. For appointment of an ID, the NRC evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepares a description of the role and capabilities required of an ID. The potential ID is also assessed on the basis of independence criteria defined in Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. If the Board approves, the person is appointed as an Additional Director whose appointment is subject to the approval of the Members at the Company's general meeting.

xv. Letter of appointment issued to Independent Directors

The IDs on the Board of the Company are given a formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality, etc. The terms and conditions of appointment of IDs are available on the website www.pakka.com of the Company.

xvi. Information provided to the Board

During FY23, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

xvii. Meeting of Independent Directors

During the year under review, one separate meeting of the IDs was held on February 11, 2023. At the said meeting, the IDs reviewed the performance of the NEDs, of the Board as a whole and the Chairman, after considering the view of the Managing Director and NEDs.

xviii. Details of familiarisation programmes for Directors including Independent Directors

All Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/ documents sought by them are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. Separate sessions are organised with external domain experts to enable Board members to update their knowledge of the sector. Details of the familiarization program on cumulative basis are available on the Company's website www.pakka.com.

xix. Code of Conduct

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its NEDs which includes Code of Conduct for IDs which suitably incorporates the duties of IDs as laid down in the Act. All Board members and senior management personnel have affirmed compliance with their respective Code of Conduct. The Managing Director has also confirmed and declared the same. The declaration is reproduced at the end of this Report and marked as Annexure I.

xx. Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code). Mr. Sachin Kumar Srivastava, Company Secretary (CS) of the Company is the 'Compliance Officer' in terms of this Code.

xxi. Remuneration to Directors and Key managerial Personnel

a) **Details of remuneration to Non-Executive Directors during and for FY23:**

Particulars	Remuneration Paid (In Lakhs)		
	Sitting Fees	Pension and Professional Fees	Total
Mr. Pradeep Vasant Dhobale	2.66	-	**2.66**
Mr. Ved Krishna	1.75	-	**1.75**
Mrs. Manjula Jhunjhunwala*	1.20	12.00	**13.20**
Mrs. Kimberly Ann McArthur	2.10	-	**2.10**
Dr. Indroneel Banerjee	2.41	-	**2.41**
Mr. Atul Kumar Gupta	2.80	-	**2.80**
Mr. Basant Kumar Khaitan	2.36	-	**2.36**
Himanshu Kapoor	1.75	-	**1.75**

*Being wife of Late Mr. K. K. Jhunjhunwala, Founder of the Company, amount was paid as pension after his death.

b) **Details of remuneration and perquisites paid to the Managing Director / Whole Time Director during FY23** (Amount in Lakhs)

Name	Salary & Allowance	Perquisites & Benefits	Total
Mr. Jagdeep Hira	246.76	-	**246.76**
Mr. Ved Krishna	2.67	-	**2.67**
Mr. Narendra Kumar Agrawal	20.41	-	**20.41**

c) Details of remuneration and perquisites paid to the Key managerial Personnel during FY23

(Amount in Lakhs)

Name	Designation	Salary & Allowance	Perquisites & Benefits	Total
Mrs. Neetika Suryawanshi	Chief Financial Officer	21.31	-	**21.31**
Mr. Sachin Kumar Srivastava	Company Secretary & Legal Head	19.49	-	**19.49**
Mr. Jignesh Shah	Chief Financial Officer	48.83	-	**48.83**
Mrs. Bhavna Kodarbhai Patel	Company Secretary	6.79	-	**6.79**

xxii. Board Committees

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. The Board has four committees as on 31st March, 2023. Details of the statutory committees are as follows:

Statutory Committees

The Board has the following statutory Committees as on 31st March, 2023:

(i) Audit Committee of Directors

(ii) Nomination and Remuneration Committee

(iii) Corporate Social Responsibility Committee

(iv) Stakeholders Relationship Committee

3. Audit Committee

The composition of the Committee as on 31st March, 2023 and attendance details of meetings during FY23, are as follows:

Name of the Director	No. of Meetings held during FY23	No. of Meetings Attended
Mr. Atul Kumar Gupta	5	5
Mr. Basant Kumar Khaitan	5	5
Mr. Jagdeep Hira	5	5

All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

Meetings of the Committee were held on 6th April, 2022, 26th May, 2022, 9th August, 2022, 28th October, 2022 and 27th January, 2023, with the requisite quorum.

The CFO assists the Committee in the discharge of its responsibilities. The Committee invites such employees or advisors as it considers appropriate to attend. The CFO, the Internal Auditor and the Statutory Auditors are generally invited to attend meetings unless the Committee considers otherwise. Quarterly Reports are provided to the members of the Committee on matters relating to the Code. The Company Secretary acts as the Secretary of the Committee.

The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee. Separate discussions are held with the Internal Auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. The permissible non-audit related services undertaken by the Statutory Auditors are also preapproved by the Committee.

The Board has approved the composition, role, responsibilities, powers and processes of the Audit Committee defining inter alia as:-

- Oversee the processes that ensure the integrity of financial statements.
- Oversee the adequacy and effectiveness of the processes and controls for compliance with laws and regulations.

- Oversee the adequacy and effectiveness of the process by which confidential or anonymous complaints or information regarding financial or commercial matters are received and acted upon. This includes the protection of whistle-blowers from victimization and the provision of access by whistle blowers to the Chairman of the Committee.
- Approval/modification of the transactions with related parties.
- Enquiry into reasons for any default by the Company in honouring its obligations to its creditors and members.
- Oversee the quality of internal accounting controls and other controls.
- Oversee the system for storage (including back-up).
- Oversee the quality of the financial reporting process, including the selection of the most appropriate of permitted accounting policies.
- Ensure the independence of the Auditor.
- Recommend to the Board the appointment and remuneration of the Auditors (including cost auditors).
- Framing of rules for the hiring of any current or former employee of the Audit firm.
- Scrutinize inter-corporate loans and investments.
- Monitor the end use of funds raised through public offers.
- Conducting the valuation of any undertaking or asset of the Company.
- Oversee the internal audit function and approve the appointment of the Chief Internal Auditor.
- Bring to the notice of the Board any lacunae in the Code of Conduct and the vigil mechanism (whistle blowing process) adopted by the Company.
- Reviewing with the CEO and the CFO of the Company the underlying process followed by them in their annual certification to the Board of Directors.
- Approving the appointment of the CFO.

All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Atul Kumar Gupta, Chairman of the Committee, was present at the last AGM held on 30th September, 2022.

4. Nomination and Remuneration Committee

The composition of the Committee as on 31st March, 2023 and attendance details of meetings during FY23, are as follows:

Name of the Director	No. of Meetings held dur-ing FY23	No. of Meetings At-tended
Dr. Indroneel Banerjee	5	5
Mr. Pradeep Dhobale	5	5
Mr. Basant Kumar Khaitan	5	5

Meetings of the Committee were held on 5th April, 2022, 7th July, 2022, 9th August, 2022 29th October, 2022 and 26th December, 2022 with the requisite quorum.

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule II to the Listing Regulations, the Committee is responsible for inter alia formulating the criteria for determining qualification, positive attributes and independence of a Director. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has adopted the Policy on Board Diversity & Director Attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which are attached as Annexures I and II respectively to the Board's Report. The Company does not have any Employee Stock Option Scheme.

The Board has also approved the composition, powers, responsibilities, reporting, evaluation, etc. of the Committee. The terms of the Committee broadly include Board composition and succession planning, evaluation, remuneration, board development and review of HR Strategy, Philosophy and Practices.

Dr. Indroneel Banerjee, Chairman of the Committee was present at the last AGM held on 30th September, 2022.

5. Corporate Social Responsibility Committee

The composition of the Committee as on 31st March, 2023 and attendance details of meetings during FY23, are as follows:

Name of the Director	No. of Meetings held during FY23	No. of Meetings Attend-ed
Dr. Indroneel Banerjee	1	1
Mrs. Manjula Jhunjhunwala	1	1
Mrs. Kimberly Ann McArthur	1	1
Mr. Ved Krishan	1	1

Meetings of this Committee were held on 6th August, 2022 with the requisite quorum.

The Company has adopted a CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the Company's website at https://www.pakka.com/investors/.

Brief Terms of Reference/Roles and Responsibilities:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy.

Mrs. Kimberly Ann McArthur, Chairperson of the Committee, was present at the last AGM held on 30th September, 2022.

6. Stakeholder Relationship Committee

The composition of the Committee as on 31st March, 2023 and attendance details of meetings during FY23, are as follows:

Name of the Director	No. of Meetings held during FY23	No. of Meetings Attended
Dr. Indroneel Banerjee	3	3
Mrs. Manjula Jhunjhunwala	3	3
Mrs. Kimberly Ann McAr-thur	3	3

Meetings of this Committee were held on 8th April, 2022, 12th July, 2022 and 11th October, 2022 with the requisite quorum.

The Committee specifically discharges duties of servicing and protecting the various aspects of interest of shareholders, debenture holders and other security holders.

The Board has approved the composition, powers, responsibilities, etc. of the Committee. The terms of the Committee broadly include:

- Approval of issue of duplicate certificates for securities and transmission of securities.
- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
- Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Review of movements in shareholding and ownership structures of the Company.
- Conduct a Shareholder Satisfaction Survey to judge the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various investor friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification /amendment or modification as may be applicable.

Name, designation and address of the Compliance Officer:

Mr. Sachin Kumar Srivastava, Company Secretary
Pakka Limited, Yash Nagar, Ayodhya, Uttar Pradesh - 224135
Tel: 05278 258174
Email id: sachin.srivastava@pakka.com

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Mr. Sachin Kumar Srivastava, Company Secretary as the Compliance Officer. He is authorised to approve share transfers/transmissions, in addition to the powers with the members of the Committee. Share transfer formalities are regularly attended to and at least once a fortnight. All investor complaints which cannot be settled at the level of the Compliance Officer, are placed before the Committee for final settlement. The status of total number of complaints received during the year under review is as follows:

Opening Balance	Received during the year 2022-23	Resolved during the year	Closing Balance
0	1	1	0

Dr. Indroneel Banerjee, Chairman of the Committee, was present at the last AGM held on 30th September, 2022.

7. General Body Meetings

a) The details of the last three Annual General Meetings of the Company:

Financial Year	Date & Day	Time	Venue	Special Resolution Passed
2021-22	30/09/2022	10:00 A.M.	Held through video confer-ence/ other audio-visual means	1. Reappointment of Mr. Basant Kumar Khaitan (DIN: 00117129) as an Independent Director of the Company for the 2nd term.
2020-21	30/09/2021	10:00 A.M.	Held through video confer-ence / other audio-visual means	-
2019-20	31/10/2020	11:00 A.M.	Held through video confer-ence/ other audio visual means.	1. Approval for re-appointment of Mr. Ved Krishna (DIN: 00182260) as an Ex-ecutive Vice Chairman of the Company for a term of 3 years. 2. To consider and ap-prove for re-appointment of Mr. Jagdeep Hira (DIN: 07639849) as a Man-aging Director & CEO of the Company for a term of 3 years. 3. To consider and ap-prove modification of Yash Team Stock Op-tion Plan 2019.

b) Extraordinary General Meeting:

Two Extraordinary General Meeting of the Members was held during FY22-23. One Extraordinary General Meeting of the Members of the Company was called on Friday 6th May, 2022 at 11:00 a.m. through Video Conference / Other Audio-Visual Means and another Extraordinary General Meeting of the Members of the Company was called on Saturday 28th January, 2023 at 10:00 a.m. through Video Conference / Other Audio-Visual Means.

c) Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT):

Not Applicable.

d) Postal Ballot

(i) Details of the Special/Ordinary Resolutions passed by the Company through Postal Ballot:

During the financial year 2022-23 ended on 31st March, 2023, no special/ ordinary resolutions passed by the Company through Postal Ballot.

(ii) Whether any special resolution is proposed to be conducted through postal ballot:

There is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

8. Means of Communication

(a) **Quarterly, Half-yearly and Annual Results:** Quarterly, half yearly and annual financial results of the Company are generally published in Business Standard, leading National English and Hindi Newspapers.

Post results, an Investor Conference call is held where members are invited to participate in the Q&A session with the Company's management. The key highlights are discussed and investor/analyst queries are resolved in this forum. The quarterly, half yearly, annual financial results and audio call recordings of the analyst calls are also uploaded on the Company's website under Investors Meet tab of Investor Section.

(b) **Website:** Comperhensive information about the Company's business and operations, Press Releases and investor information can be viewed at the Company's website at www.pakka.com. The "Investor" section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding pattern, presentation made to analysts etc.

(c) **Dedicated email ID for communication with Investor:** The Company has a dedicated email id: sachin.srivastava@pakka.com of Mr. Sachin Kumar Srivastava, Company Secretary & Compliance Officer of the Company exclusively for investor servicing and the same is prominently displayed on the Company's website: www.pakka.com.

(d) **Annual Report:** Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Boards' Report, and Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual report.

(e) **The Management Discussion & Analysis:** The Management Discussion & Analysis Report forms part of the annual report.

(f) **Intimation to the Stock Exchanges:** The Company intimates stock exchanges all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders.

(g) **Code of conduct for Directors and Senior Executives:** The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of conduct is available on the Company's website https://www.pakka.com/pdf/policy/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf. All Board Members and Senior Management Personnel affirm compliance with the code of conduct annually. The Managing Director has given a declaration that all the Directors and senior management personnel have affirmed compliance with the Code of Conduct and same is annexed hereto.

Financial calendar (Tentative) Results for the quarter ending

Financial Reporting for the quarter / three months ending 30th June, 2023	12th August, 2023
Financial Reporting for the quarter / half year ending 30th September, 2023	21st October, 2023
Financial Reporting for the quarter / nine months end-ing 31st December, 2023	Last Saturday of January, 2024
Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2024	Fourth week of May, 2024

(h) Presentation made to institutional investors or to the analysts

9. Disclosures

(A) Basis of related party transactions

All transactions entered into with Related Parties as defined Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as on an arm's length basis.

(iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(B) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company has not made any allotment of securities, therefore no proceeds were received by the Company during the year 2022-23.

(E) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website www.pakka.com.

1. To create a window for the employees, who observe an unethical practice either organizationally or individually, to be able to raise it without any fear of victimization or reprisal.
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
3. To ensure consistent and timely institutional response.
4. To ensure appropriate reporting of whistleblower investigations; and
5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No employee was denied access to the Audit Committee.

(F) Shareholders

(i) The quarterly results made by the Company are put on the Company's website https://www.pakka.com under Financial Results of the Investor Section.

(ii) Mrs. Kimberly Ann McArthur retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for reappointment as Director.

(G) Disclosures on materially significant related party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website www.pakka.com of the Company. None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

(H) Details of Non-Compliance by the Company, penalties, structure imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authorities or any matter related to capital markets.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

(I) Disclosure of Commodity Price Risks and commodity hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141dated 15th November, 2018.

(J) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A): Not Applicable

(K) A certificate has been obtained from Amit Gupta & Associates, Lucknow, Practicing Company Secretaries, confirming that none of the directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority has been attached with Directors' Report.

(L) Details of fees paid to the Statutory Auditor: Details relating to fees paid to the Statutory Auditors are given in Note.32a to the Standalone Financial Statements.

(M) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i) number of complaints filed during the financial year: Nil

ii) number of complaints disposed of during the financial year: Nil

iii) number of complaints pending as on end of the financial year: Nil

10. CEO&CFO Certification

A prescribed certificate as stipulated in Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 duly signed by the CEO and CFO was placed before the Board along with the financial statements for the year ended 31st March, 2023. The said certificate is provided as Annexure II with this Report.

11. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format duly signed by the Managing Director of the Company. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is provided as Annexure III with this Report.

12. General Shareholder Information

(A) Annual General Meeting

Date & Day	Friday, 29th September, 2023
Time	10:00 AM
Mode	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Financial Year	1st April to 31st March

(B) Dividend

Dividend of ₹2.40 per equity share of the face value of ₹10 each i.e. 24 % on the paid-up equity share capital has been recommended by the Board in the Board Meeting held on 29th April, 2023 and will be paid in accordance with Section 123 of the Act and Secretarial Standard-4 on Dividend ("SS-4"), if approved by the members at the ensuing Annual General Meeting.

(C) Unclaimed Dividend

Pursuant to Section 125 of the Company of the Companies Act, 2013, all unclaimed dividends upto the financial year 2004 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government. The Company has declared dividend thereafter for financial year 2018-19, 2019-20, 2020-21 and 2021-22 which is not yet due for transfer to IEPF.

(D) Listing on Stock Exchange

The Company's entire equity share capital comprising of 3,80,78,500 equity shares of ₹10 each is listed at the following Stock Exchanges:

Name and Address of the Stock Exchange	Stock Code / Trading Symbol
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 023	516030
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	PAKKA

(E) Listing and Custodian Fees

The Company has paid listing fees for the Financial Year 2022-23 and 2023-24 to the BSE Limited and National Stock Exchange of India Limited. The Company has also paid annual custodial fee for the financial year 2022-23 and 2023-24 to the depositories namely NSDL and CDSL.

(F) Shareholding as on 31st March, 2023

(i) Distribution of Equity Shareholding as on 31st March, 2023

SHARE HOLDINGS OF NOMINAL VALUE OF			SHARE HOLDERS		SHARE AMOUNT	
₹		₹	Number	% to Total	In ₹	% to Total
(1)			(2)	(3)	(4)	(5)
Upto	-	5,000	21403	82.03	29260760.00	7.68
5,001	-	10,000	2253	8.63	18353690.00	4.82
10,001	-	20,000	1094	4.19	16863240.00	4.43
20,001	-	30,000	448	1.72	11537740.00	3.03
30,001	-	40,000	192	0.74	6822670.00	1.79
40,001	-	50,000	175	0.67	2210810.00	2.16
50,001	-	1,00,000	300	1.15	22232990.00	5.84
1,00,001 and Above			227	0.87	267503100.00	70.25
TOTAL			**26092**	**100.00**	**380785000.00**	**100.00**

(ii) Shareholding Pattern of Equity Shares as on 31st March, 2023

Sl. No.	Categories of Shareholders	As on 31-03-2023	
		No. of Shares	% to Shares
1	Promoters	18720271	49.16
2	Mutual Funds and UTI	1,000	0.00
3	Banks, Financial Institutions	168908	0.44
4	Central/ State Government	500	0.00
5	Corporate Bodies	1442442	3.79
6	Individuals/ HUF / Trusts/ Clearing Members	17192760	45.15
7	Directors' Relatives	730	0.00
8	Foreign Nationals / NRIs	551889	1.45
	Total	**3,80,78,500**	**100.00**

(iii) Promoters' Group Shareholding as on 31st March, 2023

S. No.	Name of Promot-ers	No. of Shares held	Shareholding as a % of total no. of shares	No. of Pledged Shares*	% As a % of Total Shares held
1.	Mr. Ved Krishna	13,84,43,88	36.36	1,10,39,950	79.74
2.	Yash Agro Products Limited	9,68,640	2.54	9,68,640	100.00
3.	Satori Global Limited	33,34,500	8.76	33,34,500	100.00
4.	Mrs. Manjula Jhun-jhunwala	5,56,743	1.46	5,51,066	98.98
5.	Krishnakumar Jhun-jhunwala (H.U.F.) – Ved Krishna (Karta)	16,000	0.04	16,000	100.00
Total		**1,87,20,271**	**49.16**	**1,59,10,156**	**84.99**

*The Consortium Lenders of the Company have approved to release pledge on 1,59,10,156 equity shares held by Promoters & Promoters Group of the Company vide Letter No. COMM/AMT/2022-23/25 dated 27.05.2022. The same was duly intimated to the Stock Exchange vide Letter dated 28.05.2022. The procedure to release the aforesaid equity shares are in process and a separate intimation will be made for release of aforesaid pledged shares held by Promoter & Promoter Group of the Company.

(iv) Capital of the Company

The Authorized and paid-up capital of your Company are ₹60.05 crores and ₹38.08 crores respectively as on 31st March, 2023. However, the paid up capital increased to ₹38.08 crores on 13th May, 2022 as 28,38,500 Equity Shares of Face Value of ₹10/- each of Pakka Limited has been allotted on 13.05.2022 to the Shareholders of Yash Compostables Limited (i.e. 56.77 (Fifty-Six point Seventy-Seven) Equity Shares of Face Value of ₹10/- each of Pakka Limited to the Shareholders of Yash Compostables Limited for every 1 (One) Equity Share of Face Value of ₹10/- each held by the Shareholders of Yash Compostables Limited) pursuant to Clause 8.1 of the Scheme of Merger by Absorption as approved by NCLT, Allahabad Bench vide order dated 18" April, 2022.

(v) Top Ten shareholders as on 31st March, 2023

S. No.	Name of Shareholders	No. of Equity Shares held	% of Total Equity Shares held
1.	Sangeetha S	9,12,000	2.40
2.	Vandana Sehgal	3,55,513	0.93
3.	AVS Global Private Limited	2,90,000	0.76
4.	Sadashiv Kanyana Shetty	2,14,576	0.56
5.	Saurabh Garg	2,02,754	0.53
6.	Kishor Kumar Nadhani	2,95,491	0.51
7.	Chirayush Pravin Vakil	1,54,849	0.41
8.	Yasin Haiderali Motani	1,49,054	0.39
9.	Binod Kumar Gupta	1,48,107	0.39
10.	Caliber Plastech Private Limited	1,34,077	0.35
TOTAL		**28,56,421**	**7.23**

(vi) Stock Price Data/ Stock Performance: Year 2022-23

a. During the year under report, the trading in the Company's equity shares was from 1st April, 2022 to 31st March, 2023. The high and low price during the period on the BSE Limited was as under:-

Month	High (₹)	Low (₹)	High	Low
	BSE		BSE SENSEX	
April, 2022	95.50	78.00	58530.73	60845.10
May, 2022	93.15	78.00	56429.45	57184.21
June, 2022	88.40	66.05	55588.27	56432.65
July,2022	105.75	84.95	52863.34	57619.27
August, 2022	113.85	87.30	57823.10	60411.20
September, 2022	124.70	100.05	58710.53	60676.12
October, 2022	138.50	107.50	57403.92	60786.70
November, 2022	118.00	99.05	61065.58	63303.01
December, 2022	108.60	91.00	63357.99	63583.07
January, 2023	102.30	88.05	60871.24	61343.96
February, 2023	114.50	98.15	60001.17	61682.25
March, 2023	**108.90**	**94.05**	**59136.48**	**60498.48**

b. Performance in comparison to BSE Sensex: Year 2022-23

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

Particulars	01 April, 2022	31 March, 2023	% CHANGE
Company Share Price (High)	₹95.50	₹108.90	14.03%
SENSEX (High)	58530.73	60498.48	3.25%

(G) Dematerialization of shares and liquidity

The Company's equity shares are compulsorily traded in the electronic form from 26th December, 2000. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scrip less trading. The system for getting the shares dematerialized is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participants (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number DRN.
- DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on 31st March, 2023, 98.76% of total equity share capital (3,76,07,772) of the Company was held in dematerialized form (including 100% of the promoter holding). The ISIN allotted by NSDL/CDSL is **INE551D01018.** Confirmation in respect of the requests for dematerialization of shares is sent to NSDL and CDSL within the stipulated period.

(H) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

(I) Secretarial Audit:

In terms of the Act, the Company appointed Amit Gupta & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for FY23. The Secretarial Audit Report is provided as Annexure IV to the Directors' Report.

(J) Reconciliation of Share Capital Audit Report

A Company Secretary in practice carried out a quarterly Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL (collectively 'Depositories') and the total issued and listed capital. The audit report confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL) as on 31st March, 2023. The Audit report is disseminated to the Stock Exchanges on quarterly basis and is also available under Investor Section of our website www.pakka.com.

(K) Description of voting rights:

All Equity shares issued by the Company carry equal voting rights.

(L) Registrar and Share Transfer Agents

The Members are requested to correspond the Company's Registrars& Share Transfer Agents - Skyline Financial Services Private Limited quoting their Folio Number, Client ID and DP ID at the following address:-

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor,
Okhla Industrial Area, Phase - 1,
New Delhi - 110 020
Tel No.: (011) 40450193 - 197
Email: info@skylinerta.com

(M) Registered Office

Pakka Limited

2nd Floor, 24/57, Birhana Road

Kanpur - 208 001,

Uttar Pradesh, India

E-mail: connect@pakka.com

(N) Plant Locations

Pakka Limited

Yash Nagar,

Ayodhya - 224 135

Ph. (05278) 258174;

E-mail: connect@pakka.com

(O) Address for correspondence

Please contact the Compliance Officer of the Company at the following address regarding any questions or concerns:

The Company Secretary

Pakka Limited

Yash Nagar,

Ayodhya - 224 135

Ph. +91 78000 08247;

E-mail: sachin.srivastava@pakka.com

(P) Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No.SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

(Q) Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI vide circular dated November 3, 2021, has mandated listed companies to have PAN, KYC, bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents (i.e. PAN, KYC, Bank details and Nomination) are not available with us, on or after April 1, 2023, shall be frozen as per the aforesaid SEBI circular.

The forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website https://www.pakka.com under Investor Section. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

The Company has sent a letter to the Members holding shares in physical form in relation to the aforesaid on 11th March, 2022.

In respect of Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination are requested to contact their respective Depository Participants.

(R) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year

During FY23, the Company has not received any credit rating by the rating agencies.

(S) Commodity Price Risks or Foreign Exchange Risk and hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

(T) Practicing Company Secretaries Certificate for non-debarment/ Non-Disqualification of Directors

A certificate from the Practicing Company Secretaries has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/MCA or any such statutory authority and the same is reproduced at the end of this report and marked as Annexure IV.

The above report has been adopted by the Board of Directors at their meeting held on 12th August, 2023.

On Behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Lucknow
Date: 12th August, 2023

Annexure - I

Declaration

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March, 2023.

On Behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 12th August, 2023

Annexure - II

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

To,
The Board of Directors
Pakka Limited
(Formerly known as Yash Pakka Limited)

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Pakka Limited ("the Company"), to the best our knowledge and belief certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2023 and to the best of our knowledge and belief, we state that:

(i) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;

(ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

   (i) significant changes, if any, in internal control over financial reporting during the year;

   (ii) Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

for Pakka Limited

Jagdeep Hira
Managing Director
DIN: 07639849
Date: 12th August, 2023
Place: Lucknow

for Pakka Limited

Neetika Suryawanshi
Chief Financial Officer

Annexure - III

Corporate Governance Compliance Certificate

To
The Members,
Yash Pakka Limited

We have examined the compliance of conditions of Corporate Governance by Yash Pakka Limited ("the Company"), for the financial year ended on March 31, 2023 as stipulated in Regulation 17 to 27 and Clauses (b) to (i) and (t) of the sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682
UDIN - F005478D000778899
Date: May 30, 2023
Place: Lucknow

Annexure - IV

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019

To
The Members,
Yash Pakka Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to YASH PAKKA LIMITED having CIN L24231UP1981PLC005294 and having registered office at 2nd Floor, 24/57, Birhana Road, Kanpur, Uttar Pradesh – 208001 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, under Section 164 of Companies Act, 2013 for MCA or such other statutory authority as on March 31, 2023.

Table A

Sr. No.	Name of Directors	Director Identification Number	Date of Appointment in the Company
1.	Mr. Pradeep Vasant Dhobale	00274636	02/09/2017
2.	Mr. Ved Krishna	00182260	30/05/1999
3.	Mr. Jagdeep Hira	07639849	22/10/2016
4.	Mrs. Manjula Jhunjhunwala	00192901	17/06/1981
5.	Mrs. Kimberly Ann McArthur	05206436	13/02/2012
6.	Mr. Atul Kumar Gupta	01734070	15/05/2014
7.	Mr. Basant Kumar Khaitan	00117129	19/05/2018
8.	Dr. Indroneel Banerjee	06404397	11/08/2012
9.	Mr. Himanshu Kapoor	07926807	29/10/2022

For Amit Gupta & Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682
UDIN - F005478D000778888
Date: May 30, 2023
Place: Lucknow

Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
YASH PAKKA LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Yash Pakka Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone 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's Response
	Capitalization and useful life of Property Plant and Equipment (PPE) ▪ During the year, the Company has capitalized items of PPE including those from Capital work in progress and is in the process of executing various projects like, purchasing / installation of new machineries / capital projects. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area with significant effect on the overall audit strategy and allocation of resources in planning and completing our audit; ▪ During the year, the Company has reassessed the estimated useful lives of certain items of PPE for determination of depreciation and their recoverability which involves assumptions used for such technical assessment, consideration of historical experience and anticipated future risks. ▪ These have been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs that are eligible for capitalization are not appropriately capitalized in accordance with the recognition criteria provided in Indian Accounting Standard (Ind AS) 16 (Refer Note 2 to the Standalone financial statements)	**Audit Approach:** We performed the following procedures: ▪ Obtained an understanding of the system of internal control process over the capitalization of projects and those included in capital work in progress, with reference to identification and testing of key controls; ▪ Assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use; ▪ Reviewed the management re-assessment of estimated useful lives of PPE and recoverability of their carrying values with respect to anticipated future risks. ▪ Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred; ▪ Tested the direct and indirect costs capitalised, on a sample basis, with the underlying supporting documents to ascertain nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in theInd AS 16, Property, Plant and Equipment; ▪ Ensured adequacy of disclosures in the Standalone financial statements.
2.	**Information Technology systems and controls over financial reporting.** We identified IT systems an d controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	**Audit Approach:** We performed the following procedures: ▪ Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit; ▪ Evaluated the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations; ▪ Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year; ▪ Evaluated the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; ▪ Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems

Information other than the Standalone financial statements and Auditors report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report including its annexures and Corporate Governance and Shareholders information but does not include the Standalone financial statements, Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors 'report including its annexures and Corporate Governance and Shareholders information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 these Standalone 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 accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matters 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 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 Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, 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 changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B";**

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer Note ___ to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

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 it's knowledge and belief, as disclosed in note 51 to the Standalone financial statements, no funds 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(s) or entity(ies), including foreign entities ("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 it's knowledge and belief,as disclosed in note 51 to the Standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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; and

c. Based on such audit procedures that we have 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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

As stated in Note no. 15 to the Standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W - 100036

Himanshu Kishnadwala
Partner
Membership No: 037391
UDIN: 23037391BGULVD4324

Place: Mumbai
Date: 29th April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on other Legal and Regulatory requirements" in the Independent Auditor's Report of even date to the members of YASH PAKKA LIMITED ("the Company") on the Standalone financial statements for the year ended 31st March 2023)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in normal course of audit, we state that:

(i) In respect of the Company's Property plant and Equipment and Intangible assets:

(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment;

B. The Company is maintaining proper records showing full particulars, of Intangible assets;

(b) The Company has a programme of physical verification of its Property Plant and Equipment, Right of Use assets so by which all the items are verified in a phased manner over a period of three years. However, no physical verification has been carried out by the Management during the year;

(c) As mentioned in Note 2 to the Standalone financial statements and according to the information and explanations given to us and the record examined by us and based on the examination of the latest title search report provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company;

(d) The Company has not revalued any of its Property Plant and Equipment (including Right of Use Assets) or Intangible Assets during the year. Accordingly reporting under clause3 (i) (d) of the Order, is not applicable to the Company;

(e) The Company does not have any proceedings initiated or pending for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder;

(ii) (a) Inventory has been physically verified by the management during the year and in our opinion the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more in aggregate for each class of inventory which were noticed on such verification;

(b) The Company has been sanctioned working capital limits in excess of ₹5 crores in aggregate during the year from Banks on the basis of security of current assets. The discrepancies in quarterly filed returns or statements with the books of accounts are mentioned in Note 17 to the Standalone financial statements;

(iii) (a) The Company has granted short term loans to its subsidiaries and employees during the year. The company has neither stood guarantee nor provided any security to any entity during the year;

Particulars	Loans granted. (₹ in lakhs)
(A) Aggregate amount granted/ provided during the year	
- To subsidiaries	613.30
- To employees	126.15
(A) Balance outstanding as at the balance sheet date in respect of the above cases	
- To subsidiaries*	633.46
- To employees	44.44

**Including accrued interest thereon*

(b) In our opinion, the investments made and the terms and conditions of the loans given provided by the Company during the year are not, prejudicial to the Company's interest;

(c) In respect of the loans granted, schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular as per stipulation. Further, the Company has not granted any advances in the nature of loans;

(d) In respect of the loans granted, there is no amount overdue for a period if more than 90 days;

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties;

(f) During the year the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to any promoters, related parties as defined in clause (76) of section 2 of Companies Act, 2013. Hence reporting under clause (iii)(f) is not applicable;

(iv) The Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of the loans granted and investments made during the year. The Company has not stood guarantee nor provided security to any party during the year;

(v) The Company has not accepted any deposits or the amounts which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013;

(vi) The Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2016, and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;

(vii) (a) In our opinion the Company has been generally regular in depositing undisputed statutory dues, including Provident fund, Income tax, goods and service tax, Customs Duty, cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of Provident fund, Income tax, goods and service tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March 2023 for a period of more than six months from the date they became payable;

(b) Details of statutory dues referred to above which have not been deposited as on 31st March 2023 on account of dispute are given below:

(Amount ₹ Lakhs)

Name of statute	Nature of dues	Amount in dispute	Amount paid	Forum where the matter is pending
UP VAT Act, 2008	Entry Tax	3.61	2.06	Joint Commissioner, Ayodhya
	Form C, H, I	1.42	0.72	
	ITC mismatch	0.25	0.25	
	Demand on assessment	12.75	11.04	
	VAT on purchase of paddy from unregistered parties	196.99 72.44	- -	High Court Allahabad, Lucknow Bench
Central Excise Act, 1944	Lapse of balance available in account (Input and Service Tax)	238.88 111.57	-	High Court Allahabad

(viii) 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 Income Tax Act, 1961;

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;

(b) The company has not been a declared wilful defaulter by any bank or other lenders during the year;

(c) On an examination of the records of the Company, we report that during the year, the company has neither raised any term loans nor utilized any of amount of the term loans. Hence, reporting under clause 3(ix)(c) of the Order is not applicable;

(d) We report that the Company has not used the funds raised on short term basis have not been utilised for long term purposes;

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries;

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries;

(x) (a) No moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under this clause is not applicable to Company;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, optionally convertible) during the year;

(xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year;

(b) No report under section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors Rules), 2014 with the Central government during the year and upto the date of this report;

(c) As represented by the Management, there are no whistle blower complaints received by the Company during the year;

(xii) The Company is not a Nidhi Company. Accordingly reporting under clause 3(xii) of the Order is not applicable;

(xiii) The Company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to applicable transactions with related parties;

(xiv) (a) Based on the review of the reports of the Internal Auditors for the year, in our opinion the Internal Audit system of the Company needs to be improved to cover more areas to make it commensurate with the size and nature of the business of the Company;

(b) We have considered the reports of the Internal auditors for the period under audit; issued to the Company during the year, in determining the nature, timing and extent of our audit procedures;

(xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Hence the provisions of section 192 of the Act, are not applicable;

(xvi) (a) The Company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934); Accordingly reporting under clauses 3(xvi)(a) , 3 (xvi)(b) and 3(xvi)(c) of the Order is not applicable;

(b) In our opinion there is no Core investment Company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable;

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;

(xviii) There has been no resignation of the statutory auditors during the year;

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying Standalone financial statements, and on our knowledge of the Board of the Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that there is exists any material uncertainty as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing as the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on facts up to the date of the audit report and we neither give any guarantee nor 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) (a) The Company is not required to transfer any unspent amount to a fund specified in Schedule VII of the Act for other than ongoing projects. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year;

(b) The Company does not have any unspent amount towards Corporate Social Responsibility (CSR) on ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year;

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W – 100036

Himanshu Kishnadwala
Partner
Membership No: 037391
UDIN: 23037391BGULVD4324

Place: Mumbai
Date: 29th April 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of **YASH PAKKA LIMITED** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company, except for strengthening of process of financial closure at every period end, has internal financial controls over financial reporting which were operating effectively as at 31st March, 2023 in all material respects with reference to Standalone financial statements of the company 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 ICAI.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Standalone financial statements of the company 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”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to Standalone financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone financial statements of the company 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 Standalone 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 with reference to the Standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to Standalone financial statements, 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.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W - 100036

Himanshu Kishnadwala
Partner
Membership No: 037391
UDIN: 23037391BGULVD4324

Place: Mumbai
Date: 29th April 2023

Standalone Balance Sheet as at 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	19,183.98	17,193.04
(b) Capital work-in-progress	3	1,708.66	1,798.04
(c) Right to Use Assets	4	67.70	-
(d) Goodwill	4	408.80	408.80
(e) Other intangible assets	4	60.64	79.44
(f) Intangible assets under development	5	14.25	-
(g) Investments in Subsidiary Company	6(A)	743.76	376.02
(h) Financial assets			
(i) Investments	6(B)	0.14	0.18
(i) Other non current assets	7	196.28	446.89
Total non current assets		**22,384.21**	**20,302.41**
Current Assets			
(a) Inventories	8	9,768.62	7,876.45
(b) Financial assets			
(i) Investments	6(C)	110.00	-
(ii) Trade receivables	9	2,443.81	2,253.57
(iii) Cash and cash equivalents	10	77.97	360.38
(iv) Bank balances other than (iii) above	11	604.48	576.32
(v) Loans	12	677.90	43.31
(vi) Other financial assets	13	142.03	135.99
(c) Other current assets	14	1,613.64	1,148.65
Total current assets		**15,438.45**	**12,394.67**
TOTAL ASSETS		**37,822.66**	**32,697.08**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15(A)	3,807.85	3,524.00
(b) Shares to be alloted	15(B)	-	283.85
(c) Other equity	16	17,540.44	12,955.65
Total Equity		**21,348.29**	**16,763.50**
Liabilities			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	2,179.32	2,905.02
(ii) Lease liabilities	18(A)	39.82	

Standalone Balance Sheet as at 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
(iii) Other financial liabilities	19	337.50	270.25
(b) Deferred tax liabilities (net)	20	2,352.46	1,713.21
(c) Other non current liabilities	21	156.75	512.85
Total non current liabilities		**5,065.85**	**5,401.33**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	8,140.55	7,518.45
(ii) Lease liabilities	18(B)	30.63	
(iii) Trade payables	22		
(A) Total outstanding dues of Small Enterprises and Micro enterprises		286.96	379.84
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises.		598.74	713.16
(iv) Other financial liabilities	23	12.50	-
(b) Other current liabilities	24	1,493.12	1,388.23
(c) Provisions	25	706.63	478.67
(d) Current Tax liabilities (Net)	26	139.39	53.90
Total current liabilities		**11,408.52**	**10,532.25**
Total liabilities		**16,474.37**	**15,933.58**
TOTAL EQUITY AND LIABILITIES		**37,822.66**	**32,697.08**
Significant Accounting Policies	1		

See accompanying notes from 2 to 52 forming part of the Standalone Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Standalone Statement of Profit and Loss for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I. Revenue from operations	27	40,830.82	29,108.63
II. Other income	28	1,158.47	813.25
III. Total Income		**41,989.29**	**29,921.88**
IV. Expenses			
Cost of materials consumed	29	15,402.18	11,746.92
Purchase of stock-in-trade		578.25	6.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	219.81	(124.56)
Employee benefits expenses	31	4,792.11	3,557.01
Finance costs	32	1,112.91	936.26
Depreciation and amortization expenses	33	1,272.79	1,021.54
Other expenses	34	11,380.07	7,409.21
Total Expenses (IV)		**34,758.12**	**24,552.56**
V. Profit before Tax (III - IV)		**7,231.17**	**5,369.32**
VI. Tax expense:	35		
1. Current tax		1,434.61	980.00
2. Deferred tax		650.32	565.11
3. Tax adjustments relating to earlier years		0.00	4.19
VII. Profit for the period (V - VI)		**5,146.24**	**3,820.02**

Standalone Statement of Profit and Loss for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
VIII. Other comprehensive income			-
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(38.13)	(67.51)
(ii) Income tax related to items that will not be reclassified to profit or loss		11.10	19.66
		(27.03)	(47.85)
IX. Total comprehensive income for the period (VII - VIII)		5,119.21	3,772.17
X. Earnings per equity share	36		
1. Basic		13.51	10.03
2. Diluted		13.45	10.03
Significant Accounting Policies	1		

See accompanying notes from 2 to 52 forming part of the Standalone Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Standalone Statement of Cash Flows for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	7,231.17	5,369.32
Non Controlling Interest	(4.51)	
Adjustments for :		
Depreciation and amortization	1,272.79	1,021.54
Loss/ (profit) on sale of property, plant and equipment	51.43	188.64
Interest income	(153.31)	(112.20)
Finance cost	884.62	795.16
Remeasurement of net defined benefit plans	(38.13)	(67.51)
Net (gain) / loss on foreign exchange fluctuation	-	-
Net (gain)/ loss on investments measured at Fair Value through Profit and Loss	0.05	(0.04)
Employees Share Base payment Reserve-ESOP	227.15	-
Operating profit before working capital changes	9,475.77	7,194.91
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
(Increase)/ decrease in trade receivables	(190.24)	(712.09)
(Increase)/ decrease in inventories	(1,892.17)	(1,892.40)
(Increase)/ decrease in other financial assets	(6.04)	23.90
(Increase)/ decrease in other assets	(444.84)	(521.04)
Adjustment for increase/(decrease) in operating liabilities		
Increase/ (decrease) in trade payables	(207.30)	339.42
Increase/ (decrease) in other financial liabilities	12.50	(22.36)
Increase/ (decrease) in other liabilities	(54.08)	417.53
Increase/ (decrease) in provisions	227.96	143.01
Cash generated from operations	6,921.56	4,970.88
Income taxes refunded / (paid), net	(1,349.11)	(1,477.62)
Net cash generated from operating activities	5,572.45	3,493.26

Standalone Statement of Cash Flows for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capial advance)	(3,226.13)	(2,925.78)
Proceeds from sale of property, plant and equipment	108.24	12.94
(Increase)/ decrease in Loans	(634.59)	(11.43)
Interest received	153.31	112.20
Investments in subsidiary Companies	(367.74)	(376.06)
Investment in Mutual Fund	(110.00)	0.00
Acquired on account of business combination	-	129.95
Other bank balances (margin money)	(28.16)	(260.24)
Net cash (used in) / generated from investing activities	**(4,105.07)**	**(3,318.42)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in long-term borrowings	(725.70)	(787.44)
Increase/ (decrease) in short-term borrowings	622.10	1,816.83
Issuance of equity shares	-	283.85
Premium on Security	-	-
Money received against warrant	-	0.00
Finance costs paid	(884.62)	(795.16)
Derivatives	-	0.00
Dividend Paid	(761.57)	(352.40)
Net cash used in financing activities	**(1,749.79)**	**165.68**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(282.41)**	**340.52**
Cash and cash equivalents at the beginning of the year	360.38	19.86
Cash and cash equivalents at the end of the year	**77.97**	**360.38**

Standalone Statement of Cash Flows for the year ended 31st March, 2023

Note:

Reconciliation between cash and cash equivalents and cash and bank balances:

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash and cash equivalents as per cash flow statement	77.97	360.38
Add: Margin money deposits not considered as cash and cash equivalents	604.48	576.32
Cash and bank balances	682.45	936.70

Notes to the statement of cash flows and disclosure of non cash transactions

In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

Significant Accounting Policies (Refer Note 1)

See accompanying notes from 2 to 52 forming part of the Standalone Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Standalone Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity share capital

(₹ In lakhs)

Particulars	Amount
Balance as on 1st April, 2021	**3,524.00**
Equity Shares to be issued on account of Business Combination (Refer Note 43)	283.85
Balance as on 31st March, 2022	**3,807.85**
Additions during the year	-
Balance as on 31st March, 2023	**3,807.85**

B. Other equity

(₹ In lakhs)

Particulars	Other Equity						Total equity
	Reserves and Surplus						
	Capital Reserve	Securities Premium	Employees Share Base payment Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance as on 1st April, 2022	**37.32**	**1,172.16**	-	**550.00**	**11,307.74**	**(111.57)**	**12,955.65**
Additions during the year	-	-	227.15	-	-	(27.03)	200.12
Profit for the year	-	-	-	-	5,146.24		5,146.24
Dividend Paid for the year ended 31st March, 2022	-	-	-	-	(761.57)	-	(761.57)
Balance as on 31st March, 2023	**37.32**	**1,172.16**	**227.15**	**550.00**	**15,692.41**	**(138.60)**	**17,540.44**

Standalone Statement of Changes in Equity for the year ended 31st March, 2023

B. Other equity

(₹ In lakhs)

Particulars	Other Equity						Total equity
	Reserves and Surplus						
	Capital Reserve	Securities Premium	Employees Share Base payment Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance as on 1st April, 2021	37.32	1,172.16	-	550.00	7,785.56	(63.72)	9,481.32
Additions during the year	-	-	-	-	-	(47.85)	(47.85)
Acquisition through business combination	-	-	-	-	54.56	-	54.56
Profit for the year	-	-	-	-	3,820.02	-	3,820.02
Dividend Paid for the year ended 31st March, 2021	-	-	-	-	(352.40)	-	(352.40)
Balance as on 31st March, 2022	37.32	1,172.16	-	550.00	11,307.74	-111.57	12,955.65

Refer Note 16 for nature and purpose of reserves

Significant Accounting Policies Refer note 1

See accompanying notes from 2 to 52 forming part of the Standalone Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

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Place: Ayodhya
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Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

Corporate Information

Yash Pakka Limited ("YPL" or "the Company") was founded in 1981. The Company is listed on BSE Limited. The Company is mainly engaged in the business of manufacture and dealing in Paper and Moulded products. The principal place of business of the Company is in Ayodhya, Uttar Pradesh, India.

1. Basis of Preparation:

These Standalone financial statements of the Company comprises, the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013, (the 'Act') and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Standalone Financial Statements provide comparative information in respect of the previous period.

The company's presentation and functional currency is Indian rupees. All amounts in these Standalone Financial Statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

Authorization of Standalone Financial Statements:

The Standalone Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 29th April, 2023.

Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets measured at fair value.

1.1. Use of Judgment and Estimates

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Determining the amount of Impairment loss.
- Determining the amount of expected credit loss on financial assets (including trade receivables)
- Identification of performance obligation in revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments is included in the following notes:

- Estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.
- Recognition of tax expense;
- Measurement of defined benefit obligations: key actuarial assumptions;

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

- Fair valuation of Employee Stock Option Plans (ESOP's);
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial and non-financial assets.
- Revenue recognition based on percentage of completion and provision for onerous contracts.
- Valuation of inventories;
- Ind AS 116 –
  - The Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives.
  - The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.
  - The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2. Statement of Significant Accounting Policies

1.2.1. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

When significant parts of PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

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

An item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

Depreciation

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Particulars	Depreciation Method	Useful life
Plant and equipment's*	Straight line basis	5 – 25 years

**During the year on re-evaluation the useful life of*

- *Plant and Equipment of moulds was changed from 8 years to 5 years;*
- *Plant and Equipment of Moulded unit was changed from 25 years to 20 years;*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

resulting in additional charge of ₹102.90 Lakhs.

PPE costing less than ₹5,000/- are fully depreciated in the year of capitalization.

Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

Capital Work in Progress

Capital work in progress is stated at cost, net of impairment losses, if any. Cost comprises of the cost of items of PPE not yet commissioned, incidental pre-operative expenses and borrowing costs.

Advances given towards acquisition of assets (including CWIP) and outstanding at each balance sheet date are disclosed as "Other Non-Current Assets".

1.2.2. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred.

Amortization

The above is amortized over a period of 5 years on Straight Line Basis.

Goodwill

Goodwill is initially recognized based on accounting policy for business combinations and tested for impairment annually.

1.2.3. Business Combination

Business Combinations are accounted for using the acquisition method as prescribed in Ind AS 103 Business Combinations of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognized at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any.

1.2.4. Impairment of Non-Financial Assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.2.5. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

(B) Right-of-use assets

Initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognized in the statement of profit and loss on straight line basis over the lease term.

1.2.6. Investment in subsidiaries

The Company has elected to recognize its investments in Subsidiary Company as Cost in accordance with the option available in Ind AS 27 'Separate Financial Statements'.

1.2.7. Inventories

Cost includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebates and discounts, if any. Net realizable value is the estimated selling price in the ordinary course of business.

Inventories other than Scrap are valued at lower of cost and net realized value.

1.2.8. Revenue Recognition

In accordance with Ind AS 115, Revenue from contracts with customers is recognized 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. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

The specific recognition criteria described below are also to be met before revenue is recognized.

Revenue is measured based on the transaction price as specified in the contract with the customer. In determining the transaction price, the Company considers below, if any:

(i) Variable consideration

This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

(ii) Contract modifications

These are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods or services added to the existing contract are distinct and whether the pricing

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

is at the standalone selling price. Goods or services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

Sale of Goods

Revenue is recognized upon transfer of control of promised goods to customers in an amount the reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sales of goods is recognized at the point in time when control is transferred to the customer, based on the contracts with the customers.

Sale of goods are net of returns, allowances, trade discounts, cash discounts and volume rebates. Export sales are recognized on the issuance of Bill of Lading/ Airway bill by the carrier.

Income from Export incentives

Income from export incentives such as duty drawback are recorded on accrual basis in accordance with the terms of the respective schemes. Policy for other export benefits is as stated in Note 1. 2.10 below.

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income

Interest income is recognized using the effective interest rate (EIR) method.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

1.2.9. Employee benefits

i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

Retirement benefit costs

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company.

ii) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier. The service cost, net interest on the net defined benefit liability/(asset) is treated as a net expense within employment cost. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Other long-term employee benefits

Compensated absences which accrue to employees, and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

1.2.10. Share based payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair valuation on the grant date of the awards given to employees is recognized as 'Employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis black-scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable is recognized as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

1.2.11. Foreign Currency Transactions

Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non – Monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.2.12. Government Grants

Government grants are recognized 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 recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to PPE are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

The export incentives received by the Company such as duty draw back, Merchandise Export from India Scheme (MEIS) and Export Promotions on Capital Goods (EPCG) scheme are treated as government grants.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

1.2.13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events

not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

1.2.14. Fair Value measurement

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 which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

All assets and liabilities for which fair value is measured or disclosed in the Standalone 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
- **Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.2.15. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, YPL decides to classify the same either as at FVTOCI or FVTPL. YPL makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.2.16. Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

1.2.17. Financial Liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial Liabilities at amortized cost

Financial liabilities classified and measured at amortized cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or 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 de-recognition 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 or loss.

Derivative financial instruments

The Company uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through profit and loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Standalone Financial Statement for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities 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.

1.2.18. Borrowing Cost

Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalized during the period of time that is required for 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 capitalized 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.

1.2.19. Taxes on Income

Current and Deferred Tax

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

Unused tax credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.2.20. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.2.21. Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.2.22. Cash Flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.23. Segment Reporting

Operating segments are reported in consistent manner with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the Company.

1.2.24. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Recent Pronouncements:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

(i) **Ind AS 101 – First time adoption of Ind AS –** modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

(ii) **Ind AS 102 – Share-based Payment –** modification relating to adjustment after vesting date to the fair value of equity instruments granted.

(iii) **Ind AS 103 – Business Combination –** modification relating to disclosures to be made in the first financial statements following a business combination.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

(iv) **Ind AS 107 – Financial Instruments Disclosures –** modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

(v) **Ind AS 109 – Financial Instruments –** modification relating to reassessment of embedded derivatives.

(vi) **Ind AS 1 –** Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

(vii) **Ind AS 8 –** Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

(viii) **Ind AS 12 –** Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

(ix) **Ind AS 34 –** Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

2. Property, plant and equipment

As at 31st March, 2023

(₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
Gross carrying value										
As at 1st April, 2022	349.37	181.25	2,816.77	398.24	16,676.73	20.66	237.09	133.10	748.22	21,561.43
Additions			170.92	9.08	2,761.83	5.66	22.62	25.94	376.26	3,372.31
Deletions			17.29	10.01	298.88	-	38.54	2.62	2.01	369.35
As at 31st March, 2023	**349.37**	**181.25**	**2,970.40**	**397.31**	**19,139.68**	**26.32**	**221.17**	**156.42**	**1,122.47**	**24,564.39**
Accumulated Depreciation										-
As at 1st April, 2022	-	18.79	603.43	25.58	3,294.55	(0.91)	63.11	62.23	301.61	4,368.39
Additions		2.33	104.61	7.89	969.66	5.73	27.22	28.44	75.82	1,221.70
Deletions			16.29	9.51	155.11	-	24.68	2.26	1.83	209.68
As at 31st March, 2023	**-**	**21.12**	**691.75**	**23.96**	**4,109.10**	**4.82**	**65.65**	**88.41**	**375.60**	**5,380.41**
Net Carrying amount										
As at 1st April, 2022	**349.37**	**162.46**	**2,213.34**	**372.66**	**13,382.18**	**21.57**	**173.98**	**70.87**	**446.61**	**17,193.04**
As at 31st March, 2023	**349.37**	**160.13**	**2,278.66**	**373.35**	**15,030.58**	**21.50**	**155.53**	**68.01**	**746.87**	**19,183.98**

As at 31st March, 2022

(₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
As at 1st April, 2021	349.37	181.25	2,751.16	404.91	15,844.76	42.17	166.19	133.49	911.08	20,784.38
Additions	-	-	76.25	-	1,313.04	2.72	97.10	35.92	24.80	1,549.83
Deletions	-	-	10.64	6.67	543.75	24.38	26.20	45.48	187.66	844.78
Acquisition through business combination	-	-	-	-	62.68	0.15	-	9.17	-	72.00
As at 31st March, 2022	**349.37**	**181.25**	**2816.77**	**398.24**	**16676.73**	**20.66**	**237.09**	**133.10**	**748.22**	**21,561.43**
Accumulated Depreciation										
As at 1st April, 2021	-	16.47	508.67	24.81	2,906.46	16.42	55.58	77.48	403.01	4,008.90

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

2. Property, plant and equipment (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
Additions	-	2.32	101.93	7.01	766.47	5.74	24.03	22.65	67.64	997.79
Deletions	-	-	7.17	6.24	378.41	23.16	16.50	42.77	169.04	643.29
Acquisition through business combination					0.03	0.09	-	4.87		4.99
As at 31st March, 2022	**-**	**18.79**	**603.43**	**25.58**	**3,294.55**	**-0.91**	**63.11**	**62.23**	**301.61**	**4,368.39**
Net Carrying amount										
As at 1st April, 2021	**349.37**	**164.78**	**2,242.49**	**380.10**	**12,938.30**	**25.75**	**110.61**	**56.01**	**508.07**	**16,775.48**
As at 31st March, 2022	**349.37**	**162.46**	**2,213.34**	**372.66**	**13,382.18**	**21.57**	**173.98**	**70.87**	**446.61**	**17,193.04**

(i) Leased Assets

The lease term in respect of assets acquired under finance leases expires within 59-72 years.

(ii) Assets given as security for borrowings

All the items of property, plant and equipment of the Company have been given to lenders as security for various borrowing facilities. (Refer Note 17)

(iii) Impairment

The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

(iv) Revision in useful life of certain assets

During the year, the Company has reassessed the useful life of certain items of property plant and equipments under Moulded Products Division and based on the assessment, the useful life has been reduced from 25 years to 20 years with a resultant change in depreciation.

(v) Other Notes:

a) Property, Plant and Equipment values are carried in the financial statements on their Historic value (Cost of Acquisition).

b) No revaluation has been carried out as per Rule 2 of the Companies Act, 2013.

c) For capital commitments, Refer Note 48

d) The Company has not revalued any of its Property, plant and equipment and intangible assets during the year.

e) Title deeds of all immovable properties of land and buildings which are freehold are in the name of the Company.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

3. Capital work in progress (CWIP)

As at 31st March, 2023 (Rs. In lakhs)

Particulars	Amount
Gross carrying value	
As at 1st April, 2022	1,798.04
Additions	2,331.78
Transfer	(2,421.16)
As at 31st March, 2023	**1,708.66**

As at 31st March, 2022 (Rs. In lakhs)

Particulars	Amount
As at 1st April, 2021	608.20
Additions	1,461.73
Transfer	(271.89)
As at 31st March, 2022	**1,798.04**

CWIP Ageing Schedule as on 31st March,2023 (Rs. In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	1,336.56	330.05	42.05	-	1,708.66
Projects temporaily suspended	-	-	-	-	-

CWIP Ageing Schedule as on 31st March,2022 (Rs. In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	1,461.73	197.70	138.60	-	1,798.04
Projects temporaily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

4. Goodwill, Right to use Assets and other Intangible assets

As at 31st March, 2023

(₹ In lakhs)

Particulars	Goodwill (Refer Note 4(a)	Computer software	Right to Use Assets
Gross carrying value			
As at 1st April, 2022	408.80	184.79	-
Additions	-	6.25	93.74
Deletions	-	-	-
As at 31st March, 2023	408.80	191.04	93.74
Impairment/ Amortisation			
As at 1st April, 2022	-	105.35	-
Additions	-	25.05	26.04
Deletions	-	-	-
As at 31st March, 2023	-	130.40	26.04
Net Carrying amount			
As at 1st April, 2022	408.80	79.44	-
As at 31st March, 2023	408.80	60.64	67.70

As at 31st March, 2022

(₹ In lakhs)

Particulars	Goodwill	Computer software	Right to Use Assets
Gross carrying value			
As at 1st April, 2021	-	119.34	-
Additions	408.80	65.65	-
Deletions	-	0.20	-
As at 31st March, 2022	408.80	184.79	-
Amortisation			
As at 1st April, 2021	-	84.27	-
Additions	-	21.18	-
Deletions	-	0.10	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

4. Goodwill, Right to use Assets and other Intangible assets (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Goodwill	Computer software	Right to Use Assets
As at 31st March, 2022	-	105.35	-
Net Carrying amount			
As at 1st April, 2021	-	35.07	-
As at 31st March, 2022	408.80	79.44	-

Note 4(a): The Company tests goodwill on an annual basis and whenever there is an indication that the Cash Generating Unit (CGU) to which the goodwill has been allocated may be impaired. The goodwill impairment test is performed at the level of the CGU or group of CGUs that benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is determined based on higher of value-in-use and fair value less cost of disposal.

In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. In circumstances where a reliable value-in-use estimate is difficult to make whereas market value of the asset or the CGU or group of CGUs is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, where applicable.

Apart from the observable market information, significant management estimates and judgments are used to determine the recoverable amounts based on value-in-use. Key assumptions on which management has based its determination of recoverable amount includes estimated growth rates (including terminal growth rates), margins and discount rates. Also, a fair assessment can be done from the present standing of the company and new strategic partnership opportunities that the brand has been able to benefit from.

5. Intangible assets under Development

As at 31st March, 2023

(₹ In lakhs)

Particulars	Computer software
Gross carrying value	
As at 1st April, 2022	-
Additions	14.25
Deletions	-
As at 31st March, 2023	14.25

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

5. Intangible assets under Development (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Computer software
Gross carrying value	
As at 1st April, 2021	-
Additions	-
Deletions	-
As at 31st March, 2022	-

Intangible Asset under Development Ageing Schedule as on 31st March,2023

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	14.25	-	-	-	14.25
Projects temporaily suspended	-	-	-	-	-

Intangible Asset under Development Ageing Schedule as on 31st March,2022

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporaily suspended	-	-	-	-	-

6(A) Non - Current Investment in Subsidiary

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in subsidiary companies (at cost) - Unquoted		
50,000 (P.Y.: 50,000) Equity shares of $ 10 each of Pakka Inc., USA (Fully paid up)	376.02	376.02
19,50,000 shares (PY :NIL) shares of ₹10 each of Pakka Impact Ltd (Fully paid up)	195.00	-
3,00,000 (PY: NIL) shares of SGD 1 each of Pakka Pte Ltd, Singapore (Partly paid up)	172.74	-
Total	743.76	376.02

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

6(A) Non - Current Investment in Subsidiary (contd.)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	743.76	376.02
Aggregate amount of impairment in value of investments	-	-

6(B). Non - Current Investments in Equity Shares

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments at fair value through profit and loss		
Investment in equity shares (quoted, fully-paid up)		
500 (P.Y.: 500) equity shares of ₹2/- each of AMJ Land Holdings Limited	0.11	0.15
100 (P.Y.: 100) equity shares of ₹10/- each of Rana Mohendra Papers Limited [₹380 (P.Y. ₹380)]	-	0.00
100 (P.Y.: 100) equity shares of ₹10/- each of Mukerian Papers Limited	0.01	0.01
100 (P.Y.: 100) equity shares of ₹10/- each of Shree Rama Newsprint & Papers Limited	0.02	0.02
Total	0.14	0.18
Aggregate amount of quoted investments and market value thereof	0.14	0.18
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

6(C) Current Investments in Mutual Funds

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments at fair value through profit and loss		
Investment in Mututal Funds (quoted)		
SBI Corporate Bond Fund-Regular Plan Growth	110.00	-
Total	110.00	-
Aggregate amount of quoted investments and market value thereof	110.00	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

7. Other non current assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advance	150.70	381.17
Deferred Revenue from EPCG licenses	15.61	36.43
Others	29.97	29.29
Total	**196.28**	**446.89**

8. Inventories

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At lower of cost and net realizable value		
Raw Materials	5,395.45	4,696.40
Work in Progress	62.54	41.02
Finished Goods	743.04	977.39
Traded goods	193.92	14.52
Pulp	-	1.45
Store and Spares	3,360.10	2,131.30
Scrap	13.57	8.84
Acquisition through business combination (Refer Note 43)	-	5.53
Total	**9,768.62**	**7,876.45**

(i) The mode of valuation of inventory has been stated in Note 1.2.7

(ii) Inventories have been pledged as security for borrowings (Refer Note 17)

(iii) There has been a write down of inventories of ₹ Nil (P.Y.₹8.42 lakhs) which is recognised as an expense during the year.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

9. Trade receivables

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good - secured	-	-
Considered good - unsecured*	2,373.40	1,524.83
With significant increase in credit risk	175.59	186.59
Credit impaired	-	-
Acquisition through business combination (Refer Note 43)	-	637.06
Less: Provision for Expected Credit Loss	(105.18)	(94.91)
Total	**2,443.81**	**2,253.57**

** includes Rs.12.44 lakhs (P.Y. Rs. 67.64 lakhs) receivable from related parties (Refer note 38)*

As at 31st March, 2023

(Rs. In lakhs)

Particulars	less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	Above 3 Years	Total
Undisputed Trade Receivables- Considered Good	2,341.28	14.86	1.43	14.18	-	2,371.75
Undisputed Trade Receivables- Which Have Significant Risk	-	-	-	-	-	-
Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Which Have Significant Risk	-	-	-	-	72.06	72.06
Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Total	**2,341.28**	**14.86**	**1.43**	**14.18**	**72.06**	**2,443.81**

As at 31st March, 2022

(Rs. In lakhs)

Particulars	less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	Above 3 Years	Total
Undisputed Trade Receivables- Considered Good	1,106.03	1,039.46	0.62	14.18	-	2,160.28
Undisputed Trade Receivables- Which Have Significant Risk	-	-	-	-	-	-
Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Which Have Significant Risk	-	-	-	-	93.29	93.29
Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Total	**1,106.03**	**1,039.46**	**0.62**	**14.18**	**93.29**	**2,253.57**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

9.1 Following are the details for the trade receivables whose credit risk has been assessed individually

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assessed credit risk on an individual basis	175.59	186.59
Less: Loss allowance on above	(103.53)	(93.30)
Total	72.06	93.29

9.2 The average credit period for collection for paper division 20 days and for moulded division 30 days

Refer Note 39 (a) & (b) for information about credit risk and market risk of trade receivables.

10. Cash and cash equivalents

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks in current accounts	68.80	292.98
Cash in hand	9.17	15.71
Acquisition through business combination (Refer Note 43)	-	51.69
Total	77.97	360.38

11. Bank balances other than cash and cash equivalents

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid dividend account	41.07	25.78
Margin money deposits (restricted, held as lien against bank guarantees)	563.41	550.54
Total	604.48	576.32

11. Bank balances other than cash and cash equivalents

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good - secured	-	-
Considered good - unsecured*	677.90	43.31
With significant increase in credit risk	-	-
Credit impaired	-	-
Less: Loss allowance	-	-
Total	677.90	43.31

** includes loans to employees of ₹44.44 lakhs (P.Y. ₹35.54 lakhs)*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

12A. Loans or advances in nature of loans to Related Parties

Particulars	For the year ended as on 31.03.2023		For the year ended as on 31.03.2022	
	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties - Subsidiaries (including accrued interest thereon)	633.46	93%	7.77	18%

13. Other financial assets - current

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due	11.15	7.87
Export incentives receivable	62.93	125.53
Security Deposits	67.95	2.59
Total	**142.03**	**135.99**

14. Other current assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to vendors	1,020.74	471.93
Indirect Taxes recoverable	417.36	451.32
Others	175.54	194.52
Acquisition through business combination (Refer Note 43)	-	30.88
Total	**1,613.64**	**1,148.65**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

15A. Equity share capital

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised equity share capital		
Equity shares		
5,60,00,000 (P.Y. : 5,60,00,000) Equity shares of ₹10/- each	5,600.00	5,600.00
Preference shares		
4,00,000 (P.Y. : 4,00,000) Preference shares of ₹100/- each	400.00	400.00
Total	6,000.00	6,000.00
Issued, subscribed and fully paid up		
Equity shares		
3,807,85,000 (P.Y. : 3,52,40,000) Equity shares of ₹10/- each	3,807.85	3,524.00
Total	3,807.85	3,524.00

15B. Equity shares to be allotted

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity shares to be allotted		
Nil (P.Y. : 28,38,500) Equity shares of ₹10/- each	-	283.85
Total	-	283.85

(i) Movements in equity share capital

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Opening Balance	38,078,500	35,240,000
Issued during the year*	-	2,838,500
Closing Balance	38,078,500	38,078,500

** Represents shares to be allocated to shareholders of Yash Compostables Limited on account of merger (Refer Note 43). The said shares have been allotted during FY 2022-23*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

15B. Equity shares to be allotted (contd.)

(ii) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend 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 shareholders holding more than 5% shares in the company:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Ved Krishna	13,844,388	13,844,388
% of Share	36.36%	36.36%
Satori Global Limited	3,334,500	3,334,500
% of Share	8.76%	8.76%

(iv) For the period of 5 years immediately preceding the date as at which the Balance sheet is prepared:

(a) No shares have been allotted as fully paid up pursuant to the contracts without payments being revised in cash

(b) No bonus shares have been allotted

(c) No shares have been bought back

(v) Number of shares held by Promoters

Name of Promoters	No of shares held at the end of the year 31st March 2023		No of shares held at the end of the year 31st March 2022*	
	No of shares	% of total shares	No of shares	% of total shares
Mr. Ved Krishna	13,844,388	36.36%	13,844,388	36.36%
Satori Global Limited	3,334,500	8.76%	3,334,500	8.76%
Yash Agro Products Limited	968,640	2.54%	968,640	2.54%
Mrs. Manjula Jhunjhunwala	556,743	1.46%	551,066	1.45%
Krishnakumar Jhunjhunwala (HUF)	16,000	0.04%	16,000	0.04%

** Includes shares to be allocated to shareholders of Yash Compostables Limited on account of merger (Refer Note 43). The said shares have been allotted during FY 2022-23*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

16. Other equity

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	37.32	37.32
Securities Premium	1,172.16	1,172.16
Employees Share Base payment Reserve	227.15	-
General Reserve	550.00	550.00
Retained Earnings	15,692.41	11,253.18
Acquisition through business combination	-	54.56
Other Comprehensive Income	(138.60)	(111.57)
Total	17,540.44	12,955.65

16.1 The movement in other equity

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve		
Balance at the beginning of the year	37.32	37.32
Add: transferred during the year	-	-
Balance at the end of the year	**37.32**	**37.32**
Securities Premium		
Balance at the beginning of the year	1,172.16	1,172.16
Add: transferred during the year	-	-
Balance at the end of the year	**1,172.16**	**1,172.16**
Employees Share Base payment Reserve		
Balance at the beginning of the year	227.15	-
Add: transferred during the year	-	-
Balance at the end of the year	**227.15**	**-**
General Reserve		
Balance at the beginning of the year	550.00	550.00
Add: transferred during the year	-	-
Balance at the end of the year	**550.00**	**550.00**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

16.1 The movement in other equity (contd.)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Balance at the beginning of the year	11,307.74	7,785.56
Acquisition through business combination	-	54.56
Add: Profit for the year	5,146.24	3,820.02
Less: Dividend paid	761.57	352.40
Balance at the end of the year	**15,692.41**	**11,307.74**
Other Comprehensive Income		
Balance at the beginning of the year	(111.57)	(63.72)
Add: Additions during the year	(27.03)	(47.85)
Balance at the end of the year	**(138.60)**	**(111.57)**

16.2 Nature and Purpose of Reserves

Capital Reserve: Capital reserve includes the amount retained towards the forfeiture of equity and preferential warrants. This reserve will be utilized in accordance with the provisions of the Act.

Securities Premium: Securities premium reserve is on account of premium on issue of shares. This reserve will be utilized in accordance with the provisions of the Act.

Employees Share Base payment Reserve : Represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

General Reserve: It has been created out of profits of earlier years.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Other Comprehensive Income: This includes actuarial gains/ (losses) on employee benefit obligations.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

16.3. Dividend distribution made and proposed

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dividend on equity shares declared and paid		
Final dividend for the year ended 31st March 2022 Re. 2 per share (P.Y.: Re. 1 per share)	761.57	352.40
Total	**761.57**	**352.40**
Proposed dividend on equity shares		
Final dividend proposed for the year ended 31st March 2023 ₹2.40 per share (P.Y.: Re. 2 per share)	913.88	761.57
Total	**913.88**	**761.57**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at 31st March 2023.

17. Borrowings

(A) Long term borrowings

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term loans from banks	1,778.20	2,448.70
Unsecured		
From related parties	401.12	456.32
Total	**2,179.32**	**2,905.02**

Refer Note 17.1 for security details

(B) Short term borrowings

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Working capital loans from banks	7,404.31	6,864.35
Current Maturity of long term borrowing	736.24	654.10
Total	**8,140.55**	**7,518.45**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

17.1. Repayment terms:

a) **Secured rupee term loans from banks:** Structured Quarterly Instalments.

b) **Loan from Pradeshiya Industrial & Investment Corporation of UP Limited (PICUP):** Bullet repayment at the end of tenure of loan i.e. F.Y. 2024. The loan interest free.

c) **Loan from related parties:** Repayable after bank secured term loan is repaid

d) **Scheduled repayments:** Contractual repayments in case of loans from banks:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	8,140.55	7,518.45
Between one to five years*	2,245.15	3,049.08
Over five years*	152.07	152.07

**The above excludes Ind AS adjustments*

e) Interest rates: Loans availed from banks carry interest rate ranging from 6.00% to 12.00%.

Refer note 39 (b) (II) & (III) on Interest rate risk and Liquidity Risk respectively.

f) **Security details:-**

Term Loans from Banks are secured by

i. First pari-passu charge by hypothecation of all Immovable Properties and property, plant and equipment both present and future of the company. [including equitable mortgage of land property & building]

ii. Second pari passu charge on entire current assets (present and future) of the company with 2nd charge over entire property, plant and equipment [present and future] of the company ceded to working capital bankers/ lenders (including Letters of Credit and Letters of Guarantees).

iii. Personal guarantee of Promoter Directors of the company

iv. Corporate guarantee of Yash Agro Products Limited and Satori Global Limited.

v. 84.99% pledge of promoter's shareholding in the Company in favour of the lenders

g) Term Loan and working capital loans availed from Banks has been utilised for the purpose they have been received.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

17.1. Repayment terms: (contd.)

As at 31st March, 2023

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Amount as per Books	Amount reported in quarterly returns	Amount of Difference	Reasons for Material Discrepancies
Consortium Bankers Led By State Bank of India	30/Jun/22	Inventory	8,344.24	8,344.24	-	-
		Receivable upto 6 Month	1,993.61	1,993.61	-	-
	30/Sep/22	Inventory	6,554.84	6,554.84	-	-
		Receivable upto 6 Month	2,269.82	2,269.82	-	-
	31/Dec/22	Inventory	6,612.53	6,612.53	-	-
		Receivable upto 6 Month	2,395.77	2,395.77	-	-
	31/Mar/23	Inventory	9,768.62	9,768.62	-	-
		Receivable upto 6 Month	2,236.10	2,236.10	-	-

As at 31st March, 2022

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Amount as per Books	Amount reported in quarterly returns	Amount of Difference	Reasons for Material Discrepancies
Consortium Bankers Led By State Bank of India	30/Jun/21	Inventory	5,649.71	5,649.71	-	-
		Receivable upto 6 Month	1,762.51	1,762.51	-	-
	30/Sep/21	Inventory	4,060.11	4,060.11	-	-
		Receivable upto 6 Month	1,997.23	1,997.23	-	-
	31/Dec/21	Inventory	4,614.80	4,614.80	-	-
		Receivable upto 6 Month	2,777.60	2,777.60	-	-
	31/Mar/22	Inventory	7,876.46	7,876.46	-	-
		Receivable upto 6 Month	2,050.05	2,050.05	-	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

18. Lease Liabilities

(A) Non Current Liabilities- Financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	39.82	-
Total	**39.82**	-

(B) Current Liabilities-Financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	30.63	-
Total	**30.63**	-

19. Other financial libilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits from customers	337.50	270.25
Total	**337.50**	**270.25**

20. Deferred tax liabilities (net)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of PPE	2,448.06	2,395.04
Tax effect of items constituting deferred tax liability	**2,448.06**	**2,395.04**
Tax effect of items constituting deferred tax assets		
Provision on employee benefits	205.77	139.38
Carried forward depreciation and business loss	-	-
Unused tax credit (MAT)	-	665.32
Provision for Share Based Payment	-	
Others	(146.22)	(158.94)
Acquisition through business combination (Refer Note 43)	36.05	36.05
Tax effect of items constituting deferred tax assets	**95.62**	**681.81**
Total	**2,352.44**	**1,713.22**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

21. Other non current liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Revenue:		
Capital Subsidy	28.00	32.00
Government loan under PICUP scheme	128.75	178.46
EPCG obligation	-	302.39
Total	156.75	512.85

22. Trade Payables

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables:		
- Dues to micro and small enterprises	286.96	364.49
- Other than micro and small enterprises	598.74	678.98
Acquisition through business combination (Refer Note 43)	-	49.53
Total	885.70	1,093.00

** includes ₹4.69 lakhs (P.Y. ₹ NIL) payable to related parties (Refer note 38)*

22.1 Disclosure under Section 22 of Micro, Small and Medium enterprises development (MSMED Act, 2006)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount due and remaining unpaid	286.96	364.49
Principal amount due and remaining unpaid: Acquisition through business combination (Refer Note 43)	-	15.35
Interest paid by the Group in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-
Amount of further interest remaining due and payable	-	-

Under the Mirco, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), which came into force from 2 October, 2006, certain disclosures are required to be made relating to Mirco, Small and Medium Enterprises. On the basisof the information and records available with the Company's management, dues to Mirco, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected till the reporting date and has been relied upon by the Statutory Auditors. The disclosures as required by Section 22 of the MSMED Act, are given above.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

22.2 Trade payables

For the year ended 31st March 2023

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	286.96					286.96
Others	335.31	257.20	6.23			598.74
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

For the year ended 31st March 2022

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	361.22	18.62				379.84
Others	436.49	266.05	5.00	5.62	0	713.16
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

23. Other financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings*	12.50	-
Total	**12.50**	-

**Includes Interest payable to related party ₹12.50 lacs. (P.Y. Nil) is paid at 10% p.a. Refer note 38.*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

24. Other current liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current maturities on deferred revenue on capital subsidy	4.00	4.00
Advance from customers	352.36	440.90
Statutory liabilities	447.81	375.36
Payable on capital goods	98.40	157.83
Unpaid dividend	42.45	27.16
Others	548.10	324.52
Acquisition through business combination (Refer Note 43)	-	58.46
Total	**1,493.12**	**1,388.23**

25. Provisions

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Gratuity	141.77	136.12
Provision for Leave Encashment	80.61	75.84
Provision for Bonus	484.25	266.71
Total	**706.63**	**478.67**

26. Current Tax liabilities (Net)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Taxes paid (Net of taxes paid in advance)	139.39	53.90
Total	**139.39**	**53.90**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

27. Revenue from operations

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of Products		
Paper, Pulp and related products		
Within India	25,787.07	19,377.99
Outside India	9,762.32	6,782.48
Moulded Products		
Within India*	5,224.15	2,888.55
Outside India	57.28	59.61
Total	**40,830.82**	**29,108.63**

**Refer note 38 for sales to Related parties*

28. Other income

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest received on fixed deposit and others	153.31	112.20
Export incentives*	586.38	468.83
Remeasurement of defined benefit plans	-	-
Investments measured at FVTPL	-	0.04
Profit on sale of property, plant and equipment	39.62	3.28
Excess provision for expenses written back	-	-
Net Gain on foreign currency translation	167.42	82.15
Miscellaneous income	211.74	146.75
Total	**1,158.47**	**813.25**

** ₹364.91 lakh (P.Y. ₹309.44 lakh) has been received against the fulfilment of export obligation under EPCG scheme.*

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

29. Cost of materials consumed

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw material consumed	8,869.55	6,556.03
Chemicals consumed	3,766.56	2,988.66
Stores & spares consumed	1,914.90	1,419.84
Packing materials consumed	851.17	782.39
Total	**15,402.18**	**11,746.92**

30. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock		
Finished Goods*	982.92	823
Pulp	1.45	1.75
Work in Progress	41.02	75.96
Total Opening Stock	**1,025.39**	**900.83**
Closing Stock		
Finished Goods*	743.04	982.92
Pulp	-	1.45
Work in Progress	62.54	41.02
Total Closing Stock	**805.58**	**1,025.39**
Total	**219.81**	**(124.56)**

** Includes Kraft paper, poster paper, moulded products*

31. Employee benefit expenses

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, wages, bonues and incentives	3,862.11	2,873.11
Directors remuneration*	281.84	342.63
Contribution to provident and other funds	127.42	129.29
Share Based Payment	227.15	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

31. Employee benefit expenses (contd.)

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Defined benefit plan expenses	66.45	65.53
Workmen and staff welfare expenses	227.14	146.45
Total	**4,792.11**	**3,557.01**

** Refer note 38 for payments made to Related parties*

32. Finance costs

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on		
- Term loan	335.03	428.24
- Others	549.59	366.92
Net loss on foreign currency translation and transactions	112.74	39.75
Bank and documentation charges	115.55	101.35
Total	**1,112.91**	**936.26**

33. Depreciation and amortisation expense

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on property, plant and equipment	1,247.73	1,000.35
Amortisation on intangible assets	25.06	21.19
Total	**1,272.79**	**1,021.54**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

34. Other expenses

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Operating Expenses		
Power and Fuel	6,767.02	3,365.32
Effluent Treatment Expenses	119.55	116.71
Repairs and Maintenance		
- Building	114.18	58.29
- Machinery	428.55	251.39
- Others	254.83	224.13
Freight, Handling and Other Sales and Distribution expenses	1,706.30	1,640.00
Commission on sales	265.80	188.84
Others		
Rent	45.32	37.82
Insurance	110.86	102.30
Travelling and Conveyance	366.76	170.36
Legal professional and consultation charges	438.80	497.82
Auditor's Remuneration (refer note below)	14.71	11.20
Subscription and Donation	61.90	62.76
Amortisation of deferred income on EPCG license	20.82	20.82
Research and development expenses	44.31	84.79
Printing and Stationery	29.47	39.34
Communication cost	34.68	36.01
Advertisement and Publicity	18.66	15.78
Business Promotion Expenses	149.17	106.23
Loss on Assets Sold / Discarded/scrapped	91.05	191.92
Loss on sale of export incentives	8.94	7.89
Exchange Fluctuation (net)	-	-
Fair valuation of investments	0.05	-
Provision for impairement of non financial assets	-	27.11
Irrecoverable Trade receivables and other balances		-
Manglam Farm Expenses	27.52	
Provision on doubtful receivables and others	57.73	43.52
CSR Expenditure (Refer Note 46)	137.75	47.00
Miscellaneous Expenses	65.34	61.86
Total	**11,380.07**	**7,409.21**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

Note 34a: (contd.)

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
As Auditors	7.50	6.75
For Limited Review	4.50	3.75
For certification	2.25	0.70
For Reimbursement of Expenses	0.46	-
Total	**14.71**	**11.20**

35. Tax Expenses

(a) Amounts recognized in profit and loss

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax expense		
Current year	1,434.61	980.00
Changes in estimates relating to prior years	0.00	4.19
Total	**1,434.61**	**984.19**
Deferred tax expense		
Origination and reversal of temporary differences	650.32	565.11
Total	**650.32**	**565.11**
Tax expense recognized in the income statement	**2,084.93**	**1,549.30**

(b) Amounts recognized in other comprehensive income

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax(expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(38.13)	11.10	(27.03)	(67.51)	19.66	(47.85)
	(38.13)	**11.10**	**(27.03)**	**(67.51)**	**19.66**	**(47.85)**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

35. Tax Expenses (contd.)

(c) Reconciliation of effective tax rate

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	%	Amount	%	Amount
Profit before tax		**7,231.17**		**5,369.32**
Tax using the Company's domestic tax rate	29.12%	2,105.72	29.12%	1,563.55
Tax effect of:				
Due to permanent differences	(3.32%)	(240.37)	(1.83%)	(98.01)
Deferred tax adjustments	5.56%	401.82	4.68%	251.38
Other Comprehensive Income	0.15%	11.10	0.37%	19.66
Others	(2.67%)	(193.33)	(3.49%)	(187.28)
Effective income tax rate	**28.83%**	**2,084.93**	**28.85%**	**1,549.30**

The applicable tax rate for the Company for the year ended 31st March, 2023 was 29.12% (Previous Year: 29.12%). The tax rate has been reduced to 22% from September 2019. However the Company has decided to continue with the old rates on account of unutilised MAT credit.

(d) Movement in deferred tax

Particulars	As at 31st March, 2023					
	Net balance 1st April, 2022	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (Asset)/Liabilities						
On difference between book balance and tax balance of PPE	2,395.04	53.02	-	2,448.06	-	2,448.06
Provision on employee benefits	(139.38)	(77.49)	11.10	(205.77)	205.77	-
Unabosorbed business losses and depreciation	0.00	0.00	-	0.00	-	-
Unused tax credits	(665.32)	665.32	-	0.00	-0.00	-
Provision for Share Based Payment	0.00	(66.15)	-	(66.15)	66.15	-
Others	158.92	(12.70)	-	212.38	-	212.38
Acquisition through business combination (Refer Note 43)	(36.05)		-	(36.05)	36.05	0.00
Tax assets (Liabilities) (Net)	**1,713.21**	**628.16**	**11.10**	**2,352.46**	**307.97**	**2,660.43**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

35. Tax Expenses (contd.)

(d) Movement in deferred tax

(₹ In lakhs)

Particulars	As at 31st March, 2022					
	Net balance April 1, 2021	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (Asset)/Liabilities						
On difference between book balance and tax balance of PPE	2,344.43	50.61	-	2,395.04	-	2,395.04
Provision on employee benefits	(101.71)	(57.33)	19.66	(139.38)	139.38	-
Unabsorbed business losses and depreciation	0.00	0.00	-	-	-	-
Unused tax credits	(1,094.06)	428.74	-	(665.32)	665.32	-
Interest to bank	-	-	-	-	-	-
Others	118.40	40.52	-	158.92	-	158.92
Acquisition through business combination (Refer Note 43)	(45.35)	9.30	-	(36.05)	36.05	-
Tax assets (Liabilities) (Net)	**1,158.51**	**535.04**	**19.66**	**1,713.21**	**840.75**	**2,553.95**

36. Earnings per share

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit for the year	**5,146.24**	**3,820.02**
Equity shares at the beginning of the year (nos.)	38,078,500	35,240,000
Equity shares issued during the year	-	2,838,500
Equity shares at the end of the year (nos.)	38,078,500	38,078,500
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	**38,078,500**	**38,078,500**
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	**38,275,765**	**38,078,500**
Earnings per share-basic (face value of ₹10/- each) (₹)	13.51	10.03
Earnings per share-diluted (face value of ₹10/- each) (₹)	**13.45**	**10.03**

Note: The earnings per share for both year are after considering additional shares to be issued on merger.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures

I. Defined Contribution plan

The Company makes contributions towards provident fund to defined contribution retirement plan for the qualifying employee. The Provident fund contributions are made to Government administered employees' provident fund. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary.

The Company has recognized the following amounts in the Statement of Profit and Loss during the year under 'Contribution to staff provident and other funds' (Refer note 31)

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employer's contribution to Provident Fund	105.07	98.55
Total	**105.07**	**98.55**

II. Defined benefit plans

The company operates funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service.

No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at 31st March, 2023 by the certified actuarial valuer.

The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

(A) Movements in net defined benefit (asset)/ liability

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Defined obligations at the beginning of the year	495.92	421.92
Current service cost	56.51	48.83
Interest cost	36.21	29.11
Past service costs	-	14.79
Benefits paid	(25.95)	(82.69)
Actuarial (gain)/loss		-
- change in demographic assumptions	-	-
- change in financial assumptions	4.53	(19.70)
- experience variance	28.43	83.66
Defined benefit obligation as at end of the year	**595.64**	**495.92**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(B) Movements in the fair value of plan assets

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Fair value at beginning of the year	359.80	394.34
Investment income	26.27	27.21
Return on plan assets	(5.17)	(3.55)
Actual return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions by the employer	98.93	24.49
Other adjustments		
Benefits paid	(25.95)	(82.69)
Fair value of plan assets as at end of the year	**453.88**	**359.80**

(C) Amount recognized in the balance sheet

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Present value of defined benefit obligation as at end of the year	595.64	495.92
Fair value of plan assets as at end of the year	453.88	359.80
As at year end	**(141.76)**	**(136.12)**

(D) Amounts recognized in the statement of profit and loss

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Current service cost	56.51	48.83
Past service cost	-	14.80
Net interest income/ (cost) on the net defined benefit liability (Asset)	9.94	1.90
Total	**66.45**	**65.53**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(E) Amounts recognized in other comprehensive income

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Actuarial (gains) / losses due to :		
- change in demographic assumptions	-	-
- change in financial assumptions	4.53	(19.70)
- experience variance	28.43	83.66
Return on plan assets	5.17	3.55
Total	**38.13**	**67.51**

(F) Category of plan assets

The Company's plan assets in respect of gratuity are funded through the Gratuity Scheme of LIC

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Administered by Life Insurance Corporation of India *	100%	100%
Government of India Securities	0%	0%
State Government securities	0%	0%
Special Deposit Scheme	0%	0%

**The Company is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure thereof is not made.*

(G) Sensitivity analysis

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
DBO On base assumptions		
A. Discount Rate (- / + 1%)		
Discount Rate Increase	542.95	449.99
1. Effect due to 1% increase in discount rate	(8.85)%	(9.26)%
Discount Rate Decrease	657.64	550.06
2. Effect due to 1% decrease in discount rate	10.41%	10.92%

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
B. Salary Growth Rate		
Salary Growth Rate Increase	659.91	552.07
1. Effect due to 1% increase in discount rate	10.79%	11.32%
Salary Growth Rate Decrease	540.22	447.60
2. Effect due to 1% decrease in discount rate	(9.31)%	(9.74)%
C. Attrition Rate		
Attrition Rate Increase	606.41	505.68
1. Effect due to 50% increase in discount rate	1.81%	1.97%
Attrition Rate Decrease	583.41	484.77
2. Effect due to 50% decrease in discount rate	(2.05)%	(2.25)%
D. Mortality Rate		
Mortality Rate Increase	597.63	497.72
1. Effect due to 10% increase in discount rate	0.33%	0.36%
Mortality Rate Decrease	593.62	494.08
2. Effect due to 10% decrease in discount rate	(0.34)%	(0.37)%

(H) The expected future cash flows as at 31st March, 2023 were as follows:

(₹ In lakhs)

Summary of Assets and Liabilities	Amount (₹ In lakhs)
31.03.2019	(3.44)
31.03.2020	(58.87)
31.03.2021	(27.57)
31.03.2022	(136.12)
31.03.2023	(141.77)

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(I) Expected Cash flows over the next

(₹ In lakhs)

Summary of Assets and Liabilities	Amount (₹ In lakhs)
1 year	45.10
2 to 5 years	199.43
6 to 10 years	250.65
More than 10 years	950.62

(J) Actuarial assumptions

Actuarial valuation as at the year-end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.22%	7.30%
Withdrawal rate	2.00%	2.00%
Rate of increase in compensation	5.00%	5.00%

ii) rates considered are as per the published rates in the India Assured Lives Mortality 2012-14 (Previous year: India Assured Lives Mortality (2006-08) (Modified) ULT.) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31st December 2022 is available for encashment on separation from the Company up to a maximum of 30 days.

iv) The discount rate should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

v) The contribution to be made by the Company for funding its liabilities for gratuity during the financial year 2022-23 amounts to ₹98.93 lakhs (PY ₹24.49 Lakhs).

vi) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.

vii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

viii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

ix) Short term compensated absences have been provided on actual basis.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances:

a) Name of Related Parties and nature of relationship

I. Subsidiary companyies

a. Wholly owned subsidiary

(i) Pakka Inc. (with effect from 7th April, 2021)

(ii) Pakka Pte Limited (with effect from 21st April,2022)

b. Partialy owned subsidiary

(i) Pakka Impact Limited- 97.50% holding (with effect from 1st August,2022)

II. Key Managerial Personnel and relatives

1. **Executive Directors**	Managing Director
(a) Jagdeep Hira	Director Works
(b) Narendra Kumar Agrawal (upto 30.07.2022)	

2. **Non - Executive Directors**	
(a) Ved Krishna	Director
(b) Manjula Jhunjhunwala	Director
(c) Kimberly Ann McArthur	Director
(d) Pradeep Vasant Dhobale	Independent Director
(e) Indroneel Banerjee	Independent Director
(f) Atul Kumar Gupta	Independent Director
(g) Srinivas Vishnubhatla (upto 11.02.2022)	Independent Director
(h) Basant Kumar Khaitan	Independent Director
(i) Himanshu Kapoor (from 29.10.2022)	Independent Director

3. **Other Key Management Personnel**	
(a) Neetika Suryawanshi (From 26.12.2022)	Chief Financial Officer
(a) Jignesh Shah (upto 24.11.2022)	Chief Financial Officer
(c) Sachin Kumar Srivastava (From 10.08.2022)	Company Secretary
(d) Bhavna Kodarbhai Patel (upto 30.07.2022)	Company Secretary

III. Enterprise over which the Key Managerial Personnel (KMP) have significant influence with whom transactions have taken place during the year

(a) Yash Agro Products Limited

(b) Satori Global Limited

(c) Jingle Bell Nursery School Society

(d Pakka Foundation (Formerly known as K K Charitable Foundation)

(e) K. K. Jhunjhuwala HUF

(f) AMJ Land Holdings Limited

(g) WMW Metal Fabrics Limited

(h) Pudumjee Paper Products Limited.

(i) Kapoor Tandon & Co

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	Subsidiaries		KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
INCOME								
Sales net of discount/incentives								
Pudumjee Paper Products Limited.	-	-	-	-	829.29	797.88	829.29	797.88
Received from services and others								
Jingle Bell Nursery School Society	-	-	-	-	1.46	1.18	1.46	1.18
Interest on unsecured loan								
Pakka Inc	15.92		-	-	-	-	15.92	-
Pakka Impact Limited	4.01		-	-	-	-	4.01	-
Rent received								
Yash Agro Products Limited	-	-	-	-	0.24	0.24	0.24	0.24
EXPENSES								
Purchases								
WMW Metal Fabrics Limited	-	-	-	-	99.98	-	99.98	-
Satori Global Limited	-	-			84.20	39.52	84.20	39.52
Loss/(gain) on investments measured at FVTPL	-	-						
AMJ Land Holdings Limited			-	-	0.05	(0.04)	0.05	-0.04
Interest on unsecured loan								
Yash Agro Products Limited	-	-	-	-	24.99	31.50	24.99	31.50
Donation paid								
Pakka Foundation (Formerly known as K K Charitable Foundation)	-	-	-	-	65.50	30.00	65.50	30.00
Jingle Bell Nursery School Society					33.00	-	33.00	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	Subsidiaries		KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Dividend Paid								
Ved Krishna	-	-	276.89	110.40	-	-	276.89	110.40
Manjula Jhunjhunwala	-	-	11.13	5.51	-	-	11.13	5.51
Narendra Kumar Agarwal	-	-	-	0.01	-	-	-	0.01
Satori Global Limited	-	-	-	-	66.69	33.35	66.69	33.35
Yash Agro Products Limited	-	-	-	-	19.37	9.69	19.37	9.69
K. K. Jhunjhunwala, HUF	-	-	-	-	0.32	0.16	0.32	0.16
Remuneration								
Ved Krishna	-	-	2.67	48.11	-	-	2.67	48.11
Jagdeep Hira	-	-	246.76	193.20	-	-	246.76	193.20
Narendra Kumar Agarwal (upto 30.07.2022)	-	-	20.41	45.08	-	-	20.41	45.08
Neetika Suryawanshi (From 26.12.2022)			21.31	-			21.31	-
Jignesh Shah (upto 24.11.2022)	-	-	48.83	62.34	-	-	48.83	62.34
Sachin Kumar Srivastava (From 10.08.2022)	-	-	19.49	-	-	-	19.49	-
Bhavna Kodarbhai Patel (upto 30.07.2022)	-	-	6.79	19.51	-	-	6.79	19.51
Sitting Fees								
Manjula Jhunjhunwala	-	-	1.20	1.05	-	-	1.20	1.05
Kimberly Ann McArthur	-	-	2.10	0.75	-	-	2.10	0.75
Pradeep Vasant Dhobale	-	-	2.66	1.35	-	-	2.66	1.35
Atul Kumar Gupta	-	-	2.80	1.20	-	-	2.80	1.20

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	Subsidiaries		KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Srinivas Vishnubhatla (upto 11.02.2022)	-	-	-	1.20	-	-	-	1.20
Indroneel Banerjee	-	-	2.41	1.35	-	-	2.41	1.35
Basant Kumar Khaitan	-	-	2.36	1.05	-	-	2.36	1.05
Ved Krishna			1.75	-	-	-	1.75	-
Himanshu Kapoor (from 29.10.2022)			1.75	-	-	-	1.75	-
Consultancy Charges/Others								
Kimberly Ann McArthur	-	-	-	67.41	-	-	-	67.41
Kapoor Tandon & Company (from 29.10.2022)					24.00	-	24.00	-
Pakka Pte Limited	2.11						2.11	-
Rent Paid								
Ved krishna	-	-	30.00	-	-	-	30.00	-
Pension								
Manjula Jhunjhunwala	-	-	12.00	12.00	-	-	12.00	12.00

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

c) Outstanding balances with related parties:

(₹ In lakhs)

Nature of Transactions	Subsidiaries		KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Assets								
Investments								
AMJ Land Holdings Limited	-	-	-	-	0.11	0.15	0.11	0.15
Pakka Inc.	376.02	-					376.02	-
Pakka Pte Limited	172.74	-					172.74	-
Pakka Impact Limited	195.00	-					195.00	-
Loan given (including accrued interest thereon)								
Pakka Inc.	427.64	7.77	-	-	-	-	427.64	7.77
Pakka Impact Limited	205.82	-					205.82	-
Receivable For Services/others								
Ved Krishna	-	-	-	19.31	-	-	-	19.31
Kimberly Ann McArthur	-	-	-	-	-	-	-	-
Pakka Impact Limited	0.21	-					0.21	-
Jingle Bell Nursery School Society					0.07		0.07	-
Trade Receivables								
Pudumjee Paper Products Limited.	-	-	-	-	12.44	67.64	12.44	67.64
Liabilities								
Unsecured Loans								
Yash Agro Products Limited	-	-	-	-	240.00	315.00	240.00	315.00
Ved Krishna	-	-	208.00	208.00	-	-	208.00	208.00

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	Subsidiaries		KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Interest payable on unsecured loans							-	-
Yash Agro Products Limited	-	-	-	-	12.50	-	12.50	-
Payable For Services/others							-	-
Kimberly Ann McArthur	-	-	-	0.14	-	-	-	0.14
Jingle Bell Nursery School Society	-	-	-	-	-	0.02	-	0.02
Pakka Pte Limited	2.11						2.11	-
Call in Arrear							-	-
Pakka Pte Limited	30.88						30.88	-
Trade Payable							-	-
Satori Global Limited	-	-	-	-	-	-	-	-
WMW Metal Fabrics Limited					4.69		4.69	-
Guarantees							-	-
Personal Gurantees							-	-
Ved Krishna	-	-	15,864.00	21,524.00	-	-	15,864.00	21,524.00
Manjula Jhunjhunwala	-	-	15,864.00	21,524.00	-	-	15,864.00	21,524.00
Corporate Guarantees							-	-
Satori Global Limited	-	-	-	-	15,864.00	21,524.00	15,864.00	21,524.00
Yash Agro Products Limited	-	-	-	-	15,864.00	21,524.00	15,864.00	21,524.00

d) Other Notes

No amount has been written off/back or provision made for loss allowance during the year in respect of related parties.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments

(i) Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total borrowings includes all long and short-term borrowings as disclosed in notes 17 to the financial statements.

The capital structure of the company consists of debt, which includes the borrowings including temporary overdrawn balance, cash and cash equivalents including short term bank deposits, equity comprising issued capital and reserves . The gearing ratio for the year is as under:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt	10,319.87	10,423.47
Less: Cash and cash equivalent including short term deposits (restricted)	682.45	936.70
Net debt (A)	**9,637.42**	**9,486.77**
Total equity (B)	**16,763.59**	**16,763.50**
Debt Equity Ratio (A/B)	**0.57**	**0.57**

(ii) Categories of financial instruments

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as 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 following methods and assumptions were used to estimate the fair values of financial instruments:

a) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the reporting date.

b) The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company (since the date of inception of the loans)

c) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

d) Cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

(₹ In lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Financial assets measured at fair value				
Investments measured at FVTPL	-	0.14	-	0.18
Financial assets measured at amortized cost				
Loans	677.90	-	43.31	-
Investments	-	110.00		
Trade Receivables	2,443.81	-	2,253.57	-
Cash and cash equivalents	77.97	-	360.38	-
Bank balances other than cash and cash equivalents	604.48	-	576.32	-
Other financial assets	142.03	-	135.99	-
Total	**3,946.19**	**110.14**	**3,369.57**	**0.18**
Financial Liabilities				
Financial liabilities measured at amortized cost				
Borrowings	10,319.87	-	10,423.47	-
Lease Liability	70.45		-	-
Trade and other payables	885.70	-	1,093.00	-
Other financial liabilities	350.00	-	-	-
Total	**11,626.02**	**-**	**11,516.47**	**-**

Fair value measurements recognized in the balance sheet:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Particulars (₹ In lakhs)

Summary of Assets and Liabilities	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Assets at fair value				
Investments measured at FVTPL	110.14	-	-	110.14
As at 31st March, 2022				
Assets at fair value				
Investments measured at FVTPL	0.18	-	-	0.18

(iii) Financial risk management objectives:

The Company's principal financial liabilities comprise of loan from banks and financial institutions, and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and Other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 21 - 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

At 31st March, 2023, the Company's top three customers accounted for ₹1150.27 lakhs of the trade and other receivables carrying amount (P.Y. : ₹610.08 lakhs).

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Expected credit loss assessment for customers:

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

As at 31st March, 2023

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Reasons for Material Discrepancies
Neither past due not impaired			
0 to 1 year	2,356.14	0%	-
1 to 2 years	1.51	5%	0.08
2 to 3 years	15.75	10%	1.58
3years and above	112.65	50%	56.33
Specific provision	62.95	75%	47.21
Total	**2,549.00**		**105.19**

As at 31st March, 2022

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Reasons for Material Discrepancies
Neither past due not impaired			
0 to 1 year	2,145.57	0%	-
1 to 2 years	0.65	5%	0.03
2 to 3 years	15.75	10%	1.58
3years and above	-	25%	-
Specific provision	186.59	50%	93.30
Total	**2,348.56**		**94.91**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Movement in the expected credit loss allowance

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	**94.91**	**81.31**
Add: Provision made during the year	10.28	13.60
Balance at the end of the year	**105.19**	**94.91**

Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks.

The Company held cash and cash equivalents of ₹77.97 lakhs at 31st March, 2023 (P.Y.: ₹360.38 lakhs). Cash and cash equivalents are held with reputable and credit-worthy banks.

Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

(b) Market risk:

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

(I) Foreign currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Company's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company does not use derivative financial instruments for trading or speculative purposes.

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

(₹ In lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	175.60	142.86	375.07	2,124.12
Euro	41.47	-	34.20	64.85
AED	-	-	-	-
Total	**217.07**	**142.86**	**409.27**	**2,188.97**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currency receivables and payables. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Impact on profit before tax		
USD	1.64	(87.45)
Euro	2.07	(1.53)
AED	-	-
Total	**3.71**	**(88.98)**

(II) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

Interest rate sensitivity analysis:

As at 31st March, 2023 and 2022, financial liability of ₹10,319.87 Lakhs and ₹9,967.15 Lakhs, respectively, were subject to variable interest rates. Increase/decrease of 25 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹25.80 lakhs and ₹24.91 lakhs for the year ended 31st March, 2023 and 2022, respectively.

The risk estimates provided assume a parallel shift of 25 basis points interest rate. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(III) Liquidity risk:

The Company follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Company has a cash credit facility with banks to support any temporary funding requirements.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

Liquidity table:

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(₹ In lakhs)

Particulars	As at 31st March, 2023			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	8,140.55	2,245.15	152.07	10,537.77
Trade and other payables	885.70	-	-	885.70
Lease liability	5.37	2.18	-	7.55
Total financial liabilities	**9,031.62**	**2,247.33**	**152.07**	**11,431.02**

(₹ In lakhs)

Particulars	As at 31st March, 2022			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	7,518.45	2,905.02	152.07	10,575.54
Trade and other payables	1,093.00	-	-	1,093.00
Total financial liabilities	**8,611.45**	**2,905.02**	**152.07**	**11,668.54**

(IV) Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on 31st March 2023. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity analysis:

There is minimum exposure to equity price risks as at the reporting date or as at the previous reporting date.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

40. Segmental Information

Business Segment

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM').

a) Paper, Pulp and other products

b) Moulded Products

The above business segments have been identified considering :

a) the nature of products

b) the differing risks and returns

c) the internal organization and management structure, and

d) the internal financial reporting systems

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The measurement principles of segments are consistent with those used in Significant Accounting Policies.

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Paper	Moulded Product	Total	Paper	Moulded Product	Total
REVENUE	36,706.91	5,282.38	41,989.29	26,696.31	3,225.57	29,921.88
Unallocable Revenue	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	36,706.91	5,282.38	41,989.29	26,696.31	3,225.57	29,921.88
RESULTS						
Profit/ loss before interest	8,957.41	(459.40)	8,498.01	6,146.30	286.96	6,433.26
Less: interest	(784.97)	(327.93)	(1,112.90)	(541.45)	(394.81)	(936.26)
Unallocable Expenses	0.00	0.00	(153.94)	0.00	0.00	(127.71)
Total profit before tax	8,172.44	(787.33)	7,231.17	5,604.85	(107.85)	5,369.29
Provision for taxation						1,549.30
Net Profit	8,172.44	(787.33)	7,231.17	5,604.85	(107.85)	3,819.99
Other information						
Assets	35,535.65	2,073.20	37,608.85	28,349.84	3,953.88	32,303.72
Unallocable Assets	0.00	0.00	213.81	0.00	0.00	393.36
Liabilities	9,656.11	3,531.69	13,187.80	9,173.14	4,341.18	13,514.32
Unallocable Liabilities	0.00	0.00	3,286.57	0.00	0.00	2,419.26

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

40. Segmental Information (contd.)

Additional Information by Geographies

Although the Company's operations are managed by product area, we provide additional information based on geographies.

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue by geographical market		
Within India	31,011.22	22,266.54
Outside India	9,819.60	6,842.09
Total	**40,830.82**	**29,108.63**

All non current assets of the Company are located in India.

Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products.

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Paper, pulp and other products	9,819.60	6,842.09
Total	**40,830.82**	**29,108.63**

Revenue from major customers

The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single customer in case of Paper and Pulp.

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers

I. Disaggregated rewvenue information for Revenue from Contracts with Customers

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Types of Goods		
Paper	29,520.32	22,237.93
Pulp	5,180.61	3,331.86
Egg Tray	432.80	309.61
Baggasse Pith Pallets	415.66	281.07

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers (contd.)

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Moulded products	5,281.43	2,948.16
Total	**40,830.82**	**29,108.63**
Sales by Geographical location		
India	31,011.22	22,266.54
Outside India	9,819.60	6,842.09
Total	**40,830.82**	**29,108.63**
Sale Channels		
Directly to Consumers	2,691.61	4,389.64
Through intermediaries	38,139.21	24,718.99
Total	**40,830.82**	**29,108.63**
Sales by performance obligation		
Upon Shipment/ Dispatch	40,830.82	29,108.63
Upon Delivery	-	-
Total	**40,830.82**	**29,108.63**

II. Reconciliation between revenue with customers and contract price:

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Revenue as per contracted price	40,862.23	29,129.58
Adjustments		
Discounts/ Rebates	(31.41)	(20.95)
Revenue from contracts with Customers	**40,830.82**	**29,108.63**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers (contd.)

III. Reconciliation of the revenue from contracts with the amounts disclosed in the segment information

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Total revenue from contracts with customer	40,830.82	29,108.63
Total revenue as per Segment		-
- Paper, pulp and other products	35,549.39	26,160.47
- Moulded products	5,281.43	2,948.16

IV. Contract Balances

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Trade Receivables	40,830.82	29,108.63
Contract Liabitlies	5,281.43	2,948.16

42. Disclosure in terms of Ind AS 116

Effective 01st April 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. The Company is not required to restate the previous figures. There is no material impact on transition.

Operating Leases

As Lessee

Short term leases:

The Company has obtained premises for its business operations under operating leases of low value. These are not non-cancelable and are renewable by mutual consent of the parties.

The same are shown under 'Rent' in the Statement of Profit and Loss as follows:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease rent	45.32	37.82

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

42. Disclosure in terms of Ind AS 116 (contd.)

As Lessor

The following table sets out a maturity analysis of lease payaments, showing undiscounted lease payments to be received after the reporting period.

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	36.00	1.69
Between one to five years	42.00	2.42
Beyond five years	-	-

Finance Leases

Amounts recognised in the Balance Sheet

A company has finance lease arrangement for various land leases for terms of 59-72 years . The carrying amount of these assets are shown below:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land		
Gross Carrying Amount	181.25	181.25
Accumulated Depreciation	21.12	18.79
Depreciation recognized in statement of profit and loss	2.33	2.32

43. Business Combination - Merger

Merger of Yash Compostables Limited

Hon. National Company Law Tribunal has approved the Scheme of Merger of Yash Compostables Limited ("YCL") with the Company vide its order dated 18th April 2022. As per the scheme the effective date of Merger was 1st April 2020. Accordingly, the financial performance of YCL for the financial year 2021-22 has been incorporated in the these financial statements and the financial performance for financial year 2020-21 has been incorporated in retained earnings. The difference between fair value of assets and liabilities as on 1st April 2020 and after taking into account 28,38,500 equity shares of ₹10 Each to be allotted to the erstwhile shareholders of YCL as per the scheme is recognised as Goodwill of ₹408.80 lakhs which is accounted in the Standalone Financial Statements.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

43. Business Combination - Merger (contd.)

Assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as at the date of merger date i.e. 1st April 2020 were:

(₹ In lakhs)

Particulars	Amount (₹ In lakhs)
Assets	
Property, plant and equipment	12.95
Inventories	8.62
Trade receivables	200.57
Cash and cash equivalents	17.95
Other assets	4.52
Total assets (A)	**244.61**
Liabilities	
Trade payables	386.12
Deferred tax liabilities	(45.35)
Other current liabilities	17.66
Provisions	11.13
Total liabilities (B)	**369.56**
Net assets (A - B) = (C)	**(124.95)**
Shares to be allocated to YCL (D)	**283.85**
Goodwill (D) - (C)	**408.80**

Acquisition related costs

Acquisition related costs of ₹ NIL is paid towards transfer of assets.

Impact of acquisition on there statement of profit and loss

Following is the extract of the audited statement of Profit and Loss of Yash Composatables Limited before merger FY 2020-21

(₹ In lakhs)

Particulars	Amount (₹ In lakhs)
Total Income	1,945.42
Total Expenses	1,870.48
Profit/ (Loss) Before Taxes	74.94

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

44. Disclosure in terms of Ind AS 102 on the Share-based Payment Arrangement

A. Description of share-based payement arrangement

Share Option Programme (Equity Settled)

The members of the Company had approved the YASH TEAM STOCK OPTION PLAN – 2021' ('TSOP'/ 'Plan') at the extra ordinary general meeting held on 6th May 2022. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations').The Plan covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10%of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company.The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 20,00,000 (Twenty Lakhs Only) equity shares of the Company.

Pursuant to this, during FY 2022-23, the Company has granted 14,16,000 options at an exercise price of INR 82.21 per option, to the employees of the Company. Under the terms of the plan, these options are vested on a graded vesting basis over a maximum period of 1 year from the date of grant and are to be exercised either in part(s) or full, within a maximum period of 3.5 years from the date of last vesting.

(₹ In lakhs)

Particulars	TSOP 2021
Date of Grant	07th July,2022
Date of Board/NRC Approval	07th July,2022
Date of Shareholders' Approval	06th May 2022
Maximum number of shares under the plan	2,000,000
Method of settlement (cash/equity)	Equity
Vesting period (maximum)	1 Year
Exercise period from the date of vesting (maximum) (In Years)	3.50
Vesting conditions	As per Policy approved by Shareholders

Table Representing general terms of the grants of the ESOP outstanding as on 31st March 2023

Name of the Scheme	Grant Date	No. of Options Outstanding	Exercise Price	Weighted Average Remaining Life	Vesting Period
YASH TEAM STOCK OPTION PLAN – 2021	Thursday, July 7, 2022	1,416,000	82.21	2	1 Year

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

44. Disclosure in terms of Ind AS 102 on the Share-based Payment Arrangement (contd.)

B. Measurement of Fair Value

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

(₹ In lakhs)

Particulars	TSOP 2021
Date of Grant	07 July 2022
Fair value of options at grant date	27.40
Share price at grant date	95.51
Exercise price	82.21
Expected volatility (weighted-average)	24.19%
Expected life (weighted-average)	2.01
Risk-free interest rate	7.19%

C. Reconciliation of Outstanding Share Options

The number and weighted-average exercise prices of share options under the share option programme were as follows.

(₹ In lakhs)

Particulars	As on 31st March 2023		As on 31st March 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding as at the beginning of the year	-	82.21	-	-
Add: Options granted during the year	1,416,000	82.21	-	-
Less: Options lapsed during the year	-	82.21	-	-
Less: Options exercised during the year	-	82.21	-	-
Options outstanding as at the year end	1,416,000	82.21	-	-
Exercisable as at year end	-	82.21	-	-
Weighted - average contractual life	2	82.21	-	-

D. Expense recognised in Standalone Statement of Profit and Loss(Refer Note 31)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity settled share based payments	227.15	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

45. Expenditure on Research and Development

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Capital Expenditure	-	-
Revenue Expenditure	44.31	84.79

46. Expenditure on Corporate Social Responsibility (CSR)

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Amount of CSR required to be spent as per the limits of Section 135 of Companies Act, 2013	79.31	58.78
(b) Amount spent during the year	137.75	47.00
(c) Shortfall at the end of the year	-	11.78
(d) Total of previous year shortfall	-	-
(e) Reason for shortfall	-	previous year it was paid in excess
(f) Nature of CSR activity	Women Education and Water Conservation	Women Education and Water Conservation
(g) Details of related party transaction		
Pakka Foundation (formerly known as KK Charitable Foundation)	65.50	30.00
Jingle Bell School	33.00	17.00
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year.	NA	NA

47. Contingencies

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Claims against the Company not acknowledged as debts:		
- VAT	3.96	12.74
- Guarantees given by Banks	651.29	641.29
- Letter of Credits	-	251.25
Total	**655.25**	**905.28**

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

48. Capital and other commitments

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Estimated value of contracts remaining to be executed on capital account (net of advance paid)	272.10	555.56
Other commitments - EPCG licenses	-	302.39
Total	**272.10**	**857.95**

49. Ratios

(₹ In lakhs)

Particulars	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Variance	Reasons
Current Ratio	Current assets	Current liabilities	1.35	1.18	14.68%	
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	0.48	0.62	(22.03)%	
Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service	3.64	0.37	884.03%	Higher earnings in current year
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	27.01%	22.79%	18.50%	
Inventory Turnover ratio	Sales	Average Inventory	4.63	19.52	(76.29)%	Higher earnings in current year
Trade receivables turnover ratio	Revenue	Average Trade Receivable	17.38	15.34	13.33%	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	27.66	20.75	33.30%	
Net capital turnover ratio	Revenue	Working Capital	10.13	16.07	(36.94)%	
Net profit ratio	Net Profit	Revenue	12.60%	12.27%	2.72%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	24.53%	27.65%	(11.30)%	
Return on Investment(ROI)**	Interest Income & Income from Mutual Funds	Average Investment (2)	0.00%	4.77%	100.00%	

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

50. Disclosures as required under section 186(4)

Loans and advances given (₹ In lakhs)

Name of Company	Relationship	Nature of Transaction	As at 31st March, 2023	As at 31st March, 2022
Pakka Inc.*	Wholly owned subsidiary	Loan given	411.08	7.77
Pakka Inc.	Wholly owned subsidiary	Investments made	376.02	376.02
Pakka Pte Ltd.	Wholly owned subsidiary	Investments made	172.74	-
Pakka Impact Ltd.	Partialy owned subsidiary	Investments made	195.00	-
Pakka Impact Ltd.*	Wholly owned subsidiary	Loan given	202.21	-

**excluding interest accrued of ₹20.17 lakhs thereon*

51. Other disclosures as per amended Schedule III-

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

(ii) The Company do not have any transactions with Companies stuck off.

(iii) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

(iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(v) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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.

(vi) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013

(vii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(viii) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(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.

(ix) The company have not received any fund from any person(s) or entity(ies), 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

(x) The Company has complied with the requirements of clause 87 of section 2 of the Companies Act 2013 read with Compliance (Restriction on number of layers) Rules, 2017.

Notes forming part of the Standalone Financial Statements for the year ended 31st March 2023

52. Figures for the previous period are re-arranged/ re-grouped, wherever necessary, to correspond with the current period's classification and disclosures.

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
YASH PAKKA LIMITED

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Yash Pakka Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Statement of consolidated Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

Sr.No	Key Audit Matter	Auditor's Response
	Capitalization and useful life of Property Plant and Equipment (PPE) ▪ During the year, the Company has capitalized items of PPE including those from Capital work in progress and is in the process of executing various projects like, purchasing / installation of new machineries / capital projects. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area with significant effect on the overall audit strategy and allocation of resources in planning and completing our audit; ▪ During the year, the Company has reassessed the estimated useful lives of certain items of PPE for determination of depreciation and their recoverability which involves assumptions used for such technical assessment, consideration of historical experience and anticipated future risks. ▪ These have been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs that are eligible for capitalization are not appropriately capitalized in accordance with the recognition criteria provided in Indian Accounting Standards (Ind AS) 16 (Refer Note 2 to the Standalone financial statements)	**Audit Approach:** We performed the following procedures: ▪ Obtained an understanding of the system of internal control process over the capitalization of projects and those included in capital work in progress, with reference to identification and testing of key controls; ▪ Assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use; ▪ • Reviewed the management re-assessment of estimated useful lives of PPE and recoverability of their carrying values with respect to anticipated future risks. ▪ Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred; ▪ Tested the direct and indirect costs capitalised, on a sample basis, with the underlying supporting documents to ascertain nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment; ▪ Ensured adequacy of disclosures in the standalone financial statements.
2.	**IT systems and controls over financial reporting.** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	**Audit Approach:** We performed the following procedures: ▪ Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit; ▪ Evaluated the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations; ▪ Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year; ▪ Evaluated the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; ▪ Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems

Information other than the consolidated financial statements and Auditors report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report including its annexures and Corporate Governance and Shareholders information but does not include the consolidated financial statements and our auditor's report thereon. The Directors 'report including its annexures and Corporate Governance and Shareholders information, but does not include the Standalone financial statements, Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors 'report including its annexures and Corporate Governance and Shareholders information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the group are also responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities, included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in "Other Matters paragraph " below.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matters 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.

Other Matters:

1. The accompanying consolidated financial results includes audited financial results/statements of one subsidiary which reflect total assets (before consolidation adjustments) of ₹319.40 lakhs as at 31st March, 2023, total revenues (before consolidation adjustments) of ₹21.75 lakhs, total net loss after tax (before consolidation adjustments) of ₹132.49 lakhs, and total comprehensive income (before consolidation adjustments) of ₹(132.49) lakhs for year ended 31st March, 2023 and net cash inflow (before consolidation adjustments) of ₹3.78 lakhs for the year ended on 31st March, 2023 as considered in the consolidated financial results. These financial statements have been audited by other auditor whose financial statements, other financial information and auditor's report have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such other auditors.

2. The accompanying consolidated financial results includes unaudited financial results/statements of two subsidiaries which have not been audited, whose financial results reflect total assets (before consolidation adjustments) of ₹421.77 lakhs as at 31st March, 2023, total revenues (before consolidation adjustments) of ₹2.11 lakhs, total net loss after tax (before consolidation adjustments) of ₹397.46 lakhs, total comprehensive income (before consolidation adjustments) of ₹(397.46) lakhs for the year ended 31st March, 2023 and net cash outflow (before consolidation adjustments) of ₹(110.55) lakhs for the year ended 31st March, 2023 as considered in the consolidated financial results. This unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the consolidated financial results of the Company, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements/ financial information/financial results.

Our opinion on the consolidated financial statements above and our report on the Other Legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the management certified financial statements of the subsidiary.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in 'Other matters' paragraph, we report to the extent applicable 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 of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books and reports of the other auditors.

   (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March 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 with reference to the financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other auditors on separate financial statements, as noted in 'Other matters' paragraph:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 48 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company,

iv. a. The Management has represented that, to the best of it's knowledge and belief, as disclosed in note 49 to the consolidated financial statements, no funds 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(s) or entity(ies), including foreign entities ("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 it's knowledge and belief, , as disclosed in note 49 to the consolidated financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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; and

c. Based on such audit procedures that we have 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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

As stated in Note 16.3 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1, 2023, reporting under this clause is not applicable for the year under audit.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditors' Report) Order , 2020, ("the Order"/ "CARO"), issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors report, according to the information and explanations given to us, based on the CARO reports issued by for the Holding Company and based on the CARO report issued by other auditors in respect of an subsidiary company whose financial information has been considered in Consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that, there are no qualifications or adverse remarks in this CARO report.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W – 100036

Himanshu Kishnadwala
Partner
Membership No: 037391
UDIN: 23037391BGULVF6112

Place: Mumbai
Date: 29th April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls 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 YASH PAKKA LIMITED ("the Holding Company") and its subsidiary company wherein such audit of internal financial controls over financial reporting was carried out by other auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has except for strengthening of process of financial closure at year end, in all material respects, internal financial controls with reference to consolidated financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023; based on the internal control over financial reporting criteria established by the Holding 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.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to consolidated financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding 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 Holding 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") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to consolidated financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph belo, 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the susbsidairy company, which is incorporated in India, are based on the corresponding report of the auditor of such company incorporated in India.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W / W - 100036

Himanshu Kishnadwala
Partner
Membership No: 037391
UDIN: 23037391BGULVF6112

Place: Mumbai
Date: 29th April 2023

Consolidated Balance Sheet as at 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	19,200.76	17,193.04
(b) Capital work-in-progress	3	1,937.65	1,798.04
(c) Right to Use Assets	4	67.70	-
(d) Goodwill	4	584.62	408.80
(e) Other intangible assets	4	60.64	79.44
(f) Intangible assets under development	5	276.56	-
(g) Financial assets			-
(i) Investments	6(A)	0.14	0.18
(h) Other non current assets	7	187.18	446.89
Total non current assets		**22,315.25**	**19,926.39**
Current Assets			
(a) Inventories	8	9,768.62	7,876.45
(b) Financial assets			
(i) Investments	6(B)	110.00	-
(ii) Trade receivables	9	2,443.81	2,253.57
(iii) Cash and cash equivalents	10	100.12	496.87
(iv) Bank balances other than (iii) above	11	604.48	576.32
(v) Loans	12	51.04	35.42
(vi) Other financial assets	13	157.73	135.99
(c) Other current assets	14	1,762.41	1,148.78
Total current assets		**14,998.21**	**12,523.40**
TOTAL ASSETS		**37,313.46**	**32,449.79**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15(A)	3,807.85	3,524.00
(b) Shares to be allotted	15(B)	-	283.85
(c) Other equity	16	16,756.25	12,705.94
Total Equity		**20,564.10**	**16,513.79**
Liabilities			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	2,179.32	2,905.02
(ii) Lease liabilities	18(A)	39.82	-
(iii) Other financial liabilities	19	337.50	270.25

Consolidated Balance Sheet as at 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
(b) Deferred tax liabilities (net)	20	2,352.44	1,713.22
(c) Other non current liabilities	21	156.75	512.85
Total non current liabilities		**5,065.83**	**5,401.34**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	8,190.56	7,518.45
(ii) Lease liabilities	18(B)	30.63	-
(iii) Trade payables	22		
(A) Total outstanding dues of Small Enterprises and Micro enterprises		286.96	379.84
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises.		617.02	713.16
(iv) Other financial liabilities	23	12.50	-
(b) Other current liabilities	24	1,699.96	1,390.64
(c) Provisions	25	706.63	478.67
(d) Current Tax liabilities (Net)	26	139.27	53.90
Total current liabilities		**11,683.53**	**10,534.66**
Total liabilities		**16,749.36**	**15,936.00**
TOTAL EQUITY AND LIABILITIES		**37,313.46**	**32,449.79**
Significant Accounting Policies	1		

See accompanying notes from 2 to 51 forming part of the Consolidated Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Consolidated Statement of Profit and Loss for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
See accompanying notes from 2 to 51 forming part of the Consolidated Financial Statements	27	40,830.82	29,108.63
II. Other income	28	1,160.29	813.25
III. Total Income		**41,989.29**	**29,921.88**
IV. Expenses			
Cost of materials consumed	29	15,402.18	11,746.92
Purchase of stock-in-trade		578.25	6.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	219.81	(124.56)
Employee benefits expenses	31	5,010.34	3,736.38
Finance costs	32	1,126.28	939.62
Depreciation and amortization expenses	33	1,274.65	1,021.54
Other expenses	34	11,687.07	7,475.48
Total Expenses (IV)		**35,298.58**	**24,801.56**
V. Profit before Tax (III - IV)		**6,692.53**	**5,120.32**
VI. Tax expense:	35		
1. Current tax		1,434.61	980.00
2. Deferred tax		650.32	565.11
3. Tax adjustments relating to earlier years		0.00	4.19
VII. Profit for the period (V - VI)		**4,607.60**	**3,571.02**
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(38.13)	(67.51)
(ii) Income tax related to items that will not be reclassified to profit or loss		11.10	19.66
(iii) Foreign currency Transition Reserve		8.67	(0.71)
		(18.36)	(48.56)
IX. Total comprehensive income for the period (VII - VIII)		**4,589.24**	**3,522.46**

Consolidated Statement of Profit and Loss for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year Attributable to			
Owbers of the Parents		4,604.29	-
Non-Controlling interests		3.31	-
		4,607.60	-
Other Compenhensive income for the year attributable to			
Owners of the Parents		(18.36)	-
Non-Controlling interests		-	-
		(18.36)	-
Total Comprehensive income for the year attributable to			
Owners of the Parents		4,585.93	-
Non-Controlling interests		3.31	-
		4,589.24	-
X. Earnings per equity share	36		
1. Basic		12.10	9.38
2. Diluted		12.04	9.38
Significant Accounting Policies	1		

See accompanying notes from 2 to 51 forming part of the Consolidated Financial Statements

As per our attached report of even date

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Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
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Place: Mumbai
Date: 29th April,2023

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Managing Director
DIN: 07639849

Place: Ayodhya
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Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Consolidated Statement of Cash Flows for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	6,692.53	5,120.32
Non Controlling Interest	(4.51)	
Adjustments for :		-
Depreciation and amortization	1,274.65	1,021.54
Loss/ (profit) on sale of property, plant and equipment	51.43	188.64
Interest income	(133.38)	(112.20)
Finance cost	894.63	795.94
Remeasurement of net defined benefit plans	(38.13)	(67.51)
Foreign currency Transition Reserve	8.67	-
Net (gain) / loss on foreign exchange fluctuation	-	-
Net (gain)/ loss on investments measured at Fair Value through Profit and Loss	0.05	(0.04)
Employees Share Base payment Reserve-ESOP	227.15	-
Operating profit before working capital changes	8,973.09	6,946.69
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
(Increase)/ decrease in trade receivables	(190.24)	(712.09)
(Increase)/ decrease in inventories	(1,892.17)	(1,892.44)
(Increase)/ decrease in other financial assets	(21.74)	23.90
(Increase)/ decrease in other assets	(584.36)	(521.28)
Adjustment for increase/(decrease) in operating liabilities		
Increase/ (decrease) in trade payables	(189.02)	339.42
Increase/ (decrease) in other financial liabilities	12.50	(22.36)
Increase/ (decrease) in other liabilities	150.34	419.94
Increase/ (decrease) in provisions	227.96	143.01
Cash generated from operations	6,486.36	4,724.79
Income taxes refunded / (paid), net	(1,349.24)	(1,477.61)

Consolidated Statement of Cash Flows for the year ended 31st March, 2023

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Net cash generated from operating activities	**5,137.12**	**3,247.18**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capial advance)	(3,913.61)	(2,925.78)
Proceeds from sale of property, plant and equipment	109.93	12.94
(Increase)/ decrease in Loans	(15.62)	(3.55)
Interest received	133.38	112.20
Investment in Mutual Funds	(110.00)	-
Investment on account of business combination	-	129.95
Other bank balances (margin money)	(28.16)	(260.20)
Net cash (used in) / generated from investing activities	**(3,824.08)**	**(2,934.44)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in long-term borrowings	(725.70)	(787.44)
Increase/ (decrease) in short-term borrowings	672.11	1,816.20
Issuance of equity shares	-	283.85
Finance costs paid	(894.63)	(795.94)
Dividend Paid	(761.57)	(352.40)
Net cash used in financing activities	**(1,709.79)**	**164.27**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(396.75)**	**477.01**
Cash and cash equivalents at the beginning of the year	496.87	19.86
Cash and cash equivalents at the end of the year	**100.12**	**496.87**

Consolidated Statement of Cash Flows for the year ended 31st March, 2023

Note:

Reconciliation between cash and cash equivalents and cash and bank balances:

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash and cash equivalents as per cash flow statement	100.12	496.87
Add: Margin money deposits not considered as cash and cash equivalents	604.48	576.32
Cash and bank balances	704.60	1,073.19

Notes to the statement of cash flows and disclosure of non cash transactions

In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

Significant Accounting Policies (Refer Note 1)

See accompanying notes from 2 to 51 forming part of the Consolidated Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
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Place: Ayodhya
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Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Consolidated Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity share capital

(₹ In lakhs)

Particulars	Amount
Balance as on 1st April, 2021	3,524.00
Equity Shares to be issued on account of Business Combination (Refer Note 43)	-
Balance as on 31st March, 2022	3,524.00
Additions during the year	283.85
Balance as on 31st March, 2023	3,807.85

B. Other equity

(₹ In lakhs)

Particulars	Other Equity						Total equity
	Reserves and Surplus						
	Capital Reserve	Securities Premium	Employees Share Base payment Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance as on 1st April, 2022	**37.32**	**1,172.16**	**-**	**550.00**	**11,058.03**	**(111.57)**	**12,705.94**
Additions during the year	-	-	227.15	-	-	(27.03)	200.12
Profit for the year	-	-	-	-	4,616.27		4,616.27
Dividend Paid for the year ended 31st March, 2022	-	-	-	-	(761.57)	-	(761.57)
Balance as on 31st March, 2023	**37.32**	**1,172.16**	**227.15**	**550.00**	**14,912.73**	**-138.60**	**16,760.76**

Consolidated Statement of Changes in Equity for the year ended 31st March, 2023

B. Other equity

(₹ In lakhs)

Particulars	Other Equity						Total equity
	Reserves and Surplus						
	Capital Reserve	Securities Premium	Employees Share Base payment Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance as on 1st April, 2021	37.32	1,172.16	-	550.00	7,785.56	(63.72)	9,481.32
Additions during the year	-		-	-	-	(47.85)	(47.85)
Acquisition through business combination					54.56	0.00	54.56
Profit for the year	-	-	-	-	3,570.31		3,570.31
Dividend Paid for the year ended 31st March, 2021	-	-	-	-	(352.40)	-	(352.40)
Balance as on 31st March, 2022	37.32	1,172.16	-	550.00	11,058.03	(111.57)	12,705.94

Refer Note 16 for nature and purpose of reserves

Significant Accounting Policies Refer note 1

See accompanying notes from 2 to 51 forming part of the Consolidated Financial Statements

As per our attached report of even date

For **C N K & Associates LLP**
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Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
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Date: 29th April,2023

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Jagdeep Hira
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Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Corporate Information

Yash Pakka Limited ("the Holding Company") was founded in 1981. The Company is listed on BSE Limited. The Company is mainly engaged in the business of manufacture and dealing in Paper and Moulded products. The principal place of business of the Company is in Ayodhya, Uttar Pradesh, India.

These consolidated financial statements comprise the Company and its subsidiary (referred to collectively as the 'Group').

1. Basis of Preparation:

These Consolidated financial statements of the Company comprises, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Consolidated financial statements"). These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013, (the 'Act') and guidelines issued by the Securities and Exchange Board of India (SEBI).

The consolidated financial statements provide comparative information in respect of the previous period.

The Group's presentation and functional currency is Indian rupees. All amounts in these consolidated financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

Authorization of Consolidated Financial Statements:

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on April 29, 2022.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets measured at fair value.

1.1. Use of Judgment and Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Determining the amount of Impairment loss.
- Determining the amount of expected credit loss on financial assets (including trade receivables)
- Identification of performance obligation in revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments is included in the following notes:

- Estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

- Recognition of tax expense;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Fair valuation of Employee Stock Option Plans (ESOP's);
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial and non-financial assets.
- Revenue recognition based on percentage of completion and provision for onerous contracts.
- Valuation of inventories;
- Ind AS 116 –
  - The Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives.
  - The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.
  - The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Group's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2. Statement of Significant Accounting Policies

1.2.1. Principles of Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the Holding and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.

Name of Subsidiary Company	Percentage of holding
Pakka Inc. USA	100%
Pakka Pte. Singapore	100%
Pakka Impact Limited	97.50%

Non-controlling interests in the net assets of consolidated subsidiaries is identied and presented in the consolidated balance sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.2.2. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

When significant parts of PPE are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

An item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

Depreciation

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Particulars	Depreciation Method	Useful life
Plant and equipment's*	Straight line basis	5 - 25 years

**During the year on re-evaluation the useful life of*

- *Plant and Equipment of moulds was changed from 8 years to 5 years;*
- *Plant and Equipment of Moulded unit was changed from 25 years to 20 years; resulting in additional charge of ₹102.90 Lakhs.*

PPE costing less than ₹5,000/- are fully depreciated in the year of capitalization.

Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

Capital Work in Progress

Capital work in progress is stated at cost, net of impairment losses, if any. Cost comprises of the cost of items of PPE not yet commissioned, incidental pre-operative expenses and borrowing costs.

Advances given towards acquisition of assets (including CWIP) and outstanding at each balance sheet date are disclosed as "Other Non-Current Assets".

1.2.3. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred.

Amortization

The above is amortized over a period of 5 years on Straight Line Basis.

Goodwill

Goodwill is initially recognized based on accounting policy for business combinations and tested for impairment annually

1.2.4. Business Combination

Business Combinations are accounted for using the acquisition method as prescribed in Ind AS 103 Business Combinations of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any

1.2.5. Impairment of Non-Financial Assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.2.6. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

The Group measures the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the Group elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.2.7. Inventories

Cost includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebates and discounts, if any. Net realizable value is the estimated selling price in the ordinary course of business.

Inventories other than Scrap are valued at lower of cost and net realized value.

1.2.8. Revenue Recognition

In accordance with Ind AS 115, Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

The specific recognition criteria described below are also to be met before revenue is recognized.

Revenue is measured based on the transaction price as specified in the contract with the customer. In determining the transaction price, the Group considers below, if any:

(i) Variable consideration

This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

(ii) Contract modifications

These are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods or services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Goods or services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

Sale of Goods

Revenue is recognized upon transfer of control of promised goods to customers in an amount the reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from sales of goods is recognized at the point in time when control is transferred to the customer, based on the contracts with the customers.

Sale of goods are net of returns, allowances, trade discounts, cash discounts and volume rebates. Export sales are recognized on the issuance of Bill of Lading/ Airway bill by the carrier.

Income from Export incentives

Income from export incentives such as duty drawback are recorded on accrual basis in accordance with the terms of the respective schemes. Policy for other export benefits is as stated in Note 1. 2.10 below.

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income

Interest income is recognized using the effective interest rate (EIR) method.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.2.9. Employee benefits

i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

Retirement benefit costs

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group.

ii) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Group's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier. The service cost, net interest on the net defined benefit liability/(asset) is treated as a net expense within employment cost. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Other long-term employee benefits

Compensated absences which accrue to employees, and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

1.2.10. Share based payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair valuation on the grant date of the awards given to employees is recognized as 'Employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis black-scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

For cash-settled share-based payments, the fair value of the amount payable is recognized as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

1.2.11. Expenditure on Research and Development

Expenditure on research of revenue nature is charged to Statement of Profit and Loss and that of capital nature is capitalized as PPE.

1.2.12. Foreign Currency Transactions

Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non – Monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.2.13. Government Grants

Government grants are recognized 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 recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to PPE are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

The export incentives received by the Group such as duty draw back, Merchandise Export from India Scheme (MEIS) and Export Promotions on Capital Goods (EPCG) scheme are treated as government grants.

1.2.14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

1.2.15. Fair Value measurement

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:

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Group for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group 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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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
- **Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.2.16. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, YPL decides to classify the same either as at FVTOCI or FVTPL. YPL makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.2.17. Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

1.2.18. Financial Liabilities

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial Liabilities at amortized cost

Financial liabilities classified and measured at amortized cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or 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 de-recognition 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 or loss.

Derivative financial instruments

The Group uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through profit and loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statement for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

on a net basis, to realize the assets and settle the liabilities 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 Group, or the counterparty.

1.2.19. Borrowing Cost

Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalized during the period of time that is required for 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 capitalized 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.

1.2.20. Taxes on Income

Current and Deferred Tax

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Unused tax credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

1.2.21. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.2.22. Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.2.23. Cash Flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.2.24. Segment Reporting

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.2.25. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

Recent Pronouncements:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

(i) **Ind AS 101 – First time adoption of Ind AS –** modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

(ii) **Ind AS 102 – Share-based Payment –** modification relating to adjustment after vesting date to the fair value of equity instruments granted.

(iii) **Ind AS 103 – Business Combination –** modification relating to disclosures to be made in the first financial statements following a business combination.

(iv) **Ind AS 107 – Financial Instruments Disclosures –** modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

(v) **Ind AS 109 – Financial Instruments –** modification relating to reassessment of embedded derivatives.

(vi) **Ind AS 1 –** Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

(vii) **Ind AS 8 –** Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

(viii) **Ind AS 12 –** Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

(ix) **Ind AS 34 –** Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2. Property, plant and equipment

As at 31st March, 2023 (₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
Gross carrying value										
As at 1st April, 2022	349.37	181.25	2,816.77	398.24	16,676.74	20.66	237.09	133.10	748.22	21,561.44
Additions			170.92	9.08	2,761.83	11.84	22.62	40.09	376.26	3,392.64
Deletions			17.29	10.01	298.88	0.72	38.54	3.59	2.01	371.04
As at 31st March, 2023	**349.37**	**181.25**	**2,970.40**	**397.31**	**19,139.69**	**31.78**	**221.17**	**169.60**	**1,122.47**	**24,583.04**
Accumulated Depreciation										-
As at 1st April, 2022	-	18.79	603.43	25.58	3,294.55	(0.91)	63.11	62.23	301.62	4,368.40
Additions		2.33	104.61	7.89	969.66	6.16	27.22	29.87	75.82	1,223.56
Deletions		-	16.29	9.51	155.11	-	24.68	2.26	1.83	209.68
As at 31st March, 2023	-	**21.12**	**691.75**	**23.96**	**4,109.10**	**5.25**	**65.65**	**89.84**	**375.61**	**5,382.28**
Net Carrying amount										
As at 1st April, 2022	**349.37**	**162.46**	**2,213.34**	**372.66**	**13,382.19**	**21.57**	**173.98**	**70.87**	**446.60**	**17,193.04**
As at 31st March, 2023	**349.37**	**160.13**	**2,278.65**	**373.35**	**15,030.59**	**26.53**	**155.52**	**79.76**	**746.86**	**19,200.76**

As at 31st March, 2022 (₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
As at 1st April, 2021	349.37	181.25	2,751.16	404.91	15,844.76	42.17	166.19	133.49	911.08	20,784.38
Additions	-	-	76.25	-	1,313.04	2.72	97.10	35.92	24.80	1,549.83
Deletions	-	-	10.64	6.67	543.74	24.38	26.20	45.48	187.66	844.77
Acquisition through business combination	-	-	-	-	62.68	0.15	-	9.17	-	72.00
As at 31st March, 2022	**349.37**	**181.25**	**2816.77**	**398.24**	**16676.74**	**20.66**	**237.09**	**133.10**	**748.22**	**21,561.44**
Accumulated Depreciation										
As at 1st April, 2021	-	16.47	508.67	24.81	2,906.46	16.42	55.58	77.48	403.01	4,008.90

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2. Property, plant and equipment (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
Additions	-	2.32	101.93	7.01	766.47	5.74	24.03	22.65	67.64	997.79
Deletions	-	-	7.17	6.24	378.41	23.16	16.50	42.77	169.03	643.28
Acquisition through business combination					0.03	0.09		4.87		4.99
As at 31st March, 2022	**-**	**18.79**	**603.43**	**25.58**	**3,294.55**	**-0.91**	**63.11**	**62.23**	**301.62**	**4,368.40**
Net Carrying amount										
As at 1st April, 2021	**349.37**	**164.78**	**2,242.49**	**380.10**	**12,938.30**	**25.75**	**110.61**	**56.01**	**508.07**	**16,775.48**
As at 31st March, 2022	**349.37**	**162.46**	**2,213.34**	**372.66**	**13,382.19**	**21.57**	**173.98**	**70.87**	**446.60**	**17,193.04**

(i) Leased Assets

The lease term in respect of assets acquired under finance leases expires within 59-72 years.

(ii) Assets given as security for borrowings

All the items of property, plant and equipment of the Group have been given to lenders as security for various borrowing facilities. (Refer Note 17)

(iii) Impairment

The Group has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

(iv) Revision in useful life of certain assets

During the year, the Group has reassessed the useful life of certain items of property plant and equipments under Moulded Products Division and based on the assessment, the useful life has been reduced from 25 years to 20 years with a resultant change in depreciation.

(v) Other Notes:

a) Property, Plant and Equipment values are carried in the financial statement on their Historic value (Cost of Acquisition).

b) No revaluation has been carried out as per Rule 2 of the Companies Act, 2013.

c) For capital commitments, Refer Note 49

d) The Group has not revalued any of its Property, plant and equipment and intangible assets during the year.

e) Title deeds of all immovable properties of land and buildings which are freehold are in the name of the Group.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3. Capital work in progress (CWIP)

As at 31st March, 2023

(₹ In lakhs)

Particulars	Amount
Gross carrying value	
As at 1st April, 2022	1,798.04
Additions	139.61
Transfers	-
As at 31st March, 2023	1,937.65

As at 31st March, 2022

(₹ In lakhs)

Particulars	Amount
As at 1st April, 2021	608.20
Additions	1,189.84
Transfers	-
As at 31st March, 2022	1,798.04

CWIP Ageing Schedule as on 31st March,2023

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	1,565.55	330.05	42.05	-	1,937.65
Projects temporaily suspended	-	-	-	-	-

CWIP Ageing Schedule as on 31st March,2022

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	1,461.74	197.70	138.60	-	1,798.04
Projects temporaily suspended	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

4. Goodwill, Right to use Assets and other Intangible assets

As at 31st March, 2023

(₹ In lakhs)

Particulars	Goodwill (Refer Note 4(a)	Computer software	Right to Use Assets
Gross carrying value			
As at 1st April, 2022	408.80	184.79	-
Additions	175.82	6.25	93.74
Deletions	-	-	-
As at 31st March, 2023	584.62	191.04	93.74
Impairment/ Amortisation			
As at 1st April, 2022	-	105.35	-
Additions	-	25.05	26.04
Deletions	-	-	-
As at 31st March, 2023	-	130.40	26.04
Net Carrying amount			
As at 1st April, 2022	408.80	79.44	-
As at 31st March, 2023	584.62	60.64	67.70

As at 31st March, 2022

(₹ In lakhs)

Particulars	Goodwill	Computer software	Right to Use Assets
Gross carrying value			
As at 1st April, 2021	-	119.34	-
Additions	408.80	65.65	-
Deletions	-	0.20	
As at 31st March, 2022	408.80	184.79	-
Amortisation			
As at 1st April, 2021	-	84.27	-
Additions	-	21.18	-
Deletions	-	0.10	

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

4. Goodwill, Right to use Assets and other Intangible assets (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Goodwill	Computer software	Right to Use Assets
As at 31st March, 2022	-	105.35	-
Net Carrying amount			
As at 1st April, 2021	-	35.07	-
As at 31st March, 2022	408.80	79.44	-

Note 4(a): The Group tests goodwill on an annual basis and whenever there is an indication that the Cash Generating Unit (CGU) to which the goodwill has been allocated may be impaired. The goodwill impairment test is performed at the level of the CGU or group of CGUs that benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is determined based on higher of value-in-use and fair value less cost of disposal.

In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. In circumstances where a reliable value-in-use estimate is difficult to make whereas market value of the asset or the CGU or group of CGUs is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, where applicable.

Apart from the observable market information, significant management estimates and judgments are used to determine the recoverable amounts based on value-in-use. Key assumptions on which management has based its determination of recoverable amount includes estimated growth rates (including terminal growth rates), margins and discount rates. Also, a fair assessment can be done from the present standing of the Group and new strategic partnership opportunities that the brand has been able to benefit from.

5. Intangible assets under Development

As at 31st March, 2023

(₹ In lakhs)

Particulars	Computer software
Gross carrying value	
As at 1st April, 2022	-
Additions	276.56
Deletions	-
As at 31st March, 2023	276.56

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

5. Intangible assets under Development (contd.)

As at 31st March, 2022

(₹ In lakhs)

Particulars	Computer software
Gross carrying value	
As at 1st April, 2021	-
Additions	-
Deletions	-
As at 31st March, 2022	-

Intangible Asset under Development Ageing Schedule as on 31st March,2023

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	276.56	-	-	-	276.56
Projects temporaily suspended	-	-	-	-	-

Intangible Asset under Development Ageing Schedule as on 31st March,2022

(₹ In lakhs)

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporaily suspended	-	-	-	-	-

6(A) Non-Current Investments-Financial Assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments at fair value through profit and loss		
Investment in equity shares (quoted, fully-paid up)		
500 (P.Y.: 500) equity shares of ₹2/- each of AMJ Land Holdings Limited	0.11	0.15
100 (P.Y.: 100) equity shares of ₹10/- each of Rana Mohendra Papers Limited	-	0.00
100 (P.Y.: 100) equity shares of ₹10/- each of Mukerian Papers Limited	0.01	0.01
100 (P.Y.: 100) equity shares of ₹10/- each of Shree Rama Newsprint & Papers Limited	0.02	0.02
Total	**0.14**	**0.18**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

6(A) Non-Current Investments-Financial Assets (contd.)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate amount of quoted investments and market value thereof	0.14	0.18
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

6(B) Current Investments-Financial Assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments at fair value through profit and loss		
Investment in Mututal Funds (quoted)		
Investment in Mutual Funds		
SBI Corporate Bond Fund-Regular Plan Growth	110.00	-
Total	110.00	-
Aggregate amount of quoted investments and market value thereof	110.00	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

7. Other non current assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advance	150.70	381.17
Deferred Revenue from EPCG licenses	15.61	36.43
Others	20.87	29.29
Total	187.18	446.89

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

8. Inventories

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At lower of cost and net realizable value		
Raw Materials	5,395.45	4,696.40
Work in Progress	62.54	41.02
Finished Goods	743.04	977.39
Traded goods	193.92	14.52
Pulp	-	1.45
Store and Spares	3,360.10	2,131.30
Scrap	13.57	8.84
Acquisition through business combination (Refer Note 43)	-	5.53
Total	**9,768.62**	**7,876.45**

(i) The mode of valuation of inventory has been stated in Note 1.2.7

(ii) Inventories have been pledged as security for borrowings (Refer note 17)

(iii) There has been a write down of inventories of NIL (P.Y.₹8.42 lakhs) which is recognised as an expense during the year.

9. Trade receivables

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good - secured	-	-
Considered good - unsecured*	2,417.04	1,711.42
With significant increase in credit risk	131.96	186.59
Credit impaired	-	-
Acquisition through business combination (Refer Note 43)	-	637.06
Less: Provision for Expected Credit Loss	(105.18)	(94.91)
Total	**2,443.81**	**2,253.57**

** includes ₹12.44 lakhs (P.Y. ₹67.64 lakhs) receivable from related parties. (Refer note 38)*

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

9. Trade receivables (contd.)

As at 31st March, 2023

(₹ In lakhs)

Particulars	less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	Above 3 Years	Total
Undisputed Trade Receivables- Considered Good	2,341.29	14.85	1.51	15.75	-	2,373.40
Undisputed Trade Receivables- Which Have Significant Risk	-	-	-	-	-	-
Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Which Have Significant Risk	-	-	-	-	175.59	175.59
Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Total	2,341.29	14.85	1.51	15.75	175.59	2,548.99

As at 31st March, 2022

(₹ In lakhs)

Particulars	less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	Above 3 Years	Total
Undisputed Trade Receivables- Considered Good	1,106.03	1,039.46	0.65	15.75	-	2,161.89
Undisputed Trade Receivables- Which Have Significant Risk	-	-	-	-	-	-
Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Which Have Significant Risk	-	-	-	-	186.59	186.59
Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
Total	1,106.03	1,039.46	0.65	15.75	186.59	2,348.48

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

9.1 Following are the details for the trade receivables whose credit risk has been assessed individually

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assessed credit risk on an individual basis	131.96	186.59
Less: Loss allowance on above	(103.53)	(93.30)
Total	**28.43**	**93.29**

9.2 The average credit period for collection for paper division 20 days and for moulded division 30 days

Refer Note 39 (iii) (a) & (b) for information about credit risk and market risk of trade receivables.

10. Cash and cash equivalents

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks in current accounts	90.95	429.47
Cash in hand	9.17	15.71
Acquisition through business combination (Refer Note 43)	-	51.69
Total	**100.12**	**496.87**

11. Bank balances other than cash and cash equivalents

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid dividend account	41.07	25.78
Margin money deposits (restricted, held as lien against bank guarantees)	563.41	550.54
Total	**604.48**	**576.32**

12. Loans

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good - secured	-	-
Considered good - unsecured	51.04	35.42
With significant increase in credit risk	-	-
Credit impaired	-	-
Less: Loss allowance	-	-
Total	**51.04**	**35.42**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

13. Other financial assets - current

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due	11.15	7.87
Export incentives receivable	62.93	125.53
Security Deposits	83.65	2.59
Total	**157.73**	**135.99**

14. Other current assets

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to vendors	1,136.90	471.93
Indirect Taxes recoverable	437.04	451.32
Others	188.47	194.60
Acquisition through business combination (Refer Note 43)	-	30.80
Total	**1,762.41**	**1,148.65**

15A. Equity share capital

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised equity share capital		
Equity shares		
5,60,00,000 (P.Y. : 5,60,00,000) Equity shares of ₹10/- each	5,600.00	5,600.00
Preference shares		
4,00,000 (P.Y. : 4,00,000) Preference shares of ₹100/- each	400.00	400.00
Total	**6,000.00**	**6,000.00**
Issued, subscribed and fully paid up		
Equity shares		
3,807,85,000 (P.Y. : 3,52,40,000) Equity shares of ₹10/- each	3,807.85	3,524.00
Total	**3,807.85**	**3,524.00**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

15B. Equity shares to be allotted

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity shares to be allotted		
Nil (P.Y. : 28,38,500) Equity shares of ₹10/- each	-	283.85
Total	283.85	283.85

(i) Movements in equity share capital

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Opening Balance	38,078,500	35,240,000
Issued during the year*	-	2,838,500
Closing Balance	38,078,500	38,078,500

** Represents shares to be allocated to shareholders of Yash Compostables Limited on account of merger (Refer Note 43). The said shares have been allotted during FY 2022-23*

(ii) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. A8

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 shareholders holding more than 5% shares in the company:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Ved Krishna	13,844,388	13,844,388
% of Share	36.36%	36.36%
Satori Global Limited	3,334,500	3,334,500
% of Share	8.76%	8.76%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

15B. Equity shares to be allotted (contd.)

(iv) For the period of 5 years immediately preceding the date as at which the Balance sheet is prepared:

(a) No shares have been allotted as fully paid up pursuant to the contracts without payments being revised in cash

(b) No bonus shares have been allotted

(c) No shares have been bought back

(v) Number of shares held by Promoters

Name of Promoters	No of shares held at the end of the year 31st March 2023		No of shares held at the end of the year 31st March 2022*	
	No of shares	% of total shares	No of shares	% of total shares
Mr. Ved Krishna	13,844,388	36.36%	13,844,388	36.36%
Satori Global Limited	3,334,500	8.76%	3,334,500	8.76%
Yash Agro Products Limited	968,640	2.54%	968,640	2.54%
Mrs. Manjula Jhunjhunwala	556,743	1.46%	551,066	1.45%
Krishnakumar Jhunjhunwala (HUF)	16,000	0.04%	16,000	0.04%

** Includes shares to be allocated to shareholders of Yash Compostables Limited on account of merger (Refer Note 43). The said shares have been allotted during FY 2022-23*

16. Other equity

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	37.32	37.32
Securities Premium	1,172.16	1,172.16
Employees Share Base payment Reserve	227.15	-
General Reserve	550.00	550.00
Retained Earnings	14,904.77	11,004.18
Acquisition through business combination (Refer Note 43)	-	54.56
Other Comprehensive Income	(127.33)	(112.28)
Non controlling interest	7.82	
Total	**16,756.25**	**12,705.94**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

16.1 The movement in other equity

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve		
Balance at the beginning of the year	37.32	37.32
Add: transferred during the year	-	-
Balance at the end of the year	**37.32**	**37.32**
Securities Premium		
Balance at the beginning of the year	1,172.16	1,172.16
Add: transferred during the year	-	-
Balance at the end of the year	**1,172.16**	**1,172.16**
Employees Share Base payment Reserve		
Balance at the beginning of the year	227.15	-
Add: transferred during the year	-	-
Balance at the end of the year	**227.15**	**-**
General Reserve		
Balance at the beginning of the year	550.00	550.00
Add: transferred during the year	-	-
Balance at the end of the year	**550.00**	**550.00**
Retained Earnings		
Balance at the beginning of the year	11,058.74	7,785.56
Balance at the beginning of the year - YCL (Business Aquistion)	-	54.56
Add: Profit for the year	4,607.60	3,571.02
Less: Dividend paid	761.57	352.40
Balance at the end of the year	**14,904.77**	**11,058.74**
Other Comprehensive Income		
Balance at the beginning of the year	(112.28)	(63.72)
Add: Additions during the year	(27.03)	(47.85)
Foreign Currency Transition Reserve	**8.67**	**(0.71)**
Balance at the end of the year	**(130.64)**	**(112.28)**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

16.2 Nature and Purpose of Reserves

Capital Reserve: Capital reserve includes the amount retained towards the forfeiture of equity and preferential warrants. This reserve will be utilized in accordance with the provisions of the Act.

Securities Premium: Securities premium reserve is on account of premium on issue of shares. This reserve will be utilized in accordance with the provisions of the Act.

Employees Share Base payment Reserve : Represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

General Reserve: It has been created out of profits of earlier years.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Other Comprehensive Income: This includes actuarial gains/ (losses) on employee benefit obligations.

16.3. Dividend distribution made and proposed

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dividend on equity shares declared and paid		
Final dividend for the year ended 31st March 2022 Re. 2 per share (P.Y.: Re. 1 per share)	761.57	352.40
Total	**761.57**	**352.40**
Proposed dividend on equity shares		
Final dividend proposed for the year ended 31st March 2023 ₹2.40 per share (P.Y.: Re. 2 per share)	913.88	761.57
Total	**913.88**	**761.57**

As proposed by the Board of Directors, the same is subject to approval by shareholders at the ensuing annual general meeting of the Group.

17. Borrowings

(A) Long term borrowings

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term loans from banks	1,778.20	2,448.70
Unsecured		
From related parties	401.12	456.32
Total	**2,179.32**	**2,905.02**

Refer Note 17.1 for security details

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

17. Borrowings (contd.)

(B) Short term borrowings

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Working capital loans from banks	7,454.32	6,864.35
Current Maturity of long term borrowing	736.24	654.10
Total	**8,190.56**	**7,518.45**

17.1. Repayment terms:

a) **Secured rupee term loans from banks:** Structured Quarterly Instalments.

b) **Loan from Pradeshiya Industrial & Investment Corporation of UP Limited (PICUP):** Bullet repayment at the end of tenure of loan i.e. F.Y. 2024. The loan interest free.

c) **Loan from related parties:** Repayable after bank secured term loan is repaid

d) **Scheduled repayments:** Contractual repayments in case of loans from banks:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	8,190.56	7,518.45
Between one to five years*	2,245.15	3,049.08
Over five years*	152.07	152.07

**The above excludes Ind AS adjustments*

e) Interest rates: Loans availed from banks carry interest rate ranging from 6.00% to 12.00%.

Refer note 39(b) (II) & (III) on Interest rate risk and Liquidity Risk respectively.

f) **Security details:-**

Term Loans from Banks are secured by

i. First pari-passu charge by hypothecation of all Immovable Properties and property, plant and equipment both present and future of the company. [including equitable mortgage of land property & building]

ii. Second pari passu charge on entire current assets (present and future) of the company with 2nd charge over entire property, plant and equipment [present and future] of the company ceded to working capital bankers/ lenders (including Letters of Credit and Letters of Guarantees).

iii. Personal guarantee of Promoter Directors of the company

iv. Corporate guarantee of Yash Agro Products Limited and Satori Global Limited.

v. 84.99% pledge of promoter's shareholding in the Company in favour of the lenders.

g) Term Loan and working capital loans availed from Banks has been utilised for the purpose they have been received.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

17.1. Repayment terms: (contd.)

h) Borrowing Secured Against Current Assets

As at 31st March, 2023

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Amount as per Books	Amount reported in quarterly returns	Amount of Difference	Reasons for Material Discrepancies
Consortium Bankers Led By State Bank of India	30/Jun/22	Inventory	8,344.24	8,344.24	-	-
		Receivable upto 6 Month	1,993.61	1,993.61	-	-
	30/Sep/22	Inventory	6,554.84	6,554.84	-	-
		Receivable upto 6 Month	2,269.82	2,269.82	-	-
	31/Dec/22	Inventory	6,612.53	6,612.53	-	-
		Receivable upto 6 Month	2,395.77	2,395.77	-	-
	31/Mar/23	Inventory	9,768.62	9,768.62	-	-
		Receivable upto 6 Month	2,236.10	2,236.10	-	-

As at 31st March, 2022

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Amount as per Books	Amount reported in quarterly returns	Amount of Difference	Reasons for Material Discrepancies
Consortium Bankers Led By State Bank of India	30/Jun/21	Inventory	5,649.71	5,649.71	-	-
		Receivable upto 6 Month	1,762.51	1,762.51	-	-
	30/Sep/21	Inventory	4,060.11	4,060.11	-	-
		Receivable upto 6 Month	1,997.23	1,997.23	-	-
	31/Dec/21	Inventory	4,614.80	4,614.80	-	-
		Receivable upto 6 Month	2,777.60	2,777.60	-	-
	31/Mar/22	Inventory	7,876.46	7,876.46	-	-
		Receivable upto 6 Month	2,050.05	2,050.05	-	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

18. Lease Liabilities

(A) Non Current Liabilities- Financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	39.82	-
Total	**39.82**	**-**

(B) Current Liabilities-Financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	30.63	-
Total	**30.63**	**-**

19. Other financial libilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits from customers	337.50	270.25
Total	**337.50**	**270.25**

20. Deferred tax liabilities (net)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of PPE	2,448.06	2,395.04
Tax effect of items constituting deferred tax liability	**2,448.06**	**2,395.04**
Tax effect of items constituting deferred tax assets		
Provision on employee benefits	205.77	139.38
Carried forward depreciation and business loss	-	-
Unused tax credit (MAT)	-	665.32
Provision for Share Based Payment	-	
Others	(146.20)	(158.94)
Acquisition through business combination (Refer Note 43)	36.05	36.05
Tax effect of items constituting deferred tax assets	**95.62**	**681.81**
Total	**2,352.44**	**1,713.22**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

21. Other non current liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Revenue:		
Capital Subsidy	28.00	32.00
Government loan under PICUP scheme	128.75	178.46
EPCG obligation	-	302.39
Total	156.75	512.85

22. Trade Payables

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables:		
- Dues to micro and small enterprises	286.96	379.84
- Other than micro and small enterprises	617.02	663.63
Acquisition through business combination (Refer Note 43)	-	49.53
Total	903.98	1,093.00

** includes ₹4.69 lakhs (P.Y. ₹ NIL) payable to related parties (Refer note 38)*

22.1 Disclosure under Section 22 of Micro, Small and Medium enterprises development (MSMED Act, 2006)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount due and remaining unpaid	286.96	364.49
Principal amount due and remaining unpaid: Acquisition through business combination (Refer Note 43)	-	15.35
Interest paid by the Group in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-
Amount of further interest remaining due and payable	-	-

Under the Mirco, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), which came into force from 2 October, 2006, certain disclosures are required to be made relating to Mirco, Small and Medium Enterprises. On the basisof the information and records available with the Company's management, dues to Mirco, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected till the reporting date and has been relied upon by the Statutory Auditors. The disclosures as required by Section 22 of the MSMED Act, are given above.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

22.2 Trade payables

For the year ended 31st March 2023

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	286.96					286.96
Others	353.59	257.20	6.23			617.02
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

For the year ended 31st March 2022

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	361.22	18.62				379.84
Others	436.49	266.05	5.00	5.62	0	713.16
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

23. Other financial liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings*	12.50	-
Total	**12.50**	**-**

**Includes Interest payable to related party ₹12.50 lacs. (P.Y. Nil) is paid at 10% p.a. Refer note 38.*

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

24. Other current liabilities

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current maturities on deferred revenue on capital subsidy	4.00	4.00
Advance from customers	352.36	440.90
Statutory liabilities	470.04	377.77
Payable on capital goods	98.40	157.83
Unpaid dividend	42.45	27.16
Others	732.71	310.60
Acquisition through business combination (Refer Note 43)	-	72.38
Total	**1,699.96**	**1,390.64**

25. Provisions

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Gratuity	141.77	136.12
Provision for Leave Encashment	80.61	75.84
Provision for Dividend	-	-
Provision for Bonus	484.25	266.71
Other Provisions	-	
Total	**706.63**	**478.67**

26. Current Tax liabilities (Net)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Taxes paid (Net of taxes paid in advance)	139.27	53.90
Total	**139.27**	**53.90**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

27. Revenue from operations

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of Products		
Paper, Pulp and related products		
Within India	25,787.07	19,377.99
Outside India	9,762.32	6,782.48
Moulded Products		
Within India*	5,224.15	2,888.55
Outside India	57.28	59.61
Total	**40,830.82**	**29,108.63**

**Refer note 38 for sales to Related parties*

28. Other income

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest received on fixed deposit and others**	133.38	112.20
Export incentives*	586.38	468.83
Balances written back	-	-
Investments measured at FVTPL	-	0.04
Profit on sale of property, plant and equipment	39.62	3.28
Excess provision for expenses written back	-	-
Net Gain on foreign currency translation	167.42	82.15
Miscellaneous income	233.49	146.75
Total	**1,160.29**	**813.25**

** ₹364.91 lakh (P.Y. ₹309.44 lakh) has been received against the fulfilment of export obligation under EPCG scheme.*

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

29. Cost of materials consumed

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw material consumed	8,869.55	6,556.03
Chemicals consumed	3,766.56	2,988.66
Stores & spares consumed	1,914.90	1,419.84
Packing materials consumed	851.17	782.39
Total	**15,402.18**	**11,746.92**

30. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock		
Finished Goods*	982.92	823.12
Pulp	1.45	1.75
Work in Progress	41.02	75.96
Total Opening Stock	**1,025.39**	**900.83**
Closing Stock		
Finished Goods*	743.04	982.92
Pulp	-	1.45
Work in Progress	62.54	41.02
Total Closing Stock	**805.58**	**1,025.39**
Total	**219.81**	**(124.56)**

** Includes Kraft paper, poster paper, moulded products*

31. Employee benefit expenses

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, wages, bonues and incentives	4,291.73	3,052.04
Directors remuneration*	281.84	342.63
Contribution to provident and other funds	130.18	129.29

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

31. Employee benefit expenses

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Defined benefit plan expenses	66.45	65.53
Workmen and staff welfare expenses	240.14	146.89
Total	**5,010.34**	**3,736.38**

** Refer note 38 for payments made to Related parties*

32. Finance costs

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on		
- Term loan	335.03	428.24
- Others	559.60	367.70
Net loss on foreign currency translation and transactions	112.74	39.75
Bank and documentation charges	118.91	103.93
Total	**1,126.28**	**939.62**

33. Depreciation and amortisation expense

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on property, plant and equipment	1,249.59	1,000.35
Amortisation on intangible assets	25.06	21.19
Total	**1,274.65**	**1,021.54**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

34. Other expenses

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Operating Expenses		
Power and Fuel	6,767.02	3,365.32
Effluent Treatment Expenses	119.55	116.71
Repairs and Maintenance		
- Building	114.18	58.29
- Machinery	430.79	251.39
- Others	255.19	234.39
Freight, Handling and Other Sales and Distribution expenses	1,706.30	1,640.00
Commission on sales	265.80	188.84
Others		
Rent	95.86	37.82
Insurance	110.86	102.30
Travelling and Conveyance	403.56	178.54
Legal professional and consultation charges	584.79	503.09
Auditor's Remuneration (refer note below)	15.11	11.20
Subscription and Donation	77.06	64.72
Amortisation of deferred income on EPCG license	20.82	20.82
Research and development expenses	44.31	84.79
Printing and Stationery	30.22	39.34
Communication cost	39.14	36.29
Advertisement and Publicity	18.66	15.83
Business Promotion Expenses	199.04	122.18
Loss on Assets Sold / Discarded/scrapped	91.05	191.92
Loss on sale of export incentives	8.94	7.89
Exchange Fluctuation (net)	-	-
Fair valuation of investments	0.05	-
Provision for impairement of non financial assets	-	27.11
Provision on doubtful receivables and others	57.73	43.52
CSR Expenditure	137.75	47.00
Miscellaneous Expenses	93.29	86.18
Total	**11,687.07**	**7,475.48**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Note 34a:

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
As Auditors	7.90	6.75
For Limited Review	4.50	3.75
For certification	2.25	0.70
For Reimbursement of Expenses	0.46	-
Total	15.11	11.20

35. Tax Expenses

(a) Amounts recognized in profit and loss

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax expense		
Current year	1,434.61	980.00
Changes in estimates relating to prior years	-	4.19
Total	1,434.61	984.19
Deferred tax expense		
Origination and reversal of temporary differences	650.32	565.11
Total	650.32	565.11
Tax expense recognized in the income statement	2,084.93	1,549.30

(b) Amounts recognized in other comprehensive income

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023				For the year ended 31st March, 2022			
	Before tax	Tax (expense) benefit	Foreign Currency transition	Net of tax	Before tax	Tax(expense) benefit	Foreign Currency transition	Net of tax
Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans	(38.13)	11.10	8.67	(18.36)	(67.51)	19.66	(0.71)	(48.56)
	(38.13)	11.10	8.67	(18.36)	(67.51)	19.66	(0.71)	(48.56)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

35. Tax Expenses (contd.)

(c) Reconciliation of effective tax rate

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	%	Amount	%	Amount
Profit before tax		**6,692.53**		**5,122.37**
Tax using the Company's domestic tax rate	29.12%	1,948.86	29.12%	1,491.63
Tax effect of:				
Due to permanent differences	(3.59)%	(240.37)	(1.91)%	(98.01)
Deferred tax adjustments	6.00%	401.82	4.68%	251.38
Other Comprehensive Income	0.17%	11.10		
Due to Rate change for Subsidiary	2.34%	156.85	0.00%	0.00
Others	(2.89)%	(193.33)	(3.58)%	(95.70)
Effective income tax rate	**31.15%**	**2,084.93**	**28.31%**	**1,549.30**
Effective income tax rate	**31.15%**	**2,084.93**	**28.31%**	**1,549.30**

The applicable tax rate for the Group for the year ended 31st March, 2023 and 31st March, 2022 was 29.12%. The tax rate has been reduced to 22% from September 2019. However the Group has decided to continue with the old rates on account of unutilised MAT credit.

(d) Movement in deferred tax

Particulars	As at 31st March, 2023					
	Net balance 1st April, 2022	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (Asset)/Liabilities						
On difference between book balance and tax balance of PPE	2,395.04	53.02	-	2,448.06	-	2,448.06
Provision on employee benefits	(139.38)	(77.49)	11.10	(205.77)	205.77	-
Unabosorbed business losses and depreciation	0.00	0.00	-	0.00	-	-
Unused tax credits	(665.32)	665.32	-	0.00	-	-
Provision for Share Based Payment	0.00	(66.15)	-	(66.15)	66.15	-
Others	158.93	(12.73)	-	212.35	-	212.35
Acquisition through business combination (Refer Note 43)	(36.05)	0.00		(36.05)	36.05	0.00
Tax assets (Liabilities) (Net)	**1,713.22**	**561.97**	**11.10**	**2,352.44**	**307.97**	**2,660.41**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

35. Tax Expenses (contd.)

(b) Amounts recognized in other comprehensive income

(₹ In lakhs)

Particulars	As at 31st March, 2022					
	Net balance April 1, 2021	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (Asset)/Liabilities						
On difference between book balance and tax balance of PPE	2,344.43	50.61	-	2,395.04	-	2,395.04
Provision on employee benefits	(101.71)	(57.33)	19.66	(139.38)	139.38	-
Unabsorbed business losses and depreciation	0.00	0.00	-	0.00	-	-
Unused tax credits	(1,094.06)	428.74	-	(665.32)	665.32	-
Interest to bank	(63.20)	63.20	-	0.00	-	-
Others	118.40	40.52	-	158.92	-	158.93
Acquisition through business combination (Refer Note 43)	(45.35)	9.30	-	(36.05)	36.05	-
Tax assets (Liabilities) (Net)	**1,158.51**	**535.04**	**19.66**	**1,713.22**	**840.75**	**2,553.97**

36. Earnings per share

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit for the year	**4,607.60**	**3,571.02**
Equity shares at the beginning of the year (nos.)	38,078,500	35,240,000
Equity shares issued during the year	-	2,838,500
Equity shares at the end of the year (nos.)	38,078,500	38,078,500
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	**38,078,500**	**38,078,500**
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	**38,275,765**	**38,078,500**
Earnings per share-basic (face value of ₹10/- each) (₹)	12.10	9.38
Earnings per share-diluted (face value of ₹10/- each) (₹)	**12.04**	**9.38**

Note: The earnings per share for both year are after considering additional shares to be issued on merger.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures

I. Defined Contribution plan

The Group makes contributions towards provident fund to defined contribution retirement plan for the qualifying employee. The Provident fund contributions are made to Government administered employees' provident fund. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary.

The Group has recognized the following amounts in the Statement of Profit and Loss during the year under 'Contribution to staff provident and other funds' (Refer note 31)

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employer's contribution to Provident Fund	105.07	98.55
Total	**105.07**	**98.55**

II. Defined benefit plans

The Group operates funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service.

No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at 31st March, 2023 by the certified actuarial valuer.

The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

(A) Movements in net defined benefit (asset)/ liability

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Defined obligations at the beginning of the year	495.92	421.92
Current service cost	56.51	48.83
Interest cost	36.20	29.11
Past service costs	-	14.79
Benefits paid	(25.95)	(82.69)
Actuarial (gain)/loss		-
- change in demographic assumptions	-	-
- change in financial assumptions	4.53	(19.70)
- experience variance	28.43	83.66
Defined benefit obligation as at end of the year	**595.64**	**495.92**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(B) Movements in the fair value of plan assets

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Fair value at beginning of the year	359.80	394.34
Investment income	26.27	27.21
Return on plan assets	(5.17)	(3.55)
Actual return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions by the employer	98.93	24.49
Other adjustments		
Benefits paid	(25.95)	(82.69)
Fair value of plan assets as at end of the year	**453.88**	**359.80**

(C) Amount recognized in the balance sheet

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Present value of defined benefit obligation as at end of the year	595.64	495.92
Fair value of plan assets as at end of the year	453.88	359.80
As at year end	**(141.76)**	**(136.12)**

(D) Amounts recognized in the statement of profit and loss

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Current service cost	56.51	48.83
Past service cost	-	14.80
Net interest income/ (cost) on the net defined benefit liability (Asset)	9.94	1.90
Total	**66.45**	**65.53**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(E) Amounts recognized in other comprehensive income

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Actuarial (gains) / losses due to :		
- change in demographic assumptions	-	-
- change in financial assumptions	4.53	(19.70)
- experience variance	28.43	83.66
Return on plan assets	5.17	3.55
Total	**38.13**	**67.51**

(F) Category of plan assets

The Company's plan assets in respect of gratuity are funded through the Gratuity Scheme of LIC

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Administered by Life Insurance Corporation of India *	100%	100%
Government of India Securities	0%	0%
State Government securities	0%	0%
Special Deposit Scheme	0%	0%

**The Group is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure thereof is not made.*

(G) Sensitivity analysis

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
DBO On base assumptions		
A. Discount Rate (- / + 1%)		
Discount Rate Increase	542.95	449.99
1. Effect due to 1% increase in discount rate	-8.85%	-9.26%
Discount Rate Decrease	657.64	550.06
2. Effect due to 1% decrease in discount rate	10.41%	10.92%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
B. Salary Growth Rate		
Salary Growth Rate Increase	659.91	552.07
1. Effect due to 1% increase in discount rate	10.79%	11.32%
Salary Growth Rate Decrease	540.22	447.60
2. Effect due to 1% decrease in discount rate	(9.31)%	(9.74)%
C. Attrition Rate		
Attrition Rate Increase	606.41	505.68
1. Effect due to 50% increase in discount rate	1.81%	1.97%
Attrition Rate Decrease	583.41	484.77
2. Effect due to 50% decrease in discount rate	(2.05)%	(2.25)%
D. Mortality Rate		
Mortality Rate Increase	597.63	497.72
1. Effect due to 10% increase in discount rate	0.33%	0.36%
Mortality Rate Decrease	593.62	494.08
2. Effect due to 10% decrease in discount rate	(0.34)%	(0.37)%

(H) The expected future cash flows as at 31st March, 2023 were as follows:

(₹ In lakhs)

Summary of Assets and Liabilities	Amount (₹ In lakhs)
31.03.2019	(3.44)
31.03.2020	(58.87)
31.03.2021	(27.57)
31.03.2022	(136.12)
31.03.2023	(141.77)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

37. Employee Benefit Disclosures(contd.)

(I) Expected Cash flows over the next

(₹ In lakhs)

Summary of Assets and Liabilities	Amount (₹ In lakhs)
1 year	45.10
2 to 5 years	199.43
6 to 10 years	250.65
More than 10 years	950.62

(J) Actuarial assumptions

Actuarial valuation as at the year-end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions

(₹ In lakhs)

Particulars	Gratuity (funded)	
	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.22%	7.30%
Withdrawal rate	2.00%	2.00%
Rate of increase in compensation	5.00%	5.00%

ii) Mortality rates considered are as per the published rates in the India Assured Lives Mortality 2012-14 (Previous year: India Assured Lives Mortality (2006-08) (Modified) ULT.) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31st December 2022 is available for encashment on separation from the Group up to a maximum of 30 days.

iv) The discount rate should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

v) The contribution to be made by the Group for funding its liabilities for gratuity during the financial year 2022-23 amounts to ₹98.93 lakhs (PY ₹24.49 Lakhs).

vi) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.

vii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

viii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

ix) Short term compensated absences have been provided on actual basis.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances:

I. Key Managerial Personnel and relatives

1. Directors

(a) Jagdeep Hira	Managing Director
(b) Narendra Kumar Agrawal (upto 30.07.2022)	Director Works
(c) Ved Krishna	Director
(d) Manjula Jhunjhunwala	Director
(e) Kimberly Ann McArthur	Director
(f) Pradeep Vasant Dhobale	Independent Director
(g) Indroneel Banerjee	Independent Director
(h) Atul Kumar Gupta	Independent Director
(i) Srinivas Vishnubhatla (upto 11.02.2022)	Independent Director
(j) Basant Kumar Khaitan	Independent Director
(k) Himanshu Kapoor (from 29.10.2022)	Independent Director
(l) Vignesh Kannan	Director
(m) Kasturi Bai	Director
(n) Jeff Allen	Director
(o) Jignesh Vinodchandra Shah	Director
(p) Sagar Shashank Shejwalkar	Director

2. Other Key Management Personnel

(a) Neetika Suryawanshi (From 26.12.2022)	Chief Financial Officer
(a) Jignesh Shah (upto 24.11.2022)	Chief Financial Officer
(c) Sachin Kumar Srivastava (From 10.08.2022)	Company Secretary
(d) Bhavna Kodarbhai Patel (upto 30.07.2022)	Company Secretary

III. Enterprise over which the Key Managerial Personnel (KMP) have significant influence with whom transactions have taken place during the year

(a) Yash Agro Products Limited
(b) Satori Global Limited
(c) Jingle Bell Nursery School Society
(d) Pakka Foundation (Formerly known as K K Charitable Foundation)
(e) K. K. Jhunjhuwala HUF
(f) AMJ Land Holdings Limited
(g) WMW Metal Fabrics Limited
(h) Pudumjee Paper Products Limited.
(i) Kapoor Tandon & Company

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
INCOME						
Sales net of discount/incentives						
Pudumjee Paper Products Limited.	-	-	829.29	797.88	829.29	797.88
Received from services and others						
Jingle Bell Nursery School Society	-	-	1.46	1.18	1.46	1.18
Rent received						
Yash Agro Products Limited	-	-	0.24	0.24	0.24	0.24
EXPENSES						
Purchases						
WMW Metal Fabrics Limited	-	-	99.98	-	99.98	-
Satori Global Limited	-	-	84.20	39.52	84.20	39.52
Loss/(gain) on investments measured at FVTPL						
AMJ Land Holdings Limited	-	-	0.05	(0.04)	0.05	(0.04)
Interest on unsecured loan						
Yash Agro Products Limited	-	-	34.01	31.50	34.01	31.50
Satori Global Limited			1.82	-	1.82	-
Donation paid						
Pakka Foundation (Formerly known as K K Charitable Foundation)	-	-	65.50	30.00	65.50	30.00
Jingle Bell Nursery School Society			33.00	-	33.00	-
Dividend Paid						
Ved Krishna	276.89	110.40	-	-	276.89	110.40
Manjula Jhunjhunwala	11.13	5.51	-	-	11.13	5.51
Narendra Kumar Agarwal	-	0.01	-	-	-	0.01
Satori Global Limited	-	-	66.69	33.35	66.69	33.35

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Yash Agro Products Limited	-	-	19.37	9.69	19.37	9.69
K. K. Jhunjhunwala, HUF	-	-	0.32	0.16	0.32	0.16
Remuneration						
Ved Krishna	192.72	48.11	-	-	192.72	48.11
Jagdeep Hira	246.76	193.20	-	-	246.76	193.20
Narendra Kumar Agarwal (upto 30.07.2022)	20.41	45.08	-	-	20.41	45.08
Neetika Suryawanshi (From 26.12.2022)	21.31	-			21.31	-
Jignesh Shah (upto 24.11.2022)	48.83	62.34	-	-	48.83	62.34
Sachin Kumar Srivastava (From 10.08.2022)	19.49	-	-	-	19.49	-
Bhavna Kodarbhai Patel (upto 30.07.2022)	6.79	19.51	-	-	6.79	19.51
Vignesh Kannan	5.00				5.00	-
Sitting Fees						
Manjula Jhunjhunwala	1.20	1.05	-	-	1.20	1.05
Kimberly Ann McArthur	2.10	0.75	-	-	2.10	0.75
Pradeep Vasant Dhobale	2.66	1.35	-	-	2.66	1.35
Atul Kumar Gupta	2.80	1.20	-	-	2.80	1.20
Srinivas Vishnubhatla (upto 11.02.2022)	-	1.20	-	-	-	1.20
Indroneel Banerjee	2.41	1.35	-	-	2.41	1.35
Basant Kumar Khaitan	2.36	1.05	-	-	2.36	1.05
Ved Krishna	1.75	-	-	-	1.75	-
Himanshu Kapoor (from 29.10.2022)	1.75	-	-	-	1.75	-
Consultancy Charges						
Kimberly Ann McArthur	47.44	67.41	-	-	47.44	67.41
Kapoor Tandon & Company (from 29.10.2022)			24.00	-	24.00	-
Vignesh Kannan	19.00	-			19.00	

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Rent Paid						
Ved krishna	30.00	-	-	-	30.00	-
Manjula Jhunjhunwala	12.00	12.00	-	-	12.00	12.00

c) Outstanding balances with related parties:

(₹ In lakhs)

Nature of Transactions	KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Assets						
Investments						
AMJ Land Holdings Limited	-	-	0.11	0.15	0.11	0.15
Receivable For Services/others						
Ved Krishna	-	19.31	-	-	-	19.31
Jingle Bell Nursery School Society			0.07		0.07	-
Trade Receivables						
Pudumjee Paper Products Limited.	-	-	12.44	67.64	12.44	67.64
Liabilities						
Unsecured Loans						
Yash Agro Products Limited	-	-	240.00	315.00	240.00	315.00
Ved Krishna	208.00	208.00	-	-	208.00	208.00
Kimberly Ann McArthur	50.01	-	-	-	50.01	-
Interest payable on unsecured loans						
Yash Agro Products Limited	-	-	21.52	-	21.52	-
Satori Global Limited			1.82			

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

38. Related party relationships, transactions and balances: (contd.)

(₹ In lakhs)

Nature of Transactions	KMP		Enterprise over which the KMP have significant influence		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Payable For Services/others						
Kimberly Ann McArthur	-	0.14	-	-	-	0.14
Ved Krishna	0.31	-	-	-	0.31	-
Jingle Bell Nursery School Society	-	-	-	0.02	-	0.02
Trade Payable						
Satori Global Limited	-	-	-	-	-	-
WMW Metal Fabrics Limited			4.69		4.69	-
Guarantees						
Personal Gurantees						
Ved Krishna	15,864.00	21,524.00	-	-	15,864.00	21,524.00
Manjula Jhunjhunwala	15,864.00	21,524.00	-	-	15,864.00	21,524.00
Corporate Guarantees						
Satori Global Limited	-	-	15,864.00	21,524.00	15,864.00	21,524.00
Yash Agro Products Limited	-	-	15,864.00	21,524.00	15,864.00	21,524.00

d) **Other Notes**

No amount has been written off/back or provision made for loss allowance during the year in respect of related parties.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments

(i) Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Total borrowings includes all long and short-term borrowings as disclosed in note 17 to the consolidated financial statements.

The capital structure of the Group consists of debt, which includes the borrowings including temporary overdrawn balance, cash and cash equivalents including short term bank deposits, equity comprising issued capital and reserves . The gearing ratio for the year is as under:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt	10,319.87	10,423.47
Less: Cash and cash equivalent including short term deposits (restricted)	682.45	1,073.19
Net debt (A)	**9,637.42**	**9,350.28**
Total equity (B)	**16,763.50**	**16,513.79**
Debt Equity Ratio (A/B)	**0.57**	**0.57**

(ii) Categories of financial instruments

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as 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 following methods and assumptions were used to estimate the fair values of financial instruments:

a) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the reporting date.

b) The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Group (since the date of inception of the loans).

c) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

d) Cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

(c) Reconciliation of effective tax rate

(₹ In lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Financial assets measured at fair value				
Investments measured at FVTPL	-	0.14	-	0.18
Financial assets measured at amortized cost				
Loans	51.04	-	35.42	-
Investments	-	110.00		
Trade Receivables	2,443.81	-	2,253.57	-
Cash and cash equivalents	100.12	-	496.87	-
Bank balances other than cash and cash equivalents	604.48	-	576.32	-
Other financial assets	157.73	-	135.99	-
Total	**3,357.18**	**110.14**	**3,498.17**	**0.18**
Financial Liabilities				
Financial liabilities measured at amortized cost				
Borrowings	10,369.88	-	10,423.47	-
Lease Liabilities	70.45	-	-	-
Trade and other payables	903.98	-	1,093.00	-
Other financial liabilities	350.00	-	-	-
Total	**11,694.31**	**-**	**11,516.47**	**-**

Fair value measurements recognized in the balance sheet:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Particulars (₹ In lakhs)

Summary of Assets and Liabilities	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Assets at fair value				
Investments measured at FVTPL	110.14	-	-	110.14
As at 31st March, 2022				
Assets at fair value				
Investments measured at FVTPL	0.18	-	-	0.18

(iii) Financial risk management objectives:

The Group's principal financial liabilities comprise of loan from banks and financial institutions, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Group's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

(a) Credit risk:

Customer credit is managed by each business unit subject to the Group's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 21 - 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

At 31st March, 2023, the Group's top three customers accounted for ₹1150.27 lakhs ((P.Y. ₹610.08 lakhs) of the trade and other receivables carrying amount .

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Expected credit loss assessment for customers:

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

As at 31st March, 2023

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Reasons for Material Discrepancies
Neither past due not impaired			
0 to 1 year	2,356.14	0%	-
1 to 2 years	1.51	5%	0.08
2 to 3 years	15.75	10%	1.58
3years and above	112.64	50%	56.32
Specific provision	62.95	75%	47.21
Total	**2,548.99**		**105.18**

As at 31st March, 2022

(₹ In lakhs)

Name of the Bank	Quarter ended	Details of security provided	Reasons for Material Discrepancies
Neither past due not impaired			
0 to 1 year	2,145.57	0%	-
1 to 2 years	0.65	5%	0.03
2 to 3 years	15.75	10%	1.58
3years and above	-	25%	-
Specific provision	186.59	50%	93.30
Total	**2,348.56**		**94.91**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

Movement in the expected credit loss allowance

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	**94.91**	**81.31**
Add: Provision made during the year	10.27	13.60
Balance at the end of the year	**105.18**	**94.91**

Other financial assets

The Group maintains exposure in cash and cash equivalents and term deposits with banks.

The Group held cash and cash equivalents of ₹100.12 lakhs at 31st March, 2023 (P.Y.: ₹496.87 lakhs). Cash and cash equivalents are held with reputable and credit-worthy banks.

Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Group.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

(b) Market risk:

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

(I) Foreign currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Group's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Group does not use derivative financial instruments for trading or speculative purposes.

The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

(₹ In lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	176.37	163.53	375.07	2,124.12
Euro	41.47	-	34.20	64.85
AED	2.11	6.02	-	-
Total	**219.95**	**169.55**	**409.27**	**2,188.97**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currency receivables and payables. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Impact on profit before tax		
USD	0.64	(87.45)
Euro	2.07	(1.53)
AED	(0.20)	-
Total	**2.51**	**(88.98)**

(II) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

Interest rate sensitivity analysis:

As at 31st March, 2023 and 2022, financial liability of ₹10,369.88 Lakhs and ₹9,967.15 Lakhs, respectively, were subject to variable interest rates. Increase/decrease of 25 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹25.92 lakhs and ₹24.91 lakhs for the year ended 31st March, 2023 and 2022, respectively.

The risk estimates provided assume a parallel shift of 25 basis points interest rate. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(III) Liquidity risk:

The Group follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Group has a cash credit facility with banks to support any temporary funding requirements.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

39. Financial Instruments (contd.)

The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

Liquidity table:

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

(₹ In lakhs)

Particulars	As at 31st March, 2023			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	8140.55	2179.32	-	10319.87
Trade and other payables	885.70	-	-	885.70
Lease liability	-	-	-	-
Total financial liabilities	**9026.25**	**2179.32**	**-**	**11205.57**

(₹ In lakhs)

Particulars	As at 31st March, 2022			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	7,518.45	2,905.02	152.07	10,575.54
Trade and other payables	1,093.00	-	-	1,093.00
Other financial liabilities	-	-	-	-
Total financial liabilities	**8,611.45**	**2,905.02**	**152.07**	**11,668.54**

(IV) Other price risk:

The Group is not exposed to any significant equity price risks arising from equity investments, as on 31st March 2023. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity analysis:

There is minimum exposure to equity price risks as at the reporting date or as at the previous reporting date.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

40. Segmental Information

Business Segment

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

a) Paper, Pulp and other products

b) Moulded Products

The above business segments have been identified considering :

a) the nature of products

b) the differing risks and returns

c) the internal organization and management structure, and

d) the internal financial reporting systems

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as M+anaging Director.
The measurement principles of segments are consistent with those used in Significant Accounting Policies.

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Paper	Moulded Product	Total	Paper	Moulded Product	Total
REVENUE	36,708.73	5,282.38	41,991.11	26,696.31	3,225.57	29,921.88
Unallocable Revenue	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	36,708.73	5,282.38	41,991.11	26,696.31	3,225.57	29,921.88
RESULTS						
Profit/ loss before interest	8,447.13	(459.39)	7,987.74	5,897.33	286.23	6,183.56
Less: interest	(798.33)	(327.94)	(1,126.27)	(541.45)	(394.08)	(935.53)
Unallocable Expenses	0.00	0.00	(168.94)	0.00	0.00	(127.71)
Total profit before tax	7,648.80	(787.33)	6,692.53	5,355.88	(107.85)	5,120.32
Provision for taxation			2,084.93			1,549.30
Net Profit	7,648.80	(787.33)	4,607.60	5,355.88	(107.85)	3,571.02
Other information						
Assets	35,028.01	2,073.19	37,101.20	28,486.34	3,953.88	32,440.22
Unallocable Assets	0.00	0.00	212.26	0.00	0.00	9.57
Liabilities	9,951.31	3,531.69	13,483.00	9,183.46	4,341.17	13,524.63
Unallocable Liabilities	0.00	0.00	3,266.36	0.00	0.00	2,411.37

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

40. Segmental Information (contd.)

Additional Information by Geographies

Although the Company's operations are managed by product area, we provide additional information based on geographies.

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue by geographical market		
Within India	31,011.22	22,266.54
Outside India	9,819.60	6,842.09
Total	**40,830.82**	**29,108.63**

All non current assets of the Holdings Company are located in India.

Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products.

(₹ In lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Paper, pulp and other products	35,549.39	26,160.47
Total	**35,549.39**	**26,160.47**

Revenue from major customers

The Group is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single customer in case of Paper and Pulp.

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers

I. Disaggregated rewvenue information for Revenue from Contracts with Customers

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Types of Goods		
Paper	29,520.32	22,237.93
Pulp	5,180.61	3,331.86
Egg Tray	432.80	309.61
Baggasse Pith Pallets	415.66	281.07

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers (contd.)

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Moulded products	5,281.43	2,948.16
Total	**40,830.82**	**29,108.63**
Sales by Geographical location		
India	31,011.22	22,266.54
Outside India	9,819.60	6,842.09
Total	**40,830.82**	**29,108.63**
Sale Channels		
Directly to Consumers	2,691.61	4,389.64
Through intermediaries	38,139.21	24,718.99
Total	**40,830.82**	**29,108.63**
Sales by performance obligation		
Upon Shipment/ Dispatch	40,830.82	29,108.63
Upon Delivery	-	-
Total	**40,830.82**	**29,108.63**

II. Reconciliation between revenue with customers and contract price:

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Revenue as per contracted price	40,862.23	29,129.58
Adjustments		
Discounts/ Rebates	(31.41)	(20.95)
Revenue from contracts with Customers	**40,830.82**	**29,108.63**

(contd.)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

41. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers (contd.)

III. Reconciliation of the revenue from contracts with the amounts disclosed in the segment information

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Total revenue from contracts with customer	40,830.82	29,108.63
Total revenue as per Segment		-
- Paper, pulp and other products	35,549.39	26,160.47
- Moulded products	5,281.43	2,948.16

IV. Contract Balances

(₹ In lakhs)

Particulars	31st March, 2023	31st March, 2022
Trade Receivables	2,443.81	2,253.57
Contract Liabitlies	352.36	440.90

42. Disclosure in terms of Ind AS 116

Effective 01st April 2019, the Group has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. The Group is not required to restate the previous figures. There is no material impact on transition.

Operating Leases

As Lessee

Short term leases:

The Group has obtained premises for its business operations under operating leases of low value. These are not non-cancellable and are renewable by mutual consent of the parties.

The same are shown under 'Rent' in the Statement of Profit and Loss as follows:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease rent	45.32	37.82

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

42. Disclosure in terms of Ind AS 116 (contd.)

As Lessor

The following table sets out a maturity analysis of lease payaments, showing undiscounted lease payments to be received after the reporting period.

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	36.00	1.69
Between one to five years	42.00	2.42
Beyond five years	-	-

Finance Leases

Amounts recognised in the Balance Sheet

A Group has finance lease arrangement for various land leases for terms of 3- 72 years . The carrying amount of these assets are shown below:

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land		
Gross Carrying Amount	181.25	181.25
Accumulated Depreciation	21.12	18.79
Depreciation recognized in statement of profit and loss	2.33	2.32

43. Business Combination - Merger

Merger of Yash Compostables Limited

Hon. National Company Law Tribunal has approved the Scheme of Merger of Yash Compostables Limited ("YCL") with the Company vide its order dated 18th April 2022. As per the scheme the effective date of Merger was 1st April 2020. Accordingly, the financial performance of YCL for the financial year 2021-22 has been incorporated in the these financial statements and the financial performance for financial year 2020-21 has been incorporated in retained earnings. The difference between fair value of assets and liabilities as on 1st April 2020 and after taking into account 28,38,500 equity shares of ₹10 Each to be allotted to the erstwhile shareholders of YCL as per the scheme is recognised as Goodwill of ₹408.80 lakhs which is accounted in the Standalone Financial Statements.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

43. Business Combination - Merger (contd.)

Assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as at the date of merger date i.e. 1st April 2020 were:

(₹ In lakhs)

Particulars	Amount (₹ In lakhs)
Assets	
Property, plant and equipment	12.95
Inventories	8.62
Trade receivables	200.57
Cash and cash equivalents	17.95
Other assets	4.52
Total assets (A)	**244.61**
Liabilities	
Trade payables	386.12
Deferred tax liabilities	(45.35)
Other current liabilities	17.66
Provisions	11.13
Total liabilities (B)	**369.56**
Net assets (A - B) = (C)	**(124.95)**
Shares to be allocated to YCL (D)	**283.85**
Goodwill (D) - (C)	**408.80**

Acquisition related costs

Acquisition related costs of ₹ NIL is paid towards transfer of assets.

Impact of acquisition on there statement of profit and loss

Following is the extract of the audited statement of Profit and Loss of Yash Composatables Limited before merger FY 2020-21

(₹ In lakhs)

Particulars	Amount (₹ In lakhs)
Total Income	1,945.42
Total Expenses	1,870.48
Profit/ (Loss) Before Taxes	74.94

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

44. Share-based Payment Arrangement

A. Description of share-based payement arrangement

Share Option Programme (Equity Settled)

The members of the Company had approved the YASH TEAM STOCK OPTION PLAN – 2021' ('TSOP'/ 'Plan') at the extra ordinary general meeting held on 6th May 2022. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations').The Plan covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10%of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company.The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 20,00,000 (Twenty Lakhs Only) equity shares of the Company.

Pursuant to this, during FY 2022-23, the Company has granted 14,16,000 options at an exercise price of INR 82.21 per option, to the employees of the Company. Under the terms of the plan, these options are vested on a graded vesting basis over a maximum period of 1 year from the date of grant and are to be exercised either in part(s) or full, within a maximum period of 3.5 years from the date of last vesting.

(₹ In lakhs)

Particulars	TSOP 2021
Date of Grant	07th July,2022
Date of Board/NRC Approval	07th July,2022
Date of Shareholders' Approval	06th May 2022
Maximum number of shares under the plan	2,000,000
Method of settlement (cash/equity)	Equity
Vesting period (maximum)	1 Year
Exercise period from the date of vesting (maximum) (In Years)	3.50
Vesting conditions	As per Policy approved by Shareholders

Table Representing general terms of the grants of the ESOP outstanding as on 31st March 2023

Name of the Scheme	Grant Date	No. of Options Outstanding	Exercise Price	Weighted Average Remaining Life	Vesting Period
YASH TEAM STOCK OPTION PLAN – 2021	Thursday, July 7, 2022	1,416,000	82.21	2	1 Year

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

44. Disclosure in terms of Ind AS 102 on the Share-based Payment Arrangement (contd.)

B. Measurement of Fair Value

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

(₹ In lakhs)

Particulars	TSOP 2021
Date of Grant	07 July 2022
Fair value of options at grant date	27.40
Share price at grant date	95.51
Exercise price	82.21
Expected volatility (weighted-average)	24.19%
Expected life (weighted-average)	2.01
Risk-free interest rate	7.19%

C. Reconciliation of Outstanding Share Options

The number and weighted-average exercise prices of share options under the share option programme were as follows.

(₹ In lakhs)

Particulars	As on 31st March 2023		As on 31st March 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding as at the beginning of the year	-	82.21	-	-
Add: Options granted during the year	1,416,000	82.21	-	-
Less: Options lapsed during the year	-	82.21	-	-
Less: Options exercised during the year	-	82.21	-	-
Options outstanding as at the year end	1,416,000	82.21	-	-
Exercisable as at year end	-	82.21	-	-
Weighted - average contractual life	2	82.21	-	-

D. Expense recognised in Standalone Statement of Profit and Loss(Refer Note 31)

(₹ In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity settled share based payments	227.15	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

45. Expenditure on Research and Development

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Capital Expenditure	-	-
Revenue Expenditure	44.31	84.79

46. Subsidiary

Details regarding subsidiary

Nature of subsidiary	Country of Incorporation	Principal activity	Proportion of ownership interest and voting power held by the Group
Pakka Inc. USA	U.S.A.	Marketing actitivy	100%
Pakka Pte Ltd., Singapore	Singapore	Digital platform for compostable products and related activities	100%
Pakka Impact Limited . India	India	Innovation in Regenerative packaging	97.5%

47. Non-Controlling Interests (NCI)

A) Below is the list of the party owned subsidiary of the Company and the respective share of the non-controlling interests.

(₹ In lakhs)

Name	Country of Incorporation	Principal Activity	Proportion of Non-controlling interests (%)	
			As at 31st March, 2023	As at 31st March, 2023
Pakka Impact Limited	India	Innovation in Regenerative packaging	97.50%	0%

B) The following table comprises the information relating to each of the Group Subsidiary that has material Non-Controlling interests, before any intra group eliminations :

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
NCI %	2.50%	0%
Non-Current Assets	151.28	11.35
Current Assets	168.12	29.42
Non-Current Liabilities	397.34	75.00

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

47. Non-Controlling Interests (NCI) (contd.)

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Liabilities	39.88	46.98
Net Assets	(117.82)	(81.21)
Net Assets Attributable to NCI	(2.95)	-
Revenue	12.13	-
Profit	(231.61)	(82.57)
Other Comprehensive income	-	-
Total Comprehensive Income	(219.48)	(82.57)
Cash flow from Operating activities	(363.42)	(66.95)
Cash flow from investing activities	(132.95)	(5.58)
Cash flow from financing activities	500.15	74.43
Net Increase/(decrease) in cash and cash equivalents	3.78	1.90
Dividend paid to NCI	-	-

48. Contingencies

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Claims against the Company not acknowledged as debts:		
- VAT	3.96	12.74
- Guarantees given by Banks	651.29	641.29
- Letter of Credits	-	251.25
Total	**655.25**	**905.28**

49. Capital and other commitments

(₹ In lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Estimated value of contracts remaining to be executed on capital account (net of advance paid)	272.10	555.56
Other commitments - EPCG licenses	-	302.39
Total	**272.10**	**857.95**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2023

50. Other disclosures as per amended Schedule III-

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

(ii) The Group do not have any transactions with Companies stuck off.

(iii) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

(iv) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(v) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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.

(vi) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013

(vii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(viii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.

(x) The Group has complied with the requirements of clause 87 of section 2 of the Companies Act 2013 read with Compliance (Restriction on number of layers) Rules, 2017.

51. Figures for the previous period are re-arranged/ re-grouped, wherever necessary, to correspond with the current period's classification and disclosures.

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 29th April,2023

For and on behalf of the Board

Jagdeep Hira
Managing Director
DIN: 07639849

Place: Ayodhya
Date: 29th April,2023

Dr Indroneel Banerjee
Director
DIN: 06404397

Place: Ayodhya
Date: 29th April,2023

Neetika Suryawanshi
Chief Financial Officer

Place: Ayodhya
Date: 29th April,2023

Sachin Kumar Srivastava
Company Secretary

Place: Ayodhya
Date: 29th April,2023

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