

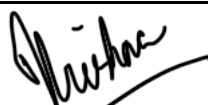
Pakka Inc

655 SE Dowsett Ln.
Gresham, OREGON 97080

Balance Sheet as at 31st March, 2024

Amount in INR

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	261,648	-
(b) CWIP	3	110,726,806	23,227,029
Total non current assets		110,988,454	23,227,029
Current Assets			
(a) Cash and cash equivalents	4	14,437,002	1,468,568
(b) Other current assets	5	1,534,811	151,377
Total current assets		15,971,813	1,619,945
TOTAL ASSETS		126,960,267	24,846,974
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	6	37,601,000	37,601,000
(b) Retained Earnings	6.1	-106,578,579	-63,496,895
Total Equity		-68,977,579	-25,895,895
Liabilities			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	7	194,406,529	47,051,027
Total non current liabilities		194,406,529	47,051,027
(3) Current liabilities			
(a) Financial liabilities			
(i) Total outstanding dues of creditors	8	-	1,659,480
(b) Other current liabilities	9	1,531,317	2,032,362
Total current liabilities		1,531,317	3,691,842
Total liabilities		195,937,846	50,742,869
TOTAL EQUITY AND LIABILITIES		126,960,267	24,846,974
Material Accounting Policy Information	1		


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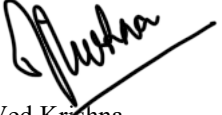
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Statement of Profit and Loss for the period ended 31st March, 2024

Amount in INR

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I. Revenue from operations			
II. Other income			-
III. Total Income		-	-
IV. Expenses			
Employee benefits expenses	10	21,049,835.00	17,244,069.72
Finance costs	11	4,235,985.00	1,929,865.91
Depreciation and amortization expenses		58,088.00	-
Other expenses	12	17,111,468.00	19,938,125.94
Total Expenses (IV)		42,455,376.00	39,112,061.58
V. Profit before Tax (III - IV)		(42,455,376.00)	-39,112,061.58
VI. Tax expense:			
VII. Profit for the period (V - VI)		(42,455,376.00)	(39,112,061.58)
VIII. Other comprehensive income			
Foreign currency Transition Reserve		(626,308.40)	585,172.77
		(626,308.40)	585,172.77
IX. Total comprehensive income for the period (VII - VIII)		(43,081,684.40)	-38,526,888.81
Material Accounting Policy Information	1		


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Statement of Cash Flows for the year ended 31st March'24

Particulars	As at 31st March 2024	As at 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	-42,455,376.00	39,112,061.58
<i>Adjustments for :</i>		
Depreciation and amortization	-	-
Loss/(Profit) on sale of property, plant and equipment	-	-
Finance cost	4,235,985.00	1,929,865.91
Net (gain) / loss on foreign exchange fluctuation	-	-
Net (gain)/ loss on investments measured at Fair Value through Profit and Loss	-	-
Operating profit before working capital changes	-38,219,391.00	-37,182,195.67
<i>Changes in working capital:</i>		
<i>Adjustment for (increase)/decrease in operating assets</i>		
(Increase)/ decrease in trade receivables & others	-	0.00
(Increase)/ decrease in inventories	-	-
(Increase)/ decrease in other assets	-1,383,433.79	(151,377.21)
<i>Adjustment for increase/(decrease) in operating liabilities</i>		
Increase/ (decrease) in trade payables & other	-1,659,480.00	882,869.39
Increase/ (decrease) in other liabilities	-501,044.93	1,791,518.80
Increase/ (decrease) in provisions	-	-
Cash generated from operations	-41,763,349.72	(34,659,184.68)
Taxes paid (net of refunds)	-	0.00
Net cash generated from operating activities	-41,763,349.72	(34,659,184.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capial advance)	-87,761,424.60	(23,227,029.00)
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	-
Other Non current assets	-	-
Net cash (used in) / generated from investing activities	(87,761,424.60)	(23,227,029.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in long-term borrowings	147,355,502.00	47,051,027.00
Increase/ (decrease) in short-term borrowings	-	-
Issuance of equity shares	-	-
Premium on Security	-	-
Money received against warrant	-	-
Finance costs paid	-4,235,985.00	-1,929,865.91
Derivatives	-	-
Net cash used in financing activities	143,119,517.00	45,121,161.09
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	13,594,742.67	-12,765,052.60
Cash and cash equivalents at the beginning of the year	1,468,568.13	13,648,447.96
Cash and cash equivalents at the end of the year (refer note 4)	14,437,002.00	1,468,568.13
Reconciliation :		
Cash and cash equivalents at the beginning of the year	1,468,568.13	13,648,447.96
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	13,594,742.67	12,765,052.60
Foreign currency Transition Reserve	-	585,172.77
Cash and cash equivalents at the end of the year (refer note 4)	14,437,002.41	1,468,568.13
The above statement of cash flow has been prepared under the indirect method as set out in INDAS-7' Statement of cash flow')		
Material Accounting Policy Information (Refer Note 1)		
The accompanying notes are an integral part of the financial statements		

Pakka Inc

1. Company Overview

Pakka Inc. (hereinafter referred to as “the Company”) is a wholly owned subsidiary incorporated in the state of Delaware, USA. Its registered office is in the state of Delaware , located at 221 N, Broad Street, Suite 3A, Middletown.

The company is currently under project stage and after completion of project & commencement of manufacturing activity, the company will mainly engage in business of manufacture and dealing in paper & moulded products. -

The Company’s immediate and ultimate holding company is Pakka Limited which is incorporated in India and its registered office address is 2ND FLOOR, 24/57 BIRHANA ROAD, Kanpur, KANPUR, Uttar Pradesh, India, 208001

1.1. Material Accounting Policy Information

a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at relevant places

b) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in Other Comprehensive Income

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company’s cash management.

d) Fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

- *Cash and cash equivalents, and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

- *Trade payables*

The carrying amounts of these payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

e)Property, Plant and Equipment :

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The Group believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is

1.2. Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

Pakka Inc

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Notes forming part of the financial statements for the period ended 31st March, 2024

2. Property, plant and equipment

Particulars	Amount in INR								
	Freehold land	Lease hold land	Factory buildings	Assets - Art Work	Plant and equipments	Computer	Office equipments	Air Conditioner	Total
Gross carrying value									
As at 1st April, 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	276,549.72	43,186.01	-	319,735.73
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March	-	-	-	-	-	276,549.72	43,186.01	-	319,735.73
Accumulated Depreciation									
As at 1st April, 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	55,252.92	2,835.20	-	58,088.12
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March	-	-	-	-	-	55,252.92	2,835.20	-	58,088.12
Net Carrying amount									
As at 1st April, 2023	-	-	-	-	-	-	-	-	-
As at 31st March	-	-	-	-	-	221,296.79	40,350.81	-	261,647.61

3. Capital work in progress

(Rs. In lakhs)

Particulars	Amount
Gross carrying value	
As at 1st April, 2023	22,898,161.40
Additions	87,828,644.60
Transfers	-
As at 31st March	110,726,806.00
Net Carrying amount	



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Notes forming part of the standalone financial statements for the year ended 31st March, 2024

4. Cash and cash equivalents Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks in current accounts	14,437,002.00	1,468,568.13
Total	14,437,002.00	1,468,568.13

5. Other current assets Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Others	1,534,811.00	151,377.21
Total	1,534,811.00	151,377.21

6 Equity share capital Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Issued, subscribed and fully paid up Equity shares		
	37,601,000.00	37,601,000.00
Total	37,601,000.00	37,601,000.00

6.1 The movement in Retained Earnings Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained Earnings		
Balance at the beginning of the year	-63,496,895.00	-24,970,005.78
Acquisition through business combination		
Add: Profit for the year	-43,081,684.40	-38,526,888.81
Balance at the end of the year	-106,578,579.40	-63,496,894.59

7. Borrowings

Long term borrowings Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
From related parties	194,406,529.00	47,051,027.00
Total	194,406,529.00	47,051,027.00

8. Trade Payables


Trade Payables Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payables:		
Other	-	1,659,480.00
Total	-	1,659,480.00

9. Other current liabilities

Other current liabilities Amount in INR

Particulars	As at 31st March, 2024	As at 31st March, 2023
Salary payable	-	-
Others	1,531,317.00	2,032,361.93
Total	1,531,317.00	2,032,361.93


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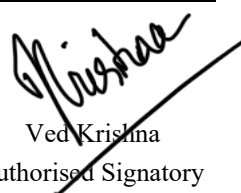
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Notes forming part of the standalone financial statements for the year ended 31st March, 2024

10. Employee benefit expenses		Amount in INR	
Particulars	For the year ended 31st March, 2024	For the year ended 31st March,	
Salary, wages, bonuses and incentives	21,049,835.00	16,697,366.52	
Workmen and staff welfare expenses	-	546,703.20	
Total	21,049,835.00	17,244,069.72	

11. Finance costs		Amount in INR	
Particulars	For the year ended 31st March, 2024	For the year ended 31st March,	
Interest on - Others	3,931,598.00	1,602,834.18	
Bank and documentation charges	304,387.00	327,031.73	
Total	4,235,985.00	1,929,865.91	

12. Other expenses		Amount in INR	
Particulars	For the year ended 31st March, 2024	For the year ended 31st March,	
<u>Others</u>			
Others	-	36,369.19	
Travelling and Conveyance	-	2,955,692.20	
Legal professional and consultation charges	7,748,064.00	11,168,821.57	
Subscription and Donation	672,959.00	1,226,005.29	
Business Promotion Expenses	3,893,907.00	3,598,739.75	
Insurance Expenses	1,077,555.00	-	
Miscellaneous Expenses	3,718,983.00	952,497.94	
Total	17,111,468.00	19,938,125.94	


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