

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 or 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

655 SE Dowsett Ln.
Gresham, OREGON 97080

Balance Sheet as at 30th September, 2024

Amount in INR

Particulars	Note No.	As at 30th Septmeber, 2024	As at 31st March, 2024
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	923,474	261,648
(b) CWIP	3	134,496,467	110,726,806
(c) Investment			
Total non current assets		135,419,941	110,988,454
Current Assets			
(a) Cash and cash equivalents	4	17,757,018	14,437,002
(b) Other current assets	5	55,278,780	1,534,811
Total current assets		73,035,798	15,971,813
TOTAL ASSETS		208,455,739	126,960,267
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	6	37,601,000	37,601,000
(b) Retained Earnings	6.1	(153,580,150)	(106,578,579)
Total Equity		(115,979,150)	(68,977,579)
Liabilities			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	7	293,260,800	194,406,529
Total non current liabilities		293,260,800	194,406,529
(3) Current liabilities			
(a) Financial liabilities			
(i) Total outstanding dues of creditors	8	2,675,698	-
(b) Other current liabilities	9	28,498,391	1,531,317
Total current liabilities		31,174,090	1,531,317
Total liabilities		324,434,889	195,937,846
TOTAL EQUITY AND LIABILITIES		208,455,739	126,960,267
Material Accounting Policy Information	1		

Ved Krishna
Authorised Signatory

Signed by:

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Statement of Cash Flows for the period ended 30th September'24

Particulars	As at 30th Septmeber, 2024	As at 31st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(45,957,102)	(42,455,376)
Adjustments for :		
Depreciation and amortization	-	-
Loss/(Profit) on sale of property, plant and equipment	-	-
Finance cost	431,394.50	4,235,985.00
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	(45,525,708)	(38,219,391)
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
(Increase)/ decrease in trade receivables & others	-	0.00
(Increase)/ decrease in inventories	-	-
(Increase)/ decrease in other assets	(53,743,969)	(1,383,434)
Adjustment for increase/(decrease) in operating liabilities		
Increase/ (decrease) in trade payables & other	2,675,698	(1,659,480)
Increase/ (decrease) in other liabilities	26,967,074	(501,045)
Increase/ (decrease) in provisions	-	-
Cash generated from operations	(69,626,904)	(41,763,350)
Taxes paid (net of refunds)	-	-
Net cash generated from operating activities	(69,626,904)	(41,763,350)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capial advance)	(24,431,488)	(87,761,425)
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	-
Other Non current assets	-	-
Net cash (used in) / generated from investing activities	(24,431,488)	(87,761,425)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in long-term borrowings	98,854,271	147,355,502
Increase/ (decrease) in short-term borrowings	-	-
Issuance of equity shares	-	-
Premium on Security	-	-
Money received against warrant	-	-
Finance costs paid	(431,394)	(4,235,985)
Derivatives	-	-
Net cash used in financing activities	98,422,876	143,119,517.00
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,364,484	13,594,743
Cash and cash equivalents at the beginning of the year	14,437,002	1,468,568
Cash and cash equivalents at the end of the year (refer note 4)	17,757,018	14,437,002
Reconciliation :		
Cash and cash equivalents at the beginning of the year	14,437,002	1,468,568
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,364,484	13,594,743
Foreign currency Transition Reserve	-	626,308
Cash and cash equivalents at the end of the year (refer note 4)	17,757,018	14,437,002
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		

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Notes forming part of the financial statements for the period ended 30th September, 2024

2. Property, plant and equipment

Particulars	Freehold land	Lease hold land	Factory buildings	Assets - Art Work	Plant and equipments	Furniture and fixtures	Computer	Vehicles	Office equipments	Air Conditioner	Total
Gross carrying value											
As at 1st April, 2024	-	-	-	-			3,317.00		517.98		3,834.98
Additions	-		-				3,871.95		-		3,871.95
Deletions			-	-							-
As at 30th Sept'24	-	-	-	-	-	-	7,188.95	-	517.98	-	7,706.93
Accumulated Depreciation											-
As at 1st April, 2024	-	-	-	-			667.34		34.24		701.59
Additions		-	-	-			827.40		49.34		876.74
Deletions					-			-	-	-	-
As at 30th Sept'24	-	-	-	-	-	-	1,494.74	-	83.58	-	1,578.33
Net Carrying amount											
As at 1st April, 2024	-	-	-	-	-	-	2,649.66	-	483.74	-	3,133.39
As at 30th Sept'24	-	-	-	-	-	-	5,694.21	-	434.40	-	6,128.60

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Gross carrying value											
As at 1st April, 2024	-	-	-	-	-	-	-	-	-	-	-
Additions	-		-		-	-	4,920.20	-	-	-	4,920.20
Deletions			-	-	-	-	-	-	-	-	-
As at 30th Sept'24	-	-	-	-	-	-	4,920.20	-	-	-	4,920.20
Accumulated Depreciation											-
As at 1st April, 2024	-	-	-	-	-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-	-	-	-
Deletions					-			-	-	-	-
As at 30th Sept'24	-	-	-	-	-	-	-	-	-	-	-
Net Carrying amount											
As at 1st April, 2024	-	-	-	-	-	-	-	-	-	-	-
As at 30th Sept'24	-	-	-	-	-	-	4,920.20	-	-	-	4,920.20

Title deeds of Immovable Property not held in name of the Company

Relevant Line Item in the Balance Sheet	Description of item of property	Gross carryin g value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of		Property held since which date	Reason for not being held in the name of the company**	
PPE	Land	-	-	-		-	** Alos indicate if in dispute	
PPE	Building							
Investment Property	Land							
Investment Property	Building							
PPE Retire from active use & held for disposal	Land							
PPE Retire from active use & held for disposal	Building							
Others								

3. Capital work in progress

(USD)

Particulars	Amount
Gross carrying value	
As at 1st April, 2024	1,328,075.17
Additions	283,685.42
Transfers	
As at 30th Sept'24	1,611,760.59
Net Carryng amount	

Amount in inr

Particulars	Freehold land	Lease hold land	Factory buildings	Assets - Art Work	Plant and equipments	Furniture and fixtures	Computer	Vehicles	Office equipments	Air Condition er	Total
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Notes forming part of the standalone financial statements for the year ended 30th September, 2024

4. Cash and cash equivalents		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Balances with banks in current accounts	15,151,159	14,437,002
Banco Industrial Account Q. 0920088101	698,953	
Banco Industrial Account \$. 0920088119	1,906,906	
Cash	-	
Total	17,757,018	14,437,002

5. Other current assets		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Others	55,278,780	1,534,811
Total	55,278,780	1,534,811

6 Equity share capital		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Issued, subscribed and fully paid up Equity shares	37,601,000	37,601,000
Total	37,601,000	37,601,000


6.1 The movement in Retained Earnings		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Retained Earnings		
Balance at the beginning of the year	(106,578,579)	(63,496,895)
Acquisition through business combination		
Add: Profit for the year	(47,001,570)	(43,081,684)
Balance at the end period	(153,580,150)	(106,578,579)

7. Borrowings		Amount in INR
Long term borrowings		
Particulars	As at 30th September, 2024	As at 31st March, 2024
Unsecured		
From related parties	293,260,800	194,406,529
Total	293,260,800	194,406,529

8. Trade Payables		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Trade payables:		
Other	2,675,698	-
Total	2,675,698	-

9. Other current liabilities		Amount in INR
Particulars	As at 30th September, 2024	As at 31st March, 2024
Salary payable	-	-
Others	28,498,391	1,531,317
Total	28,498,391	1,531,317

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Statement of Profit and Loss for the period ended 30th September, 2024

Amount in INR			
Particulars	Note No.	For the period ended 30th September, 2024	For the Year ended 31st March, 2024
I. Revenue from operations			
II. Other income		27,079.00	-
III. Total Income		27,079.00	-
IV. Expenses			
Employee benefits expenses	10	25,287,517	21,049,835
Finance costs	11	431,394	4,235,985
Depreciation and amortization expenses		73,279	58,088
Other expenses	12	20,191,991	17,111,468
Total Expenses (IV)		45,984,181	42,455,376
V. Profit before Tax (III - IV)		(45,957,102)	(42,455,376)
VI. Tax expense:			
VII. Profit for the period (V - VI)		(45,957,102)	(42,455,376)
VIII. Other comprehensive income			
Foreign currency Transition Reserve		(1,044,468)	(626,308)
		(1,044,468)	(626,308)
IX. Total comprehensive income for the period (VII - VIII)		(47,001,570)	(43,081,684)
Material Accounting Policy Information	1		

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Notes forming part of the standalone financial statements for the period ended 30th September, 2024

10. Employee benefit expenses		Amount in INR
Particulars	For the period ended 30th September, 2024	For the year ended 31st March,
Salary, wages, bonuses and incentives	23,631,314	21,049,835
Workmen and staff welfare expenses	1,656,203	-
Total	25,287,517	21,049,835

11. Finance costs		Amount in INR
Particulars	For the period ended 30th September, 2024	For the year ended 31st March,
Interest on		
- Others	252,187	3,931,598
Bank and documentation charges	179,207	304,387
Total	431,394	4,235,985

12. Other expenses		Amount in INR
Particulars	For the period ended 30th September, 2024	For the year ended 31st March,
<u>Others</u>		
Others	1,585,285	-
Travelling and Conveyance	-	-
Legal professional and consultation charges	16,638,184	7,748,064
Subscription and Donation	167,599	672,959
Business Promotion Expenses	824,711	3,893,907
Postage & Courier	46,395	-
Insurance Expenses	9,125	1,077,555
Miscellaneous Expenses	920,692	3,718,983
Total	20,191,991	17,111,468

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Pakka INC

Notes forming part of the consolidated financial statements for the period ended 30th September, 2024

38. Related party relationships, transactions and balances:

a) Name of Related Parties and nature of relationship

I. Key Managerial Personnel and relatives

1. Executive Directors

(a) Ved Krishna	Director
(b) Kimberly Ann McArthur	Director
(c) Himanshu Kapoor	Director
(d) Jeff Allen	Director

2. Non - Executive Directors

3. Other Key Management Personnel

III. Enterprise over which the Key Managerial Personnel (KMP) have

(a) Pakka Limited

b) Details of transactions with related parties during the year			
(Amount in Rs.)			
Nature of Transactions	Total		
	30th September 2024	31st Mar 2024	31st March, 2023
INCOME			
Sales net of discount/incentives		-	-
Received from services and others		-	-
Rent received		-	-
Total		-	-
EXPENSES			
Purchases			

Pakka Limited		-	-
Loss/(gain) on investments measured at FVTPL		-	-
Interest on unsecured loan			
Pakka Limited	9,065,450	9,240,439	1,592,144
Donation paid		-	-
Dividend Paid		-	-
Remuneration			
Ved Krishna	14,271,614	24,665,967	19,005,439
Sitting Fees		-	-
Consultancy Charges			
Kimberly Ann McArthur	5,850,670	4,967,724	4,743,807
Rent Paid		-	-
Pension		-	-
Total	13,899,047	38,874,130	25,341,390

c) Outstanding balances with related parties: (Rs. In Lakhs)

Particulars	Total		
	30th September 2024	31st Mar 2024	31st March, 2023
Assets			
Investments			
Receivable For Services/others			
Ved Krishna	937,158	932,518	-
Trade Receivables			
Total	933,407	932,518	-
Liabilities			
Unsecured Loans			
Pakka Limited	268,124,160	183,422,580	42,019,098
Kimberly Ann McArthur	-	-	5,001,220
Interest payable on unsecured loans			
Pakka Limited	20,104,060	10,983,949	1,678,651
Payable For Services/others			
Ved Krishna	837,888	-	30,709
Trade Payable			
Pakka Limited	917,987	917,113	-
Guarantees			
Personal Gurantees			
Corporate Guarantees			
Total	282,682,453	195,323,642	48,729,678

d) Other Notes

No amount has been written off/back or provision made for loss allowance