

Pakka Inc

655 SE Dowsett Ln.
Gresham, OREGON 97080

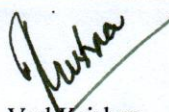
Balance Sheet as at 30th June, 2024

Amount in INR

Particulars	Note No.	As at 30th June, 2024	As at 31st March, 2024
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	7,05,598	2,61,648
(b) CWIP	3	11,71,78,250	11,07,26,806
(c) Investment		-	
Total non current assets		11,78,83,848	11,09,88,454
Current Assets			
(a) Cash and cash equivalents	4	9,23,35,117	1,44,37,002
(b) Other current assets	5	3,96,30,818	15,34,811
Total current assets		13,19,65,935	1,59,71,813
TOTAL ASSETS		24,98,49,783	12,69,60,267
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	6	3,76,01,000	3,76,01,000
(b) Retained Earnings	6.1	-12,38,15,404	(10,65,78,579)
Total Equity		(8,62,14,404)	(6,89,77,579)
Liabilities			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	7	32,34,91,166	19,44,06,529
Total non current liabilities		32,34,91,166	19,44,06,529
(3) Current liabilities			
(a) Financial liabilities			
(i) Total outstanding dues of creditors	8	-	-
(b) Other current liabilities	9	1,25,73,021	15,31,317
Total current liabilities		1,25,73,021	15,31,317
Total liabilities		33,60,64,187	19,59,37,846
TOTAL EQUITY AND LIABILITIES		24,98,49,783	12,69,60,267
Material Accounting Policy Information	1		

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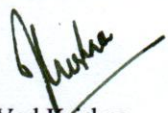
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Statement of Profit and Loss for the period ended 30th June, 2024

Amount in INR

Particulars	Note No.	For the period ended 30th June, 2024	For the Year ended 31st March, 2024
I. Revenue from operations			
II. Other income			-
III. Total Income		-	-
IV. Expenses			
Employee benefits expenses	10	95,16,961	2,10,49,835
Finance costs	11	1,39,351	42,35,985
Depreciation and amortization expenses		28,736	58,088
Other expenses	12	74,49,582	1,71,11,468
Total Expenses (IV)		1,71,34,630	4,24,55,376
V. Profit before Tax (III - IV)		(1,71,34,630)	(4,24,55,376)
VI. Tax expense:			
VII. Profit for the period (V - VI)		(1,71,34,630)	(4,24,55,376)
VIII. Other comprehensive income			
Foreign currency Transition Reserve		(1,02,195)	(6,26,308)
		(1,02,195)	(6,26,308)
IX. Total comprehensive income for the period (VII - VIII)		(1,72,36,825)	(4,30,81,684)
Material Accounting Policy Information	1		


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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

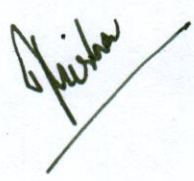
Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated 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.

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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 recognised in the statement of profit and loss.

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

2024

Pakka Inc

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

2. Property, plant and equipment - Pakka INC

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, 2024	-	-	-	-	-	2,76,549.72	43,186.01	-	3,19,735.73
Additions	-	-	-	-	-	1,39,532	-	-	1,39,532
Deletions	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	4,16,082	43,186	-	4,59,268
Accumulated Depreciation									
As at 1st April, 2024	-	-	-	-	-	55,252.92	2,835.20	-	58,088.12
Additions	-	-	-	-	-	26,692	2,044	-	28,736
Deletions	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	81,945	4,879	-	86,824
Net Carrying amount									
As at 1st April, 2024	-	-	-	-	-	2,21,297	40,351	-	2,61,648
As at 30th June 2024	-	-	-	-	-	3,34,137	38,307	-	3,72,444
						(1)	0		(1)

PPE - Guatemala

Gross carrying value									
As at 1st April, 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	3,33,153.00	-	-	3,33,153.94
Deletions	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	3,33,153.00	-	-	3,33,153.94
Accumulated Depreciation									
As at 1st April, 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-	-	-
Net Carrying amount									
As at 1st April, 2024	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	3,33,153.00	-	-	3,33,153.94

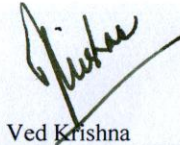
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3. Capital work in progress**(Rs. In lakhs)**

Particulars	Amount
Gross carrying value	
As at 1st April, 2024	11,07,26,806
Additions	-
Transfers	
Elimination	-1,79,72,462
As at 30th June 2024	9,27,54,344
Net Carrying amount	

3. Capital work in progress - Guatemala**(Rs. In lakhs)**

Particulars	Amount
Gross carrying value	
Accumulated Depreciation	
Additions	2,44,23,906
Transfers	
As at 30th June 2024	2,44,23,906
Net Carrying amount	



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Notes forming part of the standalone financial statements for the year ended 30th June, 2024

4. Cash and cash equivalents

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Balances with banks in current accounts	8,90,06,665	1,44,37,002
Banco Industrial Account Q. 0920088101	23,27,161	
Banco Industrial Account \$. 0920088119	9,79,782	
Cash	21,509	
Total	9,23,35,117	1,44,37,002

5. Other current assets

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Others	3,96,30,818	15,34,811
Total	3,96,30,818	15,34,811

6 Equity share capital

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Issued, subscribed and fully paid up Equity shares	3,76,01,000	3,76,01,000
Total	3,76,01,000	3,76,01,000

6.1 The movement in Retained Earnings

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Retained Earnings		
Balance at the beginning of the year	(10,65,78,579)	(6,34,96,895)
Acquisition through business combination		
Add: Profit for the year	(1,72,36,825)	(4,30,81,684)
Balance at the end period	(12,38,15,404)	(10,65,78,579)

7. Borrowings

Long term borrowings

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Unsecured		
From related parties	32,34,91,166	19,44,06,529
Total	32,34,91,166	19,44,06,529

8. Trade Payables

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Trade payables:		
Other	-	-
Total	-	-

9. Other current liabilities

Amount in INR

Particulars	As at 30th June, 2024	As at 31st March, 2024
Salary payable	-	-
Others	1,25,73,021	15,31,317
Total	1,25,73,021	15,31,317



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

10. Employee benefit expenses

Amount in INR

Particulars	For the period ended 30th June, 2024	For the year ended 31st March, 2024
Salary, wages, bonuses and incentives	95,16,961	2,10,49,835
Workmen and staff welfare expenses	-	-
Total	95,16,961	2,10,49,835

11. Finance costs

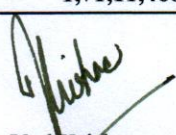
Amount in INR

Particulars	For the period ended 30th June, 2024	For the year ended 31st March, 2024
Interest on - Others	32,830	39,31,598
Bank and documentation charges	1,06,521	3,04,387
Total	1,39,351	42,35,985

12. Other expenses

Amount in INR

Particulars	For the period ended 30th June, 2024	For the year ended 31st March, 2024
<u>Others</u>		
Others	59,460	-
Travelling and Conveyance	-	-
Legal professional and consultation charges	67,64,813	77,48,064
Subscription and Donation	-	6,72,959
Business Promotion Expenses	1,76,899	38,93,907
Insurance Expenses	9,107	10,77,555
Miscellaneous Expenses	4,39,303	37,18,983
Total	74,49,582	1,71,11,468


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Pakka INC

Notes forming part of the consolidated financial statements for the period ended 31st March, 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 significant influence with whom transactions have taken place during the year

(a) Pakka Limited

b) Details of transactions with related parties during the period

Nature of Transactions	(Amount in Rs.)			
			Total	
	30th Jun 2024	31st Mar 2024	30th Jun 2024	31st Mar 2024
INCOME				
Sales net of discount/incentives		-		-
Received from services and others		-		-
Rent received		-		-
Total		-		-

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Ved Krishna

EXPENSES				
Purchases				
Pakka Limited		-		-
Loss/(gain) on investments measured at FVTPL		-		-
Interest on unsecured loan				
Pakka Limited	37,17,392.00	92,40,439	37,17,392	92,40,439
Donation paid		-		-
Dividend Paid		-		-
Remuneration				
Ved Krishna	76,46,415.02	2,46,65,967	76,46,415	2,46,65,967
Sitting Fees		-		-
Consultancy Charges				
Kimberly Ann McArthur	25,02,409.50	49,67,724	25,02,410	49,67,724
Rent Paid		-		-
Pension		-		-
Total	1,38,66,217	3,88,74,130	1,38,66,217	3,88,74,130

c) Outstanding balances with related parties:

Particulars	Total			
	30th Jun 2024	31st Mar 2024	30th Jun 2024	31st Mar 2024
Assets				
Investments				
Receivable For Services/others				
Ved Krishna	9,33,407	9,32,518	9,33,407	9,32,518
Loans & Advances				
Given to Gautemala	6,11,17,510		6,11,17,510	-
Total	6,20,50,917	9,32,518	6,20,50,917	9,32,518

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Liabilities				
Unsecured Loans				
Pakka Limited	26,70,50,880	18,34,22,580	26,70,50,880	18,34,22,580
Kimberly Ann McArthur		-	-	-
Interest payable on unsecured loans				
Pakka Limited	1,47,13,586	1,09,83,949	1,47,13,586	1,09,83,949
Payable For Services/others				
Ved Krishna	-	-	-	-
Trade Payable				
Pakka Limited	9,17,987	9,17,113	9,17,987	9,17,113
Guarantees				
Personal Gurantees				
Corporate Guarantees				
Total	28,26,82,453	19,53,23,642	28,26,82,453	19,53,23,642

d) Other Notes

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


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