NOTICE-UNSECURED CREDITORS

Khanna Paper Mills Limited

CIN - U74110HR1985PLC054735
Registered Office: B-26, Infocity-I, Sector - 34 Gurgaon Haryana - 122002
Email: cs@khannapaper.com

NOTICE OF TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF KHANNA PAPER MILLS LIMITED

(Convened pursuant to order dated December 5, 2023 passed by National Company Law Tribunal, Chandigarh Bench at Chandigarh)

MEETING:		
Day	:	**Saturday**
Date	:	**January 20, 2024**
Time	:	**12 P.M.** [Indian Standard Time]
Mode	:	As per the directions of the Hon'ble National Company Law Tribunal, Chandigarh Bench, the meeting shall be conducted through video conferencing/ other audio visual means with facility of remote e voting
REMOTE E-VOTING:		
Start Date and Time	:	January 16, 2024 at 09:00 A.M. [Indian Standard Time]
End Date and Time	:	January 19, 2024, at 05:00 P.M. [Indian Standard Time]

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH
COMPANY APPLICATION NO. 14/CHD/PB/2023

In the matter of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
And
In the matter of Scheme of Arrangement
Between

KHANNA PAPER MILLS LIMITED Registered office at B-26, Infocity-I, Sector 34, Gurgaon, Haryana - 122002	Applicant Company 1/ Demerged Company
AND	
KHANNA FIBER PRIVATE LIMITED Registered office at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab - 143001	Applicant Company 2/ Resultant Company 1
AND	
GROWND REALTY PRIVATE LIMITED Registered office at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab - 143001	Applicant Company 3/ Resultant Company 2

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF KHANNA PAPER MILLS LIMITED (APPLICANT COMPANY – 1 / DEMERGED COMPANY)

To,
The Unsecured Creditors of Khanna Paper Mills Limited
("Applicant Company 1" or "Demerged Company" or "KPML")

Notice is hereby given that by an order dated December 5, 2023 , the Chandigarh Bench of the National Company Law Tribunal ("Tribunal" or "NCLT") has directed a meeting to be held of the Unsecured Creditors of the Applicant Company 1 / Demerged Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Khanna Paper Mills Limited (Applicant 1/ Demerged Company), Khanna Fiber Private Limited (Applicant Company 2/ Resultant Company 1), Grownd Realty Private Limited (Applicant Company 3/ Resultant Company 2) and their respective Shareholders & Creditors ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Unsecured creditors of the Applicant Company 1 will be held through video conferencing (VC) Saturday, January 20, 2024 at 12:00 P.M. (IST) at which time, the said Unsecured creditors of the Applicant Company – 1 / Demerged Company are requested to attend.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the corporate office of the Applicant Company 1 / Demerged Company between 09:00 A.M. (IST) and 05:00 P.M. (IST) at Village Nangli, Fatehgarh Road, NH 3, Bypass Road, Opposite Metro Cash & Carry, Amritsar, Punjab - 143001. The Applicant Company – 1/ Demerged Company will furnish a copy of Scheme within one day of any requisition of the Scheme made by any unsecured creditor to Applicant Company – 1/ Demerged Company by email at cs@khannapaper.com.

Unsecured creditors entitled to attend and vote may vote through remote e-voting / e-voting facility made available for the Meeting and attend through VC. The facility of appointment of proxies by unsecured creditors will not be available

for such Meeting. The Institutional/ Corporate members/ body corporate which is an unsecured creditor is entitled to appoint a representative for the purposes of participating and / or vote through remote e-voting or e-voting during the Meeting. The Institutional/ Corporate members/ body corporate shall not later than 48 hours before the scheduled time of the meeting of the unsecured creditors send the Board Resolution/ Power of Attorney/ Authority Letter etc. to the scrutinizer at his e-mail ID at fca.kushagragoyal@gmail.com with a copy to helpdesk.evoting@cdslindia.com, or to the company at cs@khannapaper.com or deposit at the registered office of the Applicant Company 1 and shall also while casting the vote on electronic platform(s) attach Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" tab displayed under "E-voting" tab in their login. Any vote casted without compliance to the above shall not be held valid.

The Tribunal has appointed Mr. Vishav Bharti Gupta, Advocate, as the Chairperson, Mr. Sumit Batra, PCS, as Alternate Chairperson and Mr. Kushagra Goyal, PCS, as the Scrutinizer for the meeting of Unsecured creditors including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

TAKE NOTICE that the following resolution is proposed under Sections 230(3) of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Applicant Company 1 / Demerged Company, for the purpose of considering, and if thought fit, approving, the Scheme of Arrangement between Khanna Paper Mills Limited (Applicant 1/ Demerged Company), Khanna Fiber Private Limited (Applicant Company 2/ Resultant Company 1), Grownd Realty Private Limited (Applicant Company 3/ Resultant Company 2) and their respective Shareholders & Creditors ("Scheme"):

*"**RESOLVED THAT** pursuant to the provisions of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Chandigarh ("Tribunal" or "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the unsecured creditors of the Demerged Company is hereby accorded to the Scheme of Arrangement between Khanna Paper Mills Limited (Applicant Company -1/ Demerged Company), Khanna Fiber Private Limited (Applicant Company 2/ Resultant Company 1), Grownd Realty Private Limited (Applicant Company 3/ Resultant Company 2) and their respective Shareholders & Creditors ("Scheme")*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Date: 16th day of December, 2023
Place: Amritsar

By the Order of the Board
For Khanna Paper Mills Limited

Registered Office:
Khanna Paper Mills Limited,
B-26, Infocity-I, Sector - 34 Gurgaon Haryana – 122002
CIN - U74110HR1985PLC054735

Sd/-
Priyanka Sharma
Company Secretary

Notes:

1) Please note that pursuant to provisions of Section 230; Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof), Secretarial Standard-2 on General Meetings and other relevant laws and regulations, as may be applicable, and in accordance with the Order of the Hon'ble NCLT, Company has provided voting by Unsecured Creditors on the proposed resolution through remote e-voting / e-voting facility made available for the Meeting. The Company has Central Depository Services (India) Limited (CDSL) for the purposes of providing for the VC facility and for purpose of providing remote e-voting / e-voting for the Meeting. The detailed procedure for participating in the meeting though VC is mentioned hereunder in this notice.
2) A copy of the Explanatory Statement, along with Scheme and other enclosures as indicated above are enclosed.
3) Pursuant to the provisions of the Act, an unsecured creditor entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be an Unsecured Creditor of the Applicant Company 1. Since this meeting is being held pursuant to the directions of NCLT through VC facility, physical attendance of Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for this meeting and therefore the proxy form, route map and attendance slip are not annexed to this notice.
4) Unsecured Creditors entitled to attend and vote may vote through remote e-voting / e-voting facility made available for the Meeting and attend through VC. An institutional/ body corporate which are unsecured creditors is entitled to appoint a representative for the purposes of participating and / or vote through remote e-voting or e-voting during the Meeting.
5) As per the directions of the NCLT, the quorum of the Meeting of the Unsecured Creditors shall be 218 in number or 40% in value of the Unsecured Creditors of the Company. If the quorum for the Meeting is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the Unsecured Creditors attending the Meeting through VC facility will be counted for the purpose of reckoning the quorum for the Meeting.
6) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the corporate office of the Applicant Company 1 between 09:00 A.M. (IST) and 05:00 P.M. (IST) on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting. However, the same shall also be open for inspection during the aforesaid meeting.
7) In compliance with Hon'ble NCLT Order dated December 5, 2023, Notice in relation to the Meeting, together with the documents accompanying the same, is being sent to the Unsecured Creditors of the Applicant Company -1 by courier service.
8) In terms of directions contained in the Order, the notice convening the Meeting will be published through advertisement in (i) Financial Express (English) in the English language, (ii) The Tribune (Punjabi) in Punjabi language and (iii) Dainik Bhaskar (Hindi) in Hindi language.
9) In terms of the directions contained in the Order, Mr. Kushagra Goyal, has been appointed as the Scrutinizer for conducting the remote e-voting and e-voting for the meeting. The Scrutinizer shall make the Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting / the Company Secretary of the Applicant Company 1.
10) The Results declared along with the Scrutinizer's Report shall be disseminated on the website of the Applicant Company 1 i.e. https://www.khannapaper.com/, and on the website of service provider www.evotingindia.com, within two working days from the conclusion of the Meeting.
11) In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if the resolution mentioned above in the notice has been approved by the majority in persons representing three fourth in value, of the fully paid-up of the unsecured creditors, voting through remote e-voting / e-voting facility made available for the Meeting.
12) The Unsecured Creditors desiring to attend this Meeting through VC/OAVM and exercising their vote through remote e-voting / e-voting made available during the Meeting, are requested to carefully follow the instructions set out in the notes below under the heading "Voting through Remote E-voting".
13) The Notice shall be sent to those unsecured creditors whose principal amount due for payment as on December 5, 2023. Further the voting rights of Unsecured Creditors shall be in proportion to the principal amount due to them by the Company as on December 5, 2023.
14) It is clarified that cast of votes by remote e-voting (prior to the Meeting) does not disentitle an Unsecured Creditor from attending the Meeting. However, an Unsecured Creditor who has voted through remote e-voting prior to the Meeting cannot vote again through e-voting during the Meeting. The Unsecured Creditors of Company attending the Meeting through VC/ OAVM who have not cast their vote through remote e-voting prior to the Meeting shall be entitled to exercise their vote using the e-voting facility made available during the Meeting through VC/ OAVM.

Voting through Remote E-voting

The instructions for Unsecured Creditors voting electronically are as under:

a) The remote e-voting period will commence on January 16, 2024 at 09:00 A.M. (IST) and ends on January 19, 2024 at 05:00 P.M. (IST). During this period Unsecured Creditors' of the Company, may cast their vote electronically and voting shall not be allowed beyond the said date and time. The remote e-voting module shall be disabled by CDSL for voting thereafter.

b) Once the vote on the resolution is cast by an Unsecured Creditor, whether partially or otherwise, it shall not be allowed to change subsequently. In case you do not desire to cast your vote, it will be treated as "ABSTAINED".

c) Unsecured Creditors who have already voted prior to the meeting date would not be entitled to vote during the meeting.

d) In case of any query and/ or grievance, in respect of voting by electronic means, members may refer to the Frequently Asked Questions (FAQs) and E-voting user manual available at the Help section of evotingindia.com or call on 1800225533 or send an e mail to helpdesk.evoting@cdslindia.com.

e) Kindly follow the instructions for members Remote voting electronically provided as under.

i. The voting period begins on January 16, 2024 from 09:00 A.M. (IST) and ends on January 19, 2024 at 05:00 P.M. (IST). The e-voting module shall be disabled for voting thereafter.

ii. Voters should log on to the e-voting website www.evotingindia.com during the voting period.

iii. Click on Shareholders/ Members.

iv. Enter your User ID as **XXXXXXXXXX**

v. Next enter the Image Verification as displayed and Click on Login.

vi. Enter your password as **XXXXXXXX**

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Select the EVSN of **<<Company name as registered in the e-Voting system** www.evotingindia.com on which you choose to vote.

ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Instructions for creditors for e-voting on the day of the unsecured creditor meeting are as under:

i. The procedure for e-Voting on the day of the Creditor Meeting is same as the instructions mentioned above for remote e-voting.

ii. Only those Creditors, who will be present in the Creditors meeting through VC facility and have not casted 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 Creditors Meeting.

Instructions for creditors for attending the creditors meeting through VC are as under:

a) Creditors will be provided with a facility to attend the Creditors Meeting through VC through the CDSL e-Voting system. Creditors may access the same at evotingindia.com under shareholders/members login where the EVEN of Company/ Meeting will be displayed.

b) Mr. Kushagra Goyal, the Scrutinizer shall make the Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting / the Company Secretary of the Company.

c) The Results declared along with the Scrutinizer's Report shall be disseminated on the website of the Applicant Company 1 i.e https://www.khannapaper.com/, and on the website of service provider evotingindia.com, within two working days from the conclusion of the Meeting.

Date: 16th day of December, 2023
Place: Amritsar

By the Order of the Board
For Khanna Paper Mills Limited

Registered Office:
Khanna Paper Mills Limited,
B-26, Infocity-I, Sector - 34 Gurgaon Haryana – 122002
CIN - U74110HR1985PLC054735

Sd/-
Priyanka Sharma
Company Secretary

Encl.: As above

COMPANY APPLICATION NO. 14/CHD/PB/2023

In the matter of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of Scheme of Arrangement

Between

KHANNA PAPER MILLS LIMITED Registered office at B-26, Infocity-I, Sector 34, Gurgaon, Haryana - 122002	Applicant Company 1/ Demerged Company
AND	
KHANNA FIBER PRIVATE LIMITED Registered office at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab - 143001	Applicant Company 2/ Resultant Company 1
AND	
GROWND REALTY PRIVATE LIMITED Registered office at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab - 143001	Applicant Company 3/ Resultant Company 2

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 READWITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the order dated December 5, 2023 passed by the Hon'ble National Company Law Tribunal, Bench at Chandigarh ("NCLT"), in Company Application No. 14/CHD/PB/2023 of 2023 ("Order"), a meeting of the Unsecured creditors of Khanna Paper Mills Limited (hereinafter referred to as the "Applicant Company 1 " or the "Demerged Company" or "KPML" as the context may admit) is being convened through Video Conferencing Means (VC) on Saturday, the 20th day of January, 2024 at 12:00 P.M. (IST), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Khanna Paper Mills Limited (Applicant-1/ Demerged Company), Khanna Fiber Private Limited (Applicant Company 2/ Resultant Company 1), Grownd Realty Private Limited (Applicant Company 3/ Resultant Company 2) and their respective Shareholders & Creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

2. In terms of the said Order, the quorum for the said meeting shall be 218 in number or 40% in value of the total Unsecured debt, whichever is higher. It is also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum. Further in terms of the said Order, NCLT, has appointed Mr. Vishav Bharti Gupta, Advocate, as the Chairperson, Mr. Sumit Batra, PCS, as Alternate Chairperson and Mr. Kushagra Goyal, PCS, as the Scrutinizer for the meeting of unsecured creditors including for any adjournment or adjournments thereof.

3. Mr. Kushagra Goyal, is the Scrutinizer for conducting the remote e-voting and e-voting for this meeting. The Scrutinizer shall submit his report within 2 working days from the conclusion of the meeting to the Chairman of the Meeting or a person authorized by him in writing. The Scrutinizer's decision on the validity of the votes cast shall be final.

4. This statement is being furnished as required under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").

5. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the Unsecured Creditors of the Applicant Company 1 shall be convened and held through VC on Saturday, the 20th day of January, 2024 at 12:00 P.M. (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

6. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the unsecured creditors, of the Applicant Company 1, voting, agree to the Scheme.

Particulars of Khanna Paper Mills Limited - KPML:

7. Khanna Paper Mills Limited (**"Demerged Company** "or **"KPML"**) is a company incorporated under the provisions of the Companies Act, 1956 on 2nd February 1985 bearing Company Identification Number U74110HR1985PLC054735. It was incorporated under the name of "Khanna Paper Mills Private Limited" which was subsequently changed to "Khanna Paper Mills Limited" on 28th June 2006. The Permanent Account Number (PAN) of the company is AAACK1375K and the correspondence email address is cs@khannapaper.com. The registered office is situated at B-26, Infocity-I, Sector – 34, Gurgaon 122002, Haryana, India. The Demerged Company, *inter alia*, is engaged in the business of paper manufacturing, commodity trading and construction and development of real estate for multiple commercial usage *inter alia* hospitality business.

8. The main objects of KPML are set out in its Memorandum of Association. The main objects of KPML are set out hereunder:

> *To carry on the business of manufacturing of all varieties of pulp, paper, board, writing and printing paper, specialty papers, all varieties of boards and papers and board products, art paper, newsprint, drawing paper, filter paper, greases insulation paper, craft paper, cheque paper, absorbent paper, decorative laminate paper, coated paper, head boards, soft boards, particle boards, simplex, duplex and triple boards and to carry on the business of re-using, re-cycling, trading and dealing in all kinds of waste paper and to carry on any other business that is customarily, usually and conveniently carried on therewith.*

9. The authorized, issued, subscribed and paid-up share capital of KPML as on March 10, 2023 is as under:

Particulars	**Amount in INR**
Authorized:	
45,000,000 equity shares of INR 10 each	45,00,00,000
TOTAL	**45,00,00,000**
Issued, Subscribed and Paid-up:	
26,537,945 equity shares of INR 10 each fully paid-up	265,379,450
TOTAL	**265,379,450**

Subsequent to March 10, 2023, there has been no change in the authorised, issued, subscribed and paid up share capital of KPML.

10. The securities of KPML are not listed on any stock exchange.

11. The details of shareholders and directors of KPML as on March 11, 2023, along with their addresses are as follows:

Directors of KPML

SR. NO.	NAME OF THE DIRECTOR	ADDRESS
1	BRIJ MOHAN KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
2	SAURABH KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
3	RAHUL KHANNA	Flat No. Mgn-1709, 18th Floor, Tower 17 The Magnolias, Dlf Golf Links, Dlf City - V Gurugram Haryana India 122002
4	RENU KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
5	RAKESH SETHI	Villa No.2, Dantu Street, 10/22, S. No.103/A, Behind Babukhan Arena, Kokapet, Hyderabad, Telangana, India, 500057
6	SHIVANI KHANNA	Flat No. Mgn-1709, 18th Floor, Tower 17 The Magnolias, Dlf Golf Links, Dlf City - V Gurugram Haryana India 122002
7	GURJOTSINGH NARANG	701, Aziza, The Verandas,Golf Course Road, Sector-54, Gurgaon, Haryana, India, 122011
8	NARENDER SHARMA	W-6/6,Dlf Phase III, Gurgaon, Haryana, India, 122002

Shareholders of KPML

SR. NO.	NAME OF THE SHAREHOLDERS	ADDRESS
1	M/s BRIJ MOHAN and RAHUL KHANNA FAMILY TRUST	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
2	Mr. SAURABH KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
3	Mr. RAHUL KHANNA	Flat No. Mgn-1709, 18th Floor, Tower 17 The Magnolias, Dlf Golf Links, Dlf City - V Gurugram Haryana India 122002
4	Mrs. RENU KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
5	Mrs. SHIVANI KHANNA (nominee of Mr. Rahul Khanna)	Flat No. Mgn-1709, 18th Floor, Tower 17 The Magnolias, Dlf Golf Links, Dlf City - V Gurugram Haryana India 122002
6	Ms. SIYA KHANNA (nominee of Mr. Rahul Khanna)	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
7	SHORE TO SHORE LOGISTICS INDIA PRIVATE LIMITED (nominee of Mr. Rahul Khanna)	B-26, Infocity-I, Sector – 34, Gurgaon 122002, Haryana, India

Particulars of Khanna Fiber Private Limited - KFPL:

12. Khanna Fiber Private Limited ("Transferee Company 1" or "Resultant Company 1" or "KFPL") is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing Company Identification Number U21000PB2022PTC057193. The Permanent Account Number (PAN) of the Resultant Company is AAJCK8739J and the correspondence email address is saurabh.khanna@khannafiber.com. The registered office of the company is presently situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. As per Memorandum of Association of KFPL, its main objective is to carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and also to deal in or manufacture any other articles or things of a

character similar or analogous to the foregoing or any of them or connected therewith. The entire paid up share capital of KFPL is held by KPML.

13. The main objects of KFPL are set out in its Memorandum of Association. The main objects of KFPL are set out hereunder:

1. *To carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and pulp including writing paper, paper boards, printing paper, news printing paper, absorbent paper, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, cloth lined paper, azurelaid paper, creamlaid wove paper, glassing, waxed paper, greaseproof paper, gummed paper, handmade paper, parchment paper, drawing paper, craft paper, manila paper, envelop paper, tracing paper, vellum paper, water proof paper, carbon paper, sensitised paper, chemically treated paper, carbon paper, litmus paper, wall designer paper, photographic paper, glass paper, emery paper, pasteboard, cardboard, straw board, pulp board, leather board, mill board, corrugated board, box board, cartons, paper bags, paper boxes, post cards, visiting cards, waste paper and all kinds of recycling products, all other kinds of paper whatsoever, soda pulp, mechanical pulp, sulphite pulp, and all kinds of articles in the manufacture of which in any form, paper, board, or pulp is used, and also to deal in or manufacture any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.*

14. The authorized, issued, subscribed and paid-up share capital of KFPL as on February 28, 2023 is as under:

PARTICULARS	**AMOUNT (IN INR)**
AUTHORIZED CAPITAL	
2,50,000 equity shares of INR 10 each, fully paid up	25,00,000
TOTAL	**25,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID-UP CAPITAL	
50,000 Equity Shares of INR 10 each	1,00,000
TOTAL	**1,00,000**

Subsequent to February 28, 2023, there has been no change in the authorised, issued, subscribed and paid up share capital of KFPL.

15. The securities of KFPL are not listed on any stock exchange.

16. The details of the shareholders and directors of KFPL as on February 28, 2023, along with their addresses are as follows:

Directors of KFPL

SR. NO.	**NAME OF THE DIRECTOR**	**ADDRESS**
1	BRIJ MOHAN KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
2	SAURABH KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
3	KUMAR GAURAV BATRA	3569, Lane No.3, Azad Nagar, Near Kalia Hospital, Putlighar, Amritsar, Punjab, India, 143001

Shareholders of KFPL

SR. NO.	NAME OF THE SHAREHOLDERS	ADDRESS
1	KHANNA PAPER MILLS LIMITED	B-26, Infocity-I, Sector - 34 Gurgaon Haryana - 122002
2	SAURABH KHANNA (as a nominee of Khanna Paper Mills Limited)	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India

Particulars of Grownd Realty Private Limited - GRPL:

17. Grownd Realty Private Limited ("Resultant Company 2" or "Applicant Company 3" or "GRPL") is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing Company Identification Number U70109PB2022PTC057192. The Permanent Account Number (PAN) of the company is AAKCG1237A and the correspondence email address is saurabh.khanna@khannafiber.com. The registered office is situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. As per Memorandum of Association of GRPL, its main objective is to carry on the business of purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, flats, offices, residential society, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon. The entire paid up share capital of GRPL is held by KPML.

18. The main objects of GRPL are set out in its Memorandum of Association. The main objects of GRPL are set out hereunder:

    1. *To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, flats, offices, residential society, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon.*

    2. *To sale or otherwise dispose certain lands, houses, buildings and hereditaments, known as the Estate or otherwise and to acquire by purchase, exchange or otherwise either for and estate in fee simple or for any less estate, whether immediate or reversionary, and whether vested or contingent, any other lands tenements and hereditaments of any tenure, whether subject or to any charges or in cumbrances and to hold or to sell, let alienate, mortgage, charge or otherwise deal with all or any such lands, tenements or hereditaments.*

    3. *To carry on the business as developers, builders and commission agent and for that purpose to purchase, acquire, own process, buy, sell, re-sell and to traffic in land structures and estates other immovable properties whether commercial or residential and to develop cooperatives, residential societies, housing schemes, township.*

19. The authorized, issued, subscribed and paid-up share capital of GRPL as on February 28, 2023 is as under:

PARTICULARS	AMOUNT (IN INR)
AUTHORIZED CAPITAL	
2,50,000 equity shares of INR 10 each, fully paid up	25,00,000
TOTAL	**25,00,000**

ISSUED, SUBSCRIBED AND FULLY PAID-UP CAPITAL	
50,000 Equity Shares of INR 10 each	1,00,000
TOTAL	**1,00,000**

Subsequent to February 28, 2023, there has been no change in the authorised, issued, subscribed and paid up share capital of GRPL.

20. The securities of GRPL are not listed on any stock exchange.

21. The details of the shareholders and directors of GRPL as on February 28, 2023, along with their addresses are as follows:

Directors of GRPL

SR. NO.	NAME OF THE DIRECTOR	ADDRESS
1	BRIJ MOHAN KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
2	SAURABH KHANNA	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India
3	KUMAR GAURAV BATRA	3569, Lane No.3, Azad Nagar, Near Kalia Hospital, Putlighar, Amritsar, Punjab, India, 143001

Shareholders of GRPL

SR. NO.	NAME OF THE SHAREHOLDERS	ADDRESS
1	KHANNA PAPER MILLS LIMITED	B-26, Infocity-I, Sector - 34 Gurgaon Haryana - 122002
2	SAURABH KHANNA (as a nominee of Khanna Paper Mills Limited)	A-50, D.R. Enclave Ajnala Road ,Amritsar Punjab 143001 India

22. **Board Meeting approving the Scheme of Arrangement**

At the meetings held on March 11, 2023, the Board of Directors of Applicant Company 1, Applicant Company 2 and Applicant Company 3 unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated 10th March, 2023 issued by Mr. Prateek Mittal, Registered Valuer.

23. **Brief details of the Scheme**

S.No.	Particulars	Particulars
i.	Parties involved in the Scheme	- Khanna Paper Mills Limited (KPML) - Khanna Fiber Private Limited (KFPL) - Grownd Realty Private Limited (GRPL)
ii.	Scheme of Arrangement	This Scheme of Arrangement is prepared in terms of the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Act, which provides for the transfer and vesting of the Demerged Undertaking 1 of Khanna Paper Mills Limited into Khanna Fiber Private Limited and transfer and vesting of the Demerged Undertaking 2 of Khanna Paper Mills Limited into Grownd Realty Private Limited (in each case, as defined hereinafter).
iii.	Appointed Date	It means the "Effective Date".

iv.	Effective Date	"Effective Date" means last of the dates on which the certified copy of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed by the Companies with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
v.	Summary of Valuation Report dated 10th March 2023 obtained from CA Prateek Mittal (Registered Valuer)	<u>For demerger of commodity trading business from KPML to KFPL</u> 1 equity share of face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of KFPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date. <u>For demerger of hospitality business from KPML to GRPL</u> 1 equity share of a face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of GRPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.
vi.	Rationale of the Scheme or the benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others	The Demerged Company is engaged in the business of (a) Paper manufacturing (b) Commodity trading, and (c) Construction and development of real estate for multiple commercial usage *inter alia* hospitality business. The nature of risks and competition involved in each such business undertaking is distinct and requires attribution of dissimilar technical and managerial focus. With a view to concentrate the growth efforts in a focused manner and to provide flexibility to manage each of the business divisions using strategies optimal to the nature and return profile of the division, the management of the Demerged Company, proposes to undertake a Scheme of Arrangement to demerge its interests in the commodity trading business and hospitality business on a going concern basis, and vest the same with the Resultant Company 1 and Resultant Company 2 respectively.

		The Scheme of Arrangement is likely to be value accretive for the shareholders and would result in the following benefits: A. Enables focused management orientation to the core business activities due to individual specialization and leadership vision, which would provide greater visibility on the performance of the said businesses; B. Attribution of appropriate risk and valuation to different business undertakings based on their respective risk return profile and cash flows; C. Unlocking the value of the Demerged Undertakings for the shareholders of the Demerged Company. The Scheme is in the interest of all the companies and will help in modernization, growth, and expansion of the businesses. D. Independent collaboration and expansion as the respective company can attract different sets of strategic partners, lenders, investors, and other stakeholders having a specific interest in the respective businesses. E. The Board of Directors of all the companies are of the opinion that the above Arrangement would result in benefit to the shareholders, creditors, employees, and other stakeholders of all the companies and all concerned, and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large. F. The above Scheme is in the larger interests of all shareholders, creditors, employees and other stakeholders of the Demerged Company, Resultant Company and Resultant Company.
vii.	Amounts due to Unsecured Creditors as on December 5, 2023	**Khanna Paper Mills Limited (KPML)** KPML has 348 Unsecured Creditors having an outstanding balance of Rs. 1,05,94,96,528 (INR One Hundred Five Crores Ninety Four Lacs Ninety Six Thousand Five Hundred and Twenty Eight only) as on December 5, 2023.

24. **Key salient features of the Scheme**

DEFINITIONS

In this Scheme of Arrangement, unless inconsistent / repugnant with the subject, context or meaning thereof, the following initially and/or fully capitalized words or expressions shall have the meaning as set out herein below:

I. **"Act" or "The Act** "means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactment, modification or amendment thereof from time to time.

II. **"Appointed Date"** means the Effective Date.

III. **"Board of Directors"** means the board of directors in relation to the Demerged Company or the Resultant Company or the Resultant Company, as the case may be, and, unless it be repugnant to the context or otherwise, includes a committee of directors or any person authorized by the board of directors or such committee of directors.

IV. **"Contract(s)"** means any and all contracts, agreements, deeds, documents, instruments and arrangements.

V. **"Companies"** collectively means the Demerged Company, Resultant Company and Resultant Company.

VI. **"Demerged Company" or "KPML"** shall have the meaning as ascribed to it in Clause B(I) above;

VII. **"Demerged Undertaking 1"** means the business undertaking of the Demerged Company including commodity trading business, undertaken either directly or indirectly by the Demerged Company including through its subsidiaries and any other Company (ies) formed by or resulting from conversion, arrangement, demerger, amalgamation, demerger or restructuring of the aforementioned Investee Companies. Without prejudice to the generality of the above, the Demerged Undertaking 1 shall include the following:

(a) All the business, assets and properties, and liabilities and obligations of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking 1 and shall include without limitation:

(i) Investments, shares and securities held, including any appreciation in or accretion to the assets by way of an issue of shares, bonus or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee company(ies);

(ii) Land, building, furniture and fixture, vehicles and any other fixed asset;

(iii) All current assets, inventory, stock-in-trade, account receivables, loans and advances and other assets;

(iv) Security deposits, earnest monies, advance lease rentals or other payments made to the lessors or suppliers;

(v) Rights, powers, authorities, approvals, consents, letters of intent, registrations, contracts, leasehold rights, engagements, other rights, facilities, privileges, benefits including tax benefits, concessions and advantages of any nature whatsoever;

(vi) Any and all patents, trademarks, trade names, and or intellectual property owned or licensed, and;

(vii) All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking 1 as identified by the Board of Directors of the Demerged Company, as on the Effective Date.

(b) The liabilities which arise out of the activities or operations of the Demerged Undertaking 1;

(c) The specific loans or borrowings raised, incurred, and utilized solely for the activities and operations of the Demerged Undertaking 1, if any;

(d) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 1 or whether it arises out of the activities or operations of the Demerged Undertaking 1, shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resultant Company.

VIII. **"Demerged Undertaking 2"** shall mean the business undertaking of the Demerged Company including Hospitality Business which primarily focuses on construction and development of real estate for multiple commercial usage *inter alia* hospitality business, undertaken either directly or indirectly by the Demerged Company including through its subsidiaries and any other Company (ies) formed by or resulting from conversion, arrangement, demerger, amalgamation, demerger or restructuring of the aforementioned Investee Companies. Without prejudice to the generality of the above, the Demerged Undertaking 2 shall include the following:

(a) All the business, assets and properties, and liabilities and obligations of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking 2 and shall include without limitation:

(i) Investments, shares and securities held, including any appreciation in or accretion to the assets by way of an issue of shares, bonus or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee company(ies);

(ii) Land, building, furniture and fixture, vehicles and any other fixed asset;

(iii) All current assets, inventory, stock-in-trade, account receivables, loans and advances and other assets;

(iv) Security deposits, earnest monies, advance lease rentals or other payments made to the lessors or suppliers;

(v) Rights, powers, authorities, approvals, consents, letters of intent, registrations, contracts, leasehold rights, engagements, other rights, facilities, privileges, benefits including tax benefits, concessions and advantages of any nature whatsoever;

(vi) Any and all patents, trademarks, trade names, and or intellectual property owned or licensed, and;

(vii) All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking 2 as identified by the Board of Directors of the Demerged Company, as on the Effective Date.

(b) The liabilities which arise out of the activities or operations of the Demerged Undertaking 2;

(c) The specific loans or borrowings raised, incurred, and utilized solely for the activities and operations of the Demerged Undertaking 2, if any;

(d) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 2 or whether it arises out of the activities or operations of the Demerged Undertaking 2, shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resultant Company.

IX. **"Effective Date"** means last of the dates on which the certified copy of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed by the Companies with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

I. **"First Resulting Company or KFPL"** shall have the meaning as ascribed to it in Clause B(II) above;

II. **"Government Entity" or "Governmental Authority"** means any applicable central or state government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

III. **"Income-tax Act"** or "**IT Act**" means the Income-tax Act, 1961, and includes any statutory modifications, re-enactment or amendment thereof from time to time.

IV. **"Law"** or **"Applicable Law"** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court of India or any other country or jurisdiction, as may be applicable.

V. **"NCLT" or "Tribunal"** means the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh, having jurisdiction in respect of the Demerged Company and the Resultant Company and Resultant Company, and includes any other appropriate forum or authority or court empowered to approve this Scheme as per the Law for the time being in force.

VI. **"Person"** means any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and includes their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

VII. **"Record Date"** means (a) in relation to Part II of the Scheme means the date to be fixed by the Board of Directors of KPML, the Demerged Company in consultation with the Board of Directors of KFPL, Resultant Company for the purpose of determining the shareholders of KPML, the Demerged Company who shall be entitled to receive shares of KFPL, pursuant to the Scheme; and (b) in relation to Part III of the Scheme, means the date to be fixed by the Board of Directors of KPML, the Demerged Company in consultation with the Board of Directors of GRPL, Resultant Company for the purpose of determining the shareholders of KPML, the Demerged Company who shall be entitled to receive shares of GRPL, pursuant to the Scheme, whose names are recorded in the Register of Members of the Demerged Company, on such date.

VIII. **"Remaining Business"** means all paper manufacturing business, assets, properties, and liabilities, obligations, claims and demands other than that comprised in Demerged Undertaking 1 and Demerged Undertaking 2 as defined in Clause 1.1.7 and 1.1.8 of this Scheme.

IX. **"Second Resulting Company"** or **"GRPL"** shall have the meaning as ascribed to it in Clause B(III) above;

X. **"Scheme of Arrangement"** or "**this Scheme**" or "**the Scheme**" means this scheme of arrangement between Khanna Paper Mills Limited And Khanna Fiber Private Limited And Grownd Realty Private Limited And their respective shareholders and creditors in its present form as submitted to the NCLT or this scheme with such modification(s),

if any, as may be made by the respective members and the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/or directed to be made by the Tribunal while sanctioning this scheme and as accepted by the respective Board of Directors of the Companies.

XI. **"Taxation"** (including with correlative meaning, the terms **"Tax"** and **"Taxes"**) means (a) any and all taxes (direct or indirect), surcharges, cess, duties and impositions imposed by any Governmental Authority, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added services; and (b) withholding taxes, payroll, excise and property taxes, stamp duty and registration fees, together with all interest and penalties with respect to any such amounts.

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Income-tax Act and other applicable laws or any statutory modification or re-enactment thereof from time to time.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

25. The accounting treatment as proposed in the Scheme is in conformity with in accordance with applicable Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles in India as amended from time to time. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection at the corporate office of KPML.

26. The copy of draft scheme is being sent to the Registrar of Companies and such authorities as per the statutory requirements.

27. Applicant Company 1, Applicant Company 2 and Applicant Company 3 are required to seek approvals / representations / sanctions / no objections, if any, from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Income-tax authorities.

28. The National Company Law Tribunal, Chandigarh Bench by its Order dated December 5, 2023 has directed for convening of the meeting(s) by Video-Conferencing for the unsecured creditors of Applicant Company 1.

29. The National Company Law Tribunal, Chandigarh Bench by its Order dated December 5, 2023 has dispensed with the requirement of convening the meeting(s) of the Equity Shareholders of Applicant Company 1, Applicant Company 2 and Applicant Company 3.

30. The National Company Law Tribunal, Chandigarh Bench by its dated December 5, 2023 has dispensed with the requirement of convening the meeting(s) of the secured Creditors of Applicant Company 1, Applicant Company 2 and Applicant Company 3.

31. The National Company Law Tribunal, Chandigarh Bench by its dated December 5, 2023 has dispensed with the requirement of convening the meeting(s) of the Unsecured Creditors of Applicant Company 2 and Applicant Company 3.

32. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against any applicant companies.

33. No winding up petition has been admitted against any applicant companies.

34. The following documents will be open for obtaining extracts from or for making or obtaining copies or inspection by the equity shareholders/creditors of KPML up to conclusion of the meeting(s) at its corporate office between 09:00 A.M. (IST) to 05:00 P.M. (IST) on all working days, except Saturdays, Sundays, and Public Holidays:
    i. Copy of the Order dated December 5, 2023 of the NCLT passed in Company Application No. CA (CAA) NO.14/CHD/PB/2023 directing the convening of the meeting of the equity shareholders/creditors of KPML;
    ii. Copy of the Company Application No. CA (CAA) NO.14/CHD/PB/2023
    iii. Copy of Scheme of Arrangement;
    iv. Memorandum and Articles of Association of all Applicant Companies;
    v. Audited financial statements of all Applicant Companies for the financial year ended March 31, 2023;
    vi. Provisional accounting statement of all Applicant Companies for the period ended September 30, 2023;
    vii. Copies of the valuation report dated March 10, 2023 issued by CA Prateek Mittal (Registered Valuer);
    viii. Certificates issued by respective Statutory Auditors of all applicant companies in relation to the accounting treatment prescribed in the Scheme is in conformity with the applicable Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles in India;

35. This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013.

36. A copy of the Scheme and Explanatory Statement shall be furnished to the shareholders/creditors, free of charge, within 1 (one) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors.

37. After the Scheme is approved, by the equity shareholders, secured creditors and unsecured creditors of KPML, it will be subject to the approval/sanction by NCLT.

Date: 16th day of December, 2023
Place: Amritsar

By the Order of the Board
For Khanna Paper Mills Limited

Registered Office:
Khanna Paper Mills Limited,
B-26, Infocity-I, Sector - 34 Gurgaon Haryana – 122002
CIN - U74110HR1985PLC054735

Sd/-
Priyanka Sharma
Company Secretary

Annexure - 1

SCHEME OF ARRANGEMENT

BETWEEN

KHANNA PAPER MILLS LIMITED

AND

KHANNA FIBER PRIVATE LIMITED

AND

GROWND REALTY PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER)

PREAMBLE

(A) Introduction

This Scheme of Arrangement is prepared and presented in terms of the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Act, which provides for the transfer and vesting of the Demerged Undertaking 1 of Khanna Paper Mills Limited into Khanna Fiber Private Limited and transfer and vesting of the Demerged Undertaking 2 of Khanna Paper Mills Limited into Grownd Realty Private Limited (in each case, as defined hereinafter).

(B) Description of Companies

I. Khanna Paper Mills Limited (**"Demerged Company** "or **"KPML"**) is a company incorporated under the provisions of the Companies Act, 1956 on 2nd February 1985 bearing Company Identification Number U74110HR1985PLC054735. It was incorporated under the name of "Khanna Paper Mills Private Limited" which was subsequently changed to "Khanna Paper Mills Limited" on 28th June 2006. The Permanent Account Number (PAN) of the company is AAACK1375K and the correspondence email address is anurag.saxena@khannapaper.com. The registered office is situated at B-26, Infocity-I, Sector – 34, Gurgaon 122002, Haryana, India. The Demerged Company, *inter alia*, is engaged in the business of paper manufacturing, commodity trading and construction and development of real estate for multiple commercial usage *inter alia* hospitality business.

II. Khanna Fiber Private Limited (**"First Resulting Company"** or **"KFPL"**) is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing Company Identification Number U21000PB2022PTC057193. The Permanent Account Number (PAN) of the First Resulting Company is AAJCK8739J and the correspondence email address is saurabh.khanna@khannafiber.com. The registered office of the company is presently situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. As per Memorandum of Association of KFPL, its main objective is to carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and also to deal in or manufacture any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith. The entire paid up share capital of KFPL is held by KPML.

III. Grownd Realty Private Limited (**"Second Resulting Company"** or "**GRPL"**) is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing

Company Identification Number U70109PB2022PTC057192. The Permanent Account Number (PAN) of the company is AAKCG1237A and the correspondence email address is saurabh.khanna@khannafiber.com. The registered office is situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. As per Memorandum of Association of GRPL, its main objective is to carry on the business of purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, flats, offices, residential society, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon. The entire paid up share capital of GRPL is held by KPML.

(It is hereby mentioned that KPML, KFPL and GRPL are companies of the same group and are hereinafter together referred to as **"Companies"**)

(C) Rationale

The Demerged Company is engaged in the business of (a) Paper manufacturing (b) Commodity trading, and (c) Construction and development of real estate for multiple commercial usage *inter alia* hospitality business.

The nature of risks and competition involved in each such business undertaking is distinct and requires attribution of dissimilar technical and managerial focus. With a view to concentrate the growth efforts in a focused manner and to provide flexibility to manage each of the business divisions using strategies optimal to the nature and return profile of the division, the management of the Demerged Company, proposes to undertake a Scheme of Arrangement to demerge its interests in the commodity trading business and hospitality business on a going concern basis, and vest the same with the First Resulting Company and Second Resulting Company respectively.

The Scheme of Arrangement is likely to be value accretive for the shareholders and would result in the following benefits:

a) Enables focused management orientation to the core business activities due to individual specialization and leadership vision, which would provide greater visibility on the performance of the said businesses;

b) Attribution of appropriate risk and valuation to different business undertakings based on their respective risk return profile and cash flows;

c) Unlocking the value of the Demerged Undertakings for the shareholders of the Demerged Company. The Scheme is in the interest of all the companies and will help in modernization, growth, and expansion of the businesses.

d) Independent collaboration and expansion as the respective company can attract different sets of strategic partners, lenders, investors, and other stakeholders having a specific interest in the respective businesses.

e) The Board of Directors of all the companies are of the opinion that the above Arrangement would result in benefit to the shareholders, creditors, employees, and other stakeholders of all the companies and all concerned, and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large.

The above Scheme is in the larger interests of all shareholders, creditors, employees and other stakeholders of the Demerged Company, First Resulting Company and Second Resulting Company.

(D) <u>Parts of the Scheme</u>

This Scheme of Arrangement is broadly divided into the following parts:

(a) **PART I** provides for Definitions and Share Capital details of the Companies which are common to all parts. Specific definitions (if any) have been provided in the parts themselves.

(b) **PART II** provides for specific provisions governing the transfer and vesting of the Demerged Undertaking 1 of the Demerged Company into the First Resulting Company.

(c) **PART III** provides for specific provisions governing the transfer and vesting of the Demerged Undertaking 2 of the Demerged Company into the Second Resulting Company

(d) **PART IV** deals with the general terms and conditions applicable to one or more parts of this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1.1. DEFINITIONS

In this Scheme of Arrangement, unless inconsistent / repugnant with the subject, context or meaning thereof, the following initially and/or fully capitalized words or expressions shall have the meaning as set out herein below:

1.1.1. **"Act" or "The Act** "means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactment, modification or amendment thereof from time to time.

1.1.2. **"Appointed Date"** means the Effective Date.

1.1.3. **"Board of Directors"** means the board of directors in relation to the Demerged Company or the First Resulting Company or the Second Resulting Company, as the case may be, and, unless it be repugnant to the context or otherwise, includes a committee of directors or any person authorized by the board of directors or such committee of directors.

1.1.4. **"Contract(s)"** means any and all contracts, agreements, deeds, documents, instruments and arrangements.

1.1.5. **"Companies"** collectively means the Demerged Company, First Resulting Company and Second Resulting Company.

1.1.6. **"Demerged Company" or "KPML"** shall have the meaning as ascribed to it in Clause B(I) above;

1.1.7. **"Demerged Undertaking 1"** means the business undertaking of the Demerged Company including commodity trading business, undertaken either directly or indirectly by the Demerged Company including through its subsidiaries and any other Company (ies) formed by or resulting from conversion, arrangement, demerger, amalgamation, demerger or restructuring of the aforementioned Investee Companies. Without prejudice to the generality of the above, the Demerged Undertaking 1 shall include the following:

(a) All the business, assets and properties, and liabilities and obligations of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking 1 and shall include without limitation:

(i) Investments, shares and securities held, including any appreciation in or accretion to the assets by way of an issue of shares, bonus or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee company(ies);

(ii) Land, building, furniture and fixture, vehicles and any other fixed asset;

(iii) All current assets, inventory, stock-in-trade, account receivables, loans and advances and other assets;

(iv) Security deposits, earnest monies, advance lease rentals or other payments made to the lessors or suppliers;

(v) Rights, powers, authorities, approvals, consents, letters of intent, registrations, contracts, leasehold rights, engagements, other rights, facilities, privileges, benefits including tax benefits, concessions and advantages of any nature whatsoever;

(vi) Any and all patents, trademarks, trade names, and or intellectual property owned or licensed, and;

(vii) All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking 1 as identified by the Board of Directors of the Demerged Company, as on the Effective Date.

(b) The liabilities which arise out of the activities or operations of the Demerged Undertaking 1;

(c) The specific loans or borrowings raised, incurred, and utilized solely for the activities and operations of the Demerged Undertaking 1, if any;

(d) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 1 or whether it arises out of the activities or operations of the Demerged Undertaking 1, shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the First Resulting Company.

1.1.8. **"Demerged Undertaking 2"** shall mean the business undertaking of the Demerged Company including Hospitality Business which primarily focuses on construction and development of real estate for multiple commercial usage *inter alia* hospitality business, undertaken either directly or indirectly by the Demerged Company including through its subsidiaries and any other Company (ies) formed by or resulting from conversion, arrangement, demerger, amalgamation, demerger or restructuring of the

aforementioned Investee Companies. Without prejudice to the generality of the above, the Demerged Undertaking 2 shall include the following:

(a) All the business, assets and properties, and liabilities and obligations of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking 2 and shall include without limitation:

(i) Investments, shares and securities held, including any appreciation in or accretion to the assets by way of an issue of shares, bonus or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee company(ies);

(ii) Land, building, furniture and fixture, vehicles and any other fixed asset;

(iii) All current assets, inventory, stock-in-trade, account receivables, loans and advances and other assets;

(iv) Security deposits, earnest monies, advance lease rentals or other payments made to the lessors or suppliers;

(v) Rights, powers, authorities, approvals, consents, letters of intent, registrations, contracts, leasehold rights, engagements, other rights, facilities, privileges, benefits including tax benefits, concessions and advantages of any nature whatsoever;

(vi) Any and all patents, trademarks, trade names, and or intellectual property owned or licensed, and;

(vii) All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking 2 as identified by the Board of Directors of the Demerged Company, as on the Effective Date.

(b) The liabilities which arise out of the activities or operations of the Demerged Undertaking 2;

(c) The specific loans or borrowings raised, incurred, and utilized solely for the activities and operations of the Demerged Undertaking 2, if any;

(d) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 2 or whether it arises out of the activities or operations of the Demerged Undertaking 2, shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Second Resulting Company.

1.1.9. **"Effective Date"** means last of the dates on which the certified copy of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed by the Companies with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references

in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

1.1.10. **"First Resulting Company" or "KFPL"** shall have the meaning as ascribed to it in Clause B(II) above;

1.1.11. **"Government Entity" or "Governmental Authority"** means any applicable central or state government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

1.1.12. **"Income-tax Act"** or "**IT Act**" means the Income-tax Act, 1961, and includes any statutory modifications, re-enactment or amendment thereof from time to time.

1.1.13. **"Law"** or **"Applicable Law"** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court of India or any other country or jurisdiction, as may be applicable.

1.1.14. **"NCLT" or "Tribunal"** means the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh, having jurisdiction in respect of the Demerged Company and the First Resulting Company and Second Resulting Company, and includes any other appropriate forum or authority or court empowered to approve this Scheme as per the Law for the time being in force.

1.1.15. **"Person"** means any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and includes their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

1.1.16. **"Record Date"** means (a) in relation to Part II of the Scheme means the date to be fixed by the Board of Directors of KPML, the Demerged Company in consultation with the Board of Directors of KFPL, First Resulting Company for the purpose of determining the shareholders of KPML, the Demerged Company who shall be entitled to receive shares of KFPL, pursuant to the Scheme; and (b) in relation to Part III of the Scheme, means the date to be fixed by the Board of Directors of KPML, the Demerged Company in consultation with the Board of Directors of GRPL, Second Resulting Company for the purpose of determining the shareholders of KPML, the Demerged Company who shall be entitled to receive shares of GRPL, pursuant to the Scheme, whose names are recorded in the Register of Members of the Demerged Company, on such date.

1.1.17. **"Remaining Business"** means all paper manufacturing business, assets, properties, and liabilities, obligations, claims and demands other than that comprised in Demerged Undertaking 1 and Demerged Undertaking 2 as defined in Clause 1.1.7 and 1.1.8 of this Scheme.

1.1.18. **"Second Resulting Company"** or **"GRPL"** shall have the meaning as ascribed to it in Clause B(III) above;

1.1.19. **"Scheme of Arrangement"** or "**this Scheme**" or "**the Scheme**" means this scheme of arrangement between Khanna Paper Mills Limited And Khanna Fiber Private Limited And Grownd Realty Private Limited And their respective shareholders and creditors in its present form as submitted to the NCLT or this scheme with such modification(s), if any, as may be made by the respective members and the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/or directed to be made by the Tribunal while sanctioning this scheme and as accepted by the respective Board of Directors of the Companies.

1.1.20. **"Taxation"** (including with correlative meaning, the terms **"Tax"** and **"Taxes"**) means (a) any and all taxes (direct or indirect), surcharges, cess, duties and impositions imposed by any Governmental Authority, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added services; and (b) withholding taxes, payroll, excise and property taxes, stamp duty and registration fees, together with all interest and penalties with respect to any such amounts.

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Income-tax Act and other applicable laws or any statutory modification or re-enactment thereof from time to time.

1.2. INTERPRETATION

1.2.1. References to statutory provisions shall be construed as references to the statutory provisions under laws of India unless otherwise specified, and in any event to those provisions as respectively amended,

superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time.

1.2.2. References to clauses or schedules are to the clauses or schedules of this Scheme and references to sub-clauses are to the sub-clauses of the clause of this Scheme in which the reference appears.

1.2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme.

1.2.4. The singular shall include the plural and vice versa; and reference to one gender shall include all genders.

1.2.5. Any phrase introduced by the terms "including", "*inter alia*", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms.

1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

1.3.1 The Scheme set out herein in its present form or with any modification(s) and amendments(s) made pursuant to Clause 4.2 of the Scheme, approved or imposed or directed by the NCLT or any other authority, shall be effective from the Appointed Date, but shall be operative from the Effective date.

1.4. SHARE CAPITAL

1.4.1 The authorized, issued, subscribed and paid-up capital of the Demerged Company as on 28th February 2023 is as under:

Particulars	**Indian Rupees (INR)**
Authorized Capital	
45,000,000 equity shares of Rs. 10 each	450,000,000
Total	**450,000,000**
Issued, Subscribed & Paid-up Capital	
26,537,945 equity shares of Rs.10 each fully paid-up	265,379,450
Total	**265,379,450**

Subsequent to the above, and till the date of approval of this Scheme by the Board of Directors of the Demerged Company, there has been no additions/changes to the Share Capital of the Demerged Company.

1.4.2 The authorized, issued, subscribed and paid-up capital of the First Resulting Company i.e., KFPL as on 28th February 2023 is as under:

Particulars	**Indian Rupees (INR)**
Authorized Capital	
250,000 equity shares of Rs. 10 each	2,500,000
Total	**2,500,000**
Issued, Subscribed & Paid-up Capital	
10,000 equity shares of Rs. 10 each fully paid-up	1,00,000
Total	**100,000**

Subsequent to the above, and till the date of approval of this Scheme by the Board of Directors of the First Resulting Company, there has been no additions/changes to the Share Capital of the First Resulting Company.

The entire issued and paid-up share capital of the First Resulting Company is beneficially owned by the Demerged Company. As such the First Resulting Company is a wholly owned subsidiary of the Demerged Company.

1.4.3 The authorized, issued, subscribed and paid-up capital of the Second Resulting Company i.e., GRPL as on 28th February 2023 is as under:

Particulars	**Indian Rupees (INR)**
Authorized Capital	
250,000 equity shares of Rs. 10 each	2,500,000
Total	**2,500,000**

Issued, Subscribed & Paid-up Capital	
10,000 equity shares of Rs. 10 each fully paid-up	100,000
Total	**100,000**

Subsequent to the above, and till the date of approval of this Scheme by the Board of Directors of the Second Resulting Company, there has been no additions/changes to the Share Capital of the Second Resulting Company.

The entire issued and paid-up share capital of the Second Resulting Company is beneficially owned by the Demerged Company. As such the Second Resulting Company is a wholly owned subsidiary of the Demerged Company.

PART II

TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 1 OF THE DEMERGED COMPANY INTO KFPL, THE FIRST RESULTING COMPANY

2.1 TRANSFER AND VESTING

With effect from the Appointed Date or such other date as may be fixed or approved by the NCLT and upon the Scheme becoming effective, the Demerged Undertaking 1 of the Demerged Company shall be transferred to and vested in the First Resulting Company in the following manner:

2.1.1 The whole of the Demerged Undertaking 1 of the Demerged Company as defined in Clause 1.1.7 shall under the provision of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT or any other appropriate authority sanctioning this Scheme and without any further act or deed, be demerged from, transferred to and vested in or be deemed to have been demerged from, transferred to and vested in the First Resulting Company, as a going concern, as and from the Appointed Date.

2.1.2 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act. If any terms or provisions of this Scheme are found to be interpreted or inconsistent with the said provisions at a later date including resulting from amendment of any Applicable Law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the Income-tax Act.

2.2 TRANSFER OF ASSETS

Upon this Scheme becoming effective and with effect from the Appointed Date, the assets of the Demerged Undertaking 1 shall stand transferred and vested in the First Resulting Company in the following manner:

2.2.1 In respect of such assets of the Demerged Undertaking 1 as are movable in nature or otherwise capable of being transferred by physical delivery, by paying over or by endorsement and delivery, the same shall be so transferred by the Demerged Company, without requiring any deed or conveyance for the same and shall become the property of the First Resulting Company as an integral part of the Demerged Undertaking 1.

2.2.2 In respect of assets (including all immovable properties, assets and rights whether contingent or not, in the immovable property whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto) forming a part of the Demerged Undertaking 1 other

than those referred to in clause 2.2.1, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in the First Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. In respect of such assets including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, Semi-Government, local and other authorities and bodies and customers, the First Resulting Company may, and the Demerged Company shall, on being so requested by the First Resulting Company, issue notices in such form as the First Resulting Company specifies stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, the First Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to receive, recover or realize the same, stands transferred to the First Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

2.2.3 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, assignment, allotments, power of attorney given by, issued to or executed in favour of the Demerged Undertaking 1 of the Demerged Company, shall stand transferred to the First Resulting Company as if the same were originally given by, issued to or executed in favour of the First Resulting Company, and the rights and benefits under the same shall be available to the First Resulting Company. Any registration fees, charges etc. paid by the Demerged Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, etc. shall be deemed to have been paid by the First Resulting Company and consequently, the concerned Government authority shall carry out necessary mutations in favour of the First Resulting Company.

2.2.4 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date in relation to the Demerged Undertaking 1, shall also stand transferred (along with the encumbrances, charges and / or rights thereon) to and vested in the First Resulting Company with effect from the relevant date in accordance with and in the manner prescribed in clause 2.2.1 and clause 2.2.2 above. Further, no duty (including stamp duty), levy, cess of any nature will be payable by the First Resulting Company at the time of replacement of the encumbrance, charge and/or right covered above with respect to the assets

2.2.5 It is hereby provided that all documents executed and/or filed including but not limited to documents related to charges, encumbrance or right, whether or not registered with any Governmental authority (including Registrar of Companies) or any other person as regards the transfer and vesting of Demerged Undertaking 1 of the Demerged Company, shall be deemed to have been executed and/or

filed and/or registered by the First Resulting Company, and the First Resulting Company shall not be required to execute and/or perform any further act, instrument or deed separately.

2.2.6 Where there is any question as to the matter of whether any asset forms a part of or pertains to the Demerged Undertaking 1, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

2.3 TRANSFER OF LIABILITIES

Upon the coming into effect of this Scheme, the liabilities and obligations forming a part of the Demerged Undertaking 1 as on the Appointed Date shall be transferred / dealt with in the following manner:

2.3.1 It is clarified that all the liabilities and obligations of the Demerged Company which arose out of the activities of the Demerged Undertaking 1 as on the Appointed Date, shall be deemed to have been transferred to the First Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed, be transferred to the First Resulting Company and shall thereupon become the liabilities and obligations of the First Resulting Company which the First Resulting Company undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company.

2.3.2 All liabilities including loans and borrowings present, future, and contingent liabilities and obligations of the Demerged Company allocable or pertaining to the Demerged Undertaking 1, including guarantees in respect of borrowings pertaining to or relatable to the Demerged Undertaking 1, shall without any further act or deed, become liabilities, loans and borrowings of the First Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the First Resulting Company as if it had entered into such loans and incurred such borrowings. For the purpose of this Scheme, it is clarified that the Liabilities shall include:

(a) The liabilities which arise out of the activities or operations of the Demerged Undertaking 1;

(b) The specific loans or borrowings raised, incurred and utilized solely for the activities and operations of the Demerged Undertaking 1, if any; and

(c) So much of the amounts of the general or multipurpose borrowings of the Demerged Company, if any, allocable to the Demerged Undertaking 1 as stand in the same proportion in which the value of the assets transferred under this Scheme bear to the value of the assets of the Demerged

Company immediately before the demerger, as prescribed under section 2(19AA) of the Income-tax Act.

2.3.3 Subject to the provisions of this clause and from the Effective Date, the First Resulting Company alone shall be eligible to perform all obligations in respect of the liabilities forming part of the Demerged Undertaking 1 as the borrower/issuer thereof, and the Demerged Company shall not have any obligation in respect of such transferred liabilities forming a part of the Demerged Undertaking 1.

2.3.4 Where any of the liabilities and obligations of the Demerged Company, as on the Appointed Date, deemed to be transferred to the First Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the First Resulting Company, all loans raised and used and all liabilities and obligations incurred by the Demerged Company forming part of the Demerged Undertaking 1 after the Appointed Date and prior to the Effective Date, shall also without any further act or deed be and stand transferred to the First Resulting Company and shall become the liabilities and obligations of the First Resulting Company which shall meet, discharge and satisfy the same to the exclusion of the Demerged Company.

2.3.5 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability or obligation relates or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

2.3.6 For the avoidance of doubt, it is hereby clarified and agreed that no liabilities and obligations forming a part of the Remaining Business shall be transferred or assumed by the First Resulting Company and the Demerged Company shall be responsible in relation to meeting or discharging such liabilities or obligations.

2.3.7 Where there is any question as to the matter of whether any liability or obligation forms a part of or pertains to the Demerged Undertaking 1, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

2.4 LEGAL PROCEEDINGS

Upon the Scheme becoming effective, and with effect from the Appointed Date, all litigation, arbitration and other proceedings of the Demerged Undertaking 1 shall be transferred / dealt in the following manner:

2.4.1 All legal, taxation, arbitration or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ('Proceedings') by or against the Demerged Company, whether pending on the Appointed Date or which may be instituted any time in future and in each case relating to the Demerged Undertaking 1 shall be continued and enforced by or against the First Resulting Company after the Effective Date to the extent legally permissible. To the extent, such proceedings cannot be taken over by the First Resulting Company, the proceedings shall be pursued by the Demerged Company as per the instruction of the First Resulting Company.

2.4.2 The First Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company, referred to in Clause 2.4.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the First Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, the Demerged Company shall be added as a necessary party to enable the First Resulting Company to prosecute / defend such proceedings and First Resulting Company shall reimburse and indemnify KPML against all costs, liabilities and obligations incurred by KPML, if any, in respect thereof.

2.4.3 All legal, taxation, arbitration or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business shall be continued and enforced by or against the Demerged Company.

2.5 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Upon this Scheme becoming effective, and with effect from the Appointed Date, all contracts, deeds, approval, permits etc. of the Demerged Undertaking 1 shall be deemed transferred /assigned and dealt in the following manner:

2.5.1 All contracts, deeds, bonds, schemes, arrangements and other instruments, if any, of whatsoever nature and relating to the Demerged Undertaking 1 to which the Demerged Company is a party or to the benefit of which the Demerged Undertaking 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in force and effect against or in favour of, as the case may be, the First Resulting Company , and may be enforced as fully and effectually as if, instead of the Demerged Company, the First Resulting Company had been a party or beneficiary or oblige thereto.

2.5.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Demerged Undertaking 1 with the First Resulting Company occurs by virtue of the Scheme itself, the First Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, writings, confirmations, novation, tripartite agreements, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The First Resulting Company, shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company to be carried out or performed.

2.5.3 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of the Scheme, on the Appointed Date, all consents, permissions, licenses, certificate, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 1 shall stand transferred to and vested in the First Resulting Company as if the same were originally given by, issued to or executed in favour of the First Resulting Company, and the First Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect and the rights and benefits under such consents, permissions, licenses, certificates etc., shall be available to the First Resulting Company . Any registration fees, charges etc. paid by the Demerged Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the First Resulting Company.

2.5.4 It is clarified that if any contract, deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking 1, to which the Demerged Company is a party cannot be transferred to the First Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in trust for the benefit of the First Resulting Company.

2.5.5 In pursuance of the Scheme, the Demerged Company and First Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.

2.6 WORKMEN AND EMPLOYEES

Upon this Scheme becoming effective:

2.6.1 All the workmen and employees of the Demerged Company, who are predominantly employed in the Demerged Undertaking 1 (the **"Employees"**), shall stand transferred to the First Resulting Company on terms and conditions not less favorable than those on which they were engaged by the Demerged Company (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of the Demerged Undertaking 1 of the Demerged Company to the First Resulting Company.

2.6.2 The First Resulting Company agrees that the services of all the Employees in relation to Demerged Undertaking 1 prior to the transfer, as aforesaid, shall be taken into account for the purpose of the benefit to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly be reckoned therefore from the date of their respective appointment in the Demerged Company.

2.6.3 The existing provident fund, gratuity fund and pension and/or superannuation fund trusts, if any, of which the Employees of the Demerged Company, in relation to Demerged Undertaking 1, being transferred under clause 2.6.1 to the First Resulting Company, are members or beneficiaries as on the Appointed Date, along with the accumulated contributions therein till the Effective Date, shall with the approval of the concerned authorities if so required, be transferred to and continued without any break, to be administered by the First Resulting Company for the benefit of such Employees on the same terms and conditions. Accordingly, the balances in the provident fund, gratuity fund and pension and/or superannuation fund, if any, pertaining to the said Employees of the Demerged Company, and at the direction of the First Resulting Company, shall either be continued as separate funds of the First Resulting Company for the benefit of such Employees or be transferred to and merged with the similar funds of the First Resulting Company. In the event that the First Resulting Company does not have its own funds in respect of any of the above, the First Resulting Company, may subject to the necessary approvals and permissions, continue to contribute to the relevant funds of the Demerged Company, until such time that the First Resulting Company creates its own funds/ arrangements at which time the funds and the investments and contribution pertaining to the concerned Employees shall be transferred to the funds created by the First Resulting Company.

2.6.4 For the avoidance of doubt, it is hereby clarified and agreed that all liabilities, obligations or claims, in connection with any current or former officer or employee of the Demerged Company, other than the

Employees, shall not transfer to or vest in the First Resulting Company and the Demerged Company shall be responsible in relation to meeting or discharging such liabilities or obligations or claims.

2.6.5 Where there is any question as to the matter of whether any employee forms a part of the Demerged Undertaking 1 or Demerged Undertaking 2 or Remaining Business, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

2.7 TAXES

Upon this Scheme becoming effective and with effect from Appointed Date:

2.7.1 It is clarified that all the direct and indirect taxes, duties, cess or any other like payment payable by the Demerged Company, relating to the Demerged Undertaking 1, including all advance tax payments, tax deducted at source or any refunds/ credits/ claims relating thereto shall for all purpose, be treated as advance tax payments, tax deducted at source or refunds/ credits/ claims, as the case may be, of the First Resulting Company. It is specifically provided that if the Demerged Company or their successor(s) receive any refunds/ credits in respect of the Demerged Undertaking 1, the same shall be on the behalf of and as a trustee of the First Resulting Company and the same shall be refunded to the First Resulting Company. Accordingly, upon this Scheme becoming effective, the Demerged Company and First Resulting Company are expressly permitted to revise and file their respective Income Tax Returns including tax deduction at source certificates, goods and service tax return(s) and other such tax returns, for the period commencing on and from the Appointed Date and to claim refund/credit, pursuant to the provisions of this Scheme.

2.7.2 All Taxes of any nature, duties, cesses, un-availed credits, exemptions, margin money, retention money, deposits with Governmental Authorities, other deposits and benefits of carried forward losses and other statutory benefits, including in respect of income tax (including MAT Credit remaining after utilization of the Demerged Company), VAT, sales tax, service tax, goods and service tax (including unutilized input tax credit), etc. or any other like payment or deductions made by the Demerged Company in relation to the Demerged Undertaking 1 to any Governmental Authorities such as goods and service tax etc. or any tax deduction / collection at source, tax credits under the applicable direct and indirect Tax Laws, relating to the period after the Appointed Date up to and including the Effective Date, shall be deemed to have been on account of or paid by the First Resulting Company, without any further act and deed.

2.7.3 Upon this Scheme becoming effective, any tax deducted at source (TDS) deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking 1 shall

continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the First Resulting Company and all deductions otherwise admissible to the Demerged Company pertaining to the Demerged Undertaking 1 including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as section 43B, section 40, section 40A etc. of the Income-tax Act) shall be eligible for deduction to the First Resulting Company.

2.7.4 The obligation for deduction/collection of tax at source on any payment made by or to be made by the Demerged Company pertaining to the Demerged Undertaking 1 under the Income-tax Act, goods and service tax laws, or other applicable direct and indirect tax laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the First Resulting Company.

2.7.5 All the expenses incurred by the Demerged Company and the First Resulting Company in relation to this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of the Demerged Company and the First Resulting Company in accordance with Section 35DD of the Income-tax Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.

2.8 ENCUMBRANCES

2.8.1 The transfer and vesting of the Demerged Undertaking 1 under Clause 2.1 above, shall be subject to the existing securities, charges and mortgages, if any in relation to the liabilities of the Demerged Undertaking 1 transferred by the Demerged Company.

2.8.2 In so far as the assets comprised in the Demerged Undertaking 1 are concerned, the existing securities, mortgages, charges, encumbrances or liens, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowing of the Demerged Company, shall without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities retained in the Demerged Company.

2.8.3 In so far as the assets retained in the Demerged Company are concerned, the security over such assets, to the extent they relate to the liabilities transferred under Clause 2.3 above, shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party in order to effect such release shall not affect the operation of the foregoing sentence.

2.9 SAVING OF THE CONCLUDED TRANSACTIONS

2.9.1 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking 1 as per this Scheme and continuance of the proceedings by or against the First Resulting Company under Clause 2.4 hereof shall not affect any transactions or proceedings, already completed by the Demerged Company on or before the Appointed Date to the end and intent that the First Resulting Company accept all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the First Resulting Company.

2.10 BUSINESS AND PROPERTY IN TRUST FOR THE FIRST RESULTING COMPANY

2.10.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking 1 for and on account of and in trust for the First Resulting Company.

2.10.2 All cash, receivables and profits accruing to the Demerged Company or losses arising or incurred (including the effect of taxes if any thereon) after the Appointed Date and up to and including the Effective Date, relating to the Demerged Undertaking 1 shall for all purposes, be treated as cash, receivables, profits or losses, as the case may be, of the First Resulting Company. Also from the Appointed Date up to the Effective Date any appreciation in or accretion or entitlement to the Demerged Undertaking 1, by virtue of a dividend or issue of shares, bonus, capital reorganization or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee companies whose shares, units, etc form a part of the assets of the Demerged Undertaking 1 of the Demerged Company, as the case may be shall be deemed to have also been issued, transferred and vested in the First Resulting Company by virtue of this Scheme.

2.10.3 The Demerged Company hereby confirms that it has and shall continue up to the Effective Date, to preserve and carry on the Demerged Undertaking 1, in the ordinary course as a going concern, consistent with past practices and with reasonable diligence and business prudence and it will not, without prior consultation with the First Resulting Company, alienate, charge, or otherwise deal with or dispose or suspend business operation pertaining to the Demerged Undertaking 1 or any part thereof (in each case, except in the ordinary course of business) or undertake substantial expansion of the Demerged Undertaking 1, other than expansions which have already commenced prior to the Appointed Date.

2.11 CONSIDERATION

2.11.1 Upon effectiveness of this Scheme and in consideration for the transfer of the Demerged Undertaking 1 of the Demerged Company into the First Resulting Company, the First Resulting Company shall,

without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members as on Record Date (or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be), the following equity shares:

"1 equity share of face value INR 10 (Ten) each of such class as may be determined by the Board of Directors of the First Resulting Company for 106 equity shares held in the Demerged Company by the shareholders of the Demerged Company on the record date"

It is clarified that no cash consideration shall be paid by the First Resulting Company to the Demerged Company or its shareholders.

The increase in Authorized Share Capital shall be subject to the payment of necessary fees for registration and stamp duty by the First Resulting Company.

2.11.2 Any fractional entitlement arising out of the issue and allotment of the shares issued by the First Resulting Company pursuant to clause 2.11.1 above, shall be rounded up to the next integer and be issued free from all liens, charges, equitable interests, encumbrances and other third-party rights of any nature whatsoever.

2.11.3 The equity shares to be issued and allotted pursuant to clause 2.11.1 shall in all respects, rank *pari-passu* in all respect, including dividends, with the existing equity shares of the First Resulting Company.

2.11.4 The shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the First Resulting Company and shall be deemed to be in compliance with the Act, and other notifications, guidelines issued by the statutory/regulatory authorities in India.

2.11.5 Approval of this Scheme by the shareholders shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the First Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme, and no separate resolution under the Act would be required to be passed.

2.11.6 Upon the Scheme becoming effective and upon issue of equity shares by the First Resulting Company in accordance with Clause 2.11.1 above, the existing equity shares of the First Resulting Company held by the Demerged Company and its nominees, as on the Record Date shall, without any application or deed or payment, stand cancelled. Furthermore, the First Resulting Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

It is hereby expressly clarified that the consent of the shareholders and the secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting the above

reorganization in the issued and paid-up equity share capital of the First Resulting Company, resulting in a reduction in the equity share capital of the First Resulting Company, and no further resolution would be required to be separately passed or taken.

The said cancellation of investment held by the Demerged Company in the First Resulting Company and the said reduction in the share capital of the First Resulting Company shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

2.12 ACCOUNTING TREATMENT

On effectiveness of the Scheme and with effect from the Appointed Date, subject to the compliance with the provisions of Section 2(19AA) of the Income-tax Act, the Demerged Company and the First Resulting Company shall account for the scheme in their respective books of account /financial statements in accordance with applicable Indian Accounting Standards (Ind AS) notified under *the Companies (Indian Accounting Standards) Rules, 2015*, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

2.12.1 IN THE BOOKS OF THE DEMERGED COMPANY

(a) The aggregate book value of all assets and liabilities forming part of the Demerged Undertaking 1 transferred pursuant to this Scheme from the Demerged Company to the First Resulting Company shall be reduced from the aggregate book value of assets and liabilities respectively as appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.

(b) By virtue of the reduction in equity share capital specified under Clause 2.11.6, the Demerged Company shall derecognise the carrying amount of its investments in the equity shares in the First Resulting Company.

(c) All inter-company assets and liabilities i.e., investments, loan and advances or payables or receivables or arrangement of any kind, held inter-se, if any, between the Demerged Company and the First Resulting Company relating to the Demerged Undertaking 1 shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

(d) The excess/deficit, if any of the aggregate of the book value of assets over the book value of liabilities forming part the Demerged Undertaking 1 transferred under this Scheme after taking into consideration the amount of investments cancelled under Clause 2.12.1 (b) and the effect of elimination of balances as mentioned under Clause 2.12.1 (c), shall be adjusted with the Retained Earnings of the Demerged Company.

2.12.2 IN THE BOOKS OF THE FIRST RESULTING COMPANY

(a) The First Resulting Company shall record the assets and liabilities, forming part of the Demerged Undertaking 1 transferred to and vested in it pursuant to this Scheme, at their respective book values thereof as appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.

(b) The First Resulting Company shall credit to its share capital account in its books of accounts the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to clause 2.11.1.

(c) All inter-company assets and liabilities i.e., investments, loan and advances or payables or receivables or arrangement of any kind, held inter-se, if any, between the Demerged Company and the First Resulting Company relating to the Demerged Undertaking 1 shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

(d) The excess, if any, of the aggregate of the book value of the assets over the aggregate of the book value of liabilities forming part of the Demerged Undertaking 1 transferred pursuant to this Scheme and the amount credited to the share capital account as per clause 2.12.2(b), as reduced by the amount of share capital cancelled pursuant to clause 2.11.6, and after giving effect to cancellation of inter-company assets and liabilities as per clause 2.12.2(c), shall be credited to the capital reserve account. However, where the amount credited to the share capital account as per clause 2.12.2(b), as reduced by the amount of share capital cancelled pursuant to clause 2.11.6, is higher than the aggregate of the book value of assets over the aggregate of the book value of liabilities forming part of the Demerged Undertaking 1 transferred pursuant to this Scheme, after giving effect to cancellation of inter-company assets and liabilities as per clause 2.12.2(c), the difference shall be adjusted first in the retained earnings to the extent available and the balance if any shall be recognised in a separate account appropriately titled.

2.13 REMAINING BUSINESS OF THE DEMERGED COMPANY

2.13.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto, shall continue to belong to and be vested in and be managed by the Demerged Company.

2 All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged

Company. The First Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company.

2.13.2 With effect from the Appointed Date and up to and including the Effective Date:

3.13.3.1 The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf.

3.13.3.2 All profits and income accruing or arising to the Demerged Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Demerged Company, and

3.13.3.3 All employees relatable to the Remaining Business shall continue to be employed by the Demerged Company and the First Resulting Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

2.13.3 On and from the Effective Date, and thereafter, the Demerged Company basis the instructions received from the Board of the First Resulting company shall be entitled to continue to carry out all operations of the Demerged Undertaking 1 on behalf of the First Resulting Company so far as may be necessary until the First Resulting Company is able to obtain all legal permissions/ registrations required to carry out the business of the Demerged Undertaking 1 and transfer of rights and obligations of the Demerged Undertaking 1 to the First Resulting Company under this Scheme have been formally given effect to. For avoidance of doubt, it is clarified that all such business operations shall be deemed to have been carried out on behalf of the First Resulting Company and shall be accounted for in the books of the First Resulting Company.

PART III

TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 2 OF THE DEMERGED COMPANY INTO GRPL, THE SECOND RESULTING COMPANY

3.1 TRANSFER AND VESTING

With effect from the Appointed Date or such other date as may be fixed or approved by the NCLT and upon the Scheme becoming effective, the Demerged Undertaking 2 of the Demerged Company shall be transferred to and vested in the Second Resulting Company in the following manner:

3.1.1 The whole of the Demerged Undertaking 2 of the Demerged Company as defined in Clause 1.1.8 shall under the provision of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT or any other appropriate authority sanctioning this Scheme and without any further act or deed, be demerged from, transferred to and vested in or be deemed to have been demerged from, transferred to and vested in the Second Resulting Company, as a going concern, as and from the Appointed Date.

3.1.2 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act. If any terms or provisions of this Scheme are found to be interpreted or inconsistent with the said provisions at a later date including resulting from amendment of any Applicable Law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the Income-tax Act.

3.2 TRANSFER OF ASSETS

Upon this Scheme becoming effective and with effect from the Appointed Date, the assets of the Demerged Undertaking 2 shall stand transferred and vested in the Second Resulting Company in the following manner:

3.2.1 In respect of such assets of the Demerged Undertaking 2 as are movable in nature or otherwise capable of being transferred by physical delivery, by paying over or by endorsement and delivery, the same shall be so transferred by the Demerged Company, without requiring any deed or conveyance for the same and shall become the property of the Second Resulting Company as an integral part of the Demerged Undertaking 2.

3.2.2 In respect of assets (including all immovable properties, assets and rights whether contingent or not, in the immovable property whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto) forming a part of the Demerged Undertaking 2 other than those referred to in clause 3.2.1 , the same shall be transferred to and vested in and/or be

deemed to be transferred to and vested in the Second Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. In respect of such assets including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, Semi-Government, local and other authorities and bodies and customers, the Second Resulting Company may, and the Demerged Company shall, on being so requested by the Second Resulting Company, issue notices in such form as the Second Resulting Company specifies stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, the Second Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to receive, recover or realize the same, stands transferred to the Second Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.2.3 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, assignment, allotments, power of attorney given by, issued to or executed in favour of the Demerged Undertaking 2 of the Demerged Company, shall stand transferred to the Second Resulting Company as if the same were originally given by, issued to or executed in favour of the Second Resulting Company, and the rights and benefits under the same shall be available to the Second Resulting Company. Any registration fees, charges etc. paid by the Demerged Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, etc. shall be deemed to have been paid by the Second Resulting Company and consequently, the concerned Government authority shall carry out necessary mutations in favour of the Second Resulting Company.

3.2.4 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date in relation to the Demerged Undertaking 2, shall also stand transferred (along with the encumbrances, charges and / or rights thereon) to and vested in the Second Resulting Company with effect from the relevant date in accordance with and in the manner prescribed in clause 3.2.1 and clause 3.2.2 above. Further, no duty (including stamp duty), levy, cess of any nature will be payable by the Second Resulting Company at the time of replacement of the encumbrance, charge and/or right covered above with respect to the assets.

3.2.5 It is hereby provided that all documents executed and/or filed including but not limited to documents related to charges, encumbrance or right, whether or not registered with any Governmental authority (including Registrar of Companies) or any other person as regards the transfer and vesting of Demerged Undertaking 2 of the Demerged Company, shall be deemed to have been executed and/or

filed and/or registered by the Second Resulting Company, and the Second Resulting Company shall not be required to execute and/or perform any further act, instrument or deed separately.

3.2.6 Where there is any question as to the matter of whether any asset forms a part of or pertains to the Demerged Undertaking 2, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

3.3 TRANSFER OF LIABILITIES

Upon the coming into effect of this Scheme, the liabilities and obligations forming a part of the Demerged Undertaking 2 as on the Appointed Date shall be transferred / dealt with in the following manner:

3.3.1 It is clarified that all the liabilities and obligations of the Demerged Company which arose out of the activities of the Demerged Undertaking 2 as on the Appointed Date, shall be deemed to have been transferred to the Second Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed, be transferred to the Second Resulting Company and shall thereupon become the liabilities and obligations of the Second Resulting Company which the Second Resulting Company undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company.

3.3.2 All liabilities including loans and borrowings present, future, and contingent liabilities and obligations of the Demerged Company allocable or pertaining to the Demerged Undertaking 2, including guarantees in respect of borrowings pertaining to or relatable to the Demerged Undertaking 2, shall without any further act or deed, become liabilities, loans and borrowings of the Second Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Second Resulting Company as if it had entered into such loans and incurred such borrowings. For the purpose of this Scheme, it is clarified that the Liabilities shall include:

(d) The liabilities which arise out of the activities or operations of the Demerged Undertaking 2;

(e) The specific loans or borrowings raised, incurred and utilized solely for the activities and operations of the Demerged Undertaking 2, if any; and

(f) So much of the amounts of the general or multipurpose borrowings of the Demerged Company, if any, allocable to the Demerged Undertaking 2 as stand in the same proportion in which the value of the assets transferred under this Scheme bear to the value of the assets of the Demerged

Company immediately before the demerger, as prescribed under section 2(19AA) of the Income-tax Act.

3.3.3 Subject to the provisions of this clause and from the Effective Date, the Second Resulting Company alone shall be eligible to perform all obligations in respect of the liabilities forming part of the Demerged Undertaking 2 as the borrower/issuer thereof, and the Demerged Company shall not have any obligation in respect of such transferred liabilities forming a part of the Demerged Undertaking 2.

3.3.4 Where any of the liabilities and obligations of the Demerged Company, as on the Appointed Date, deemed to be transferred to the Second Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Second Resulting Company, all loans raised and used and all liabilities and obligations incurred by the Demerged Company forming part of the Demerged Undertaking 2 after the Appointed Date and prior to the Effective Date, shall also without any further act or deed be and stand transferred to the Second Resulting Company and shall become the liabilities and obligations of the Second Resulting Company which shall meet, discharge and satisfy the same to the exclusion of the Demerged Company.

3.3.5 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability or obligation relates or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

3.3.6 For the avoidance of doubt, it is hereby clarified and agreed that no liabilities and obligations forming a part of the Remaining Business shall be transferred or assumed by the Second Resulting Company and the Demerged Company shall be responsible in relation to meeting or discharging such liabilities or obligations.

Where there is any question as to the matter of whether any liability or obligation forms a part of or pertains to the Demerged Undertaking 2, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

3.4 LEGAL PROCEEDINGS

Upon the Scheme becoming effective, and with effect from the Appointed Date, all litigation, arbitration and other proceedings of the Demerged Undertaking 2 shall be transferred / dealt in the following manner:

3.4.1 All legal, taxation, arbitration or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ('Proceedings') by or against the Demerged Company, whether pending on the Appointed Date or which may be instituted any time in future and in each case relating to the Demerged Undertaking 2 shall be continued and enforced by or against the Second Resulting Company after the Effective Date to the extent legally permissible. To the extent, such proceedings cannot be taken over by the Second Resulting Company, the proceedings shall be pursued by the Demerged Company as per the instruction of and entirely at the cost of the Second Resulting Company.

3.4.2 The Second Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company, referred to in Clause 3.4.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Second Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, Demerged Company shall be added as a necessary party to enable the Second Resulting Company to prosecute / defend such proceedings and Second Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.

3.4.3 All legal, taxation, arbitration or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business shall be continued and enforced by or against the Demerged Company.

3.5 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Upon this Scheme becoming effective, and with effect from the Appointed Date, all contracts, deeds, approval, permits etc. of the Demerged Undertaking 2 shall be deemed transferred /assigned and dealt in the following manner:

3.5.1 All contracts, deeds, bonds, schemes, arrangements and other instruments, if any, of whatsoever nature and relating to the Demerged Undertaking 2 to which the Demerged Company is a party or to the benefit of which the Demerged Undertaking 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in force and effect against or in favour of, as the case may be, the Second Resulting Company , and may be enforced as fully and effectually as if, instead of the Demerged Company, the Second Resulting Company had been a party or beneficiary or oblige thereto.

3.5.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Demerged Undertaking 2 with the Second Resulting Company occurs by virtue of the Scheme itself, the Second Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, writings, confirmations, novation, tripartite agreements, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Second Resulting Company, shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company to be carried out or performed.

3.5.3 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of the Scheme, on the Appointed Date, all consents, permissions, licenses, certificate, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 2 shall stand transferred to and vested in the Second Resulting Company as if the same were originally given by, issued to or executed in favour of the Second Resulting Company, and the Second Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect and the rights and benefits under such consents, permissions, licenses, certificates etc., shall be available to the Second Resulting Company . Any registration fees, charges etc. paid by the Demerged Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the Second Resulting Company.

3.5.4 It is clarified that if any contract, deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking 2, to which the Demerged Company is a party cannot be transferred to the Second Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Second Resulting Company.

3.5.5 In pursuance of the Scheme, Demerged Company and Second Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.

3.6 EMPLOYEES

Upon this Scheme becoming effective:

3.6.1 All the employees of the Demerged Company, who are predominantly employed in the Demerged Undertaking 2 (the **"Employees"**), shall stand transferred to the Second Resulting Company on terms and conditions not less favorable than those on which they were engaged by the Demerged Company (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of the Demerged Undertaking 2 of the Demerged Company to the Second Resulting Company.

3.6.2 The Second Resulting Company agrees that the services of all the Employees in relation to Demerged Undertaking 2 prior to the transfer, as aforesaid, shall be taken into account for the purpose of the benefit to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly be reckoned therefore from the date of their respective appointment in the Demerged Company.

3.6.3 The existing provident fund, gratuity fund and pension and/or superannuation fund trusts, if any, of which the Employees of the Demerged Company, in relation to Demerged Undertaking 2, being transferred under clause 3.6.1 to the Second Resulting Company, are members or beneficiaries as on the Appointed Date, along with the accumulated contributions therein till the Effective Date, shall with the approval of the concerned authorities if so required, be transferred to and continued without any break, to be administered by the Second Resulting Company for the benefit of such Employees on the same terms and conditions. Accordingly, the balances in the provident fund, gratuity fund and pension and/or superannuation fund, if any, pertaining to the said employees of the Demerged Company, and at the direction of the Second Resulting Company, shall either be continued as separate funds of the Second Resulting Company for the benefit of such Employees or be transferred to and merged with the similar funds of the Second Resulting Company. In the event that the Second Resulting Company does not have its own funds in respect of any of the above, the Second Resulting Company, may subject to the necessary approvals and permissions, continue to contribute to the relevant funds of the Demerged Company, until such time that the Second Resulting Company creates its own funds/ arrangements at which time the funds and the investments and contribution pertaining to the concerned Employees shall be transferred to the funds created by the Second Resulting Company.

3.6.4 For the avoidance of doubt, it is hereby clarified and agreed that all liabilities, obligations or claims, in connection with any current or former officer or employee of the Demerged Company, other than the Employees, shall not transfer to or vest in the Second Resulting Company and the Demerged Company shall be responsible in relation to meeting or discharging such liabilities or obligations or claims.

3.6.5 Where there is any question as to the matter of whether any employee forms a part of the Demerged Undertaking 2 or Remaining Business, a decision of the Board of Directors of the Demerged Company taken on such matter prior to the Effective Date with due regard to the background and rationale of this Scheme will be determinative.

3.7 TAXES

Upon this Scheme becoming effective and with effect from Appointed Date:

3.7.1 It is clarified that all the direct and indirect taxes, duties, cess or any other like payment payable by the Demerged Company, relating to the Demerged Undertaking 2, including all advance tax payments, tax deducted at source or any refunds/ credits/ claims relating thereto shall for all purpose, be treated as advance tax payments, tax deducted at source or refunds/ credits/ claims, as the case may be, of the Second Resulting Company. It is specifically provided that if the Demerged Company or their successor(s) receive any refunds/ credits in respect of the Demerged Undertaking 2, the same shall be on the behalf of and as a trustee of the Second Resulting Company and the same shall be refunded to the Second Resulting Company. Accordingly, upon this Scheme becoming effective, the Demerged Company and Second Resulting Company are expressly permitted to revise and file their respective Income Tax Returns including tax deduction at source certificates, goods and service tax return(s) and other such tax returns, for the period commencing on and from the Appointed Date and to claim refund/credit, pursuant to the provisions of this Scheme.

3.7.2 All Taxes of any nature, duties, cesses, un-availed credits, exemptions, margin money, retention money, deposits with Governmental Authorities, other deposits and benefits of carried forward losses and other statutory benefits, including in respect of income tax (including MAT Credit remaining after utilization of the Demerged Company), VAT, sales tax, service tax, goods and service tax (including unutilized input tax credit), etc. or any other like payment or deductions made by the Demerged Company in relation to the Demerged Undertaking 2 to any Governmental Authorities such as goods and service tax etc. or any tax deduction / collection at source, tax credits under the applicable direct and indirect Tax Laws, relating to the period after the Appointed Date up to and including the Effective Date, shall be deemed to have been on account of or paid by the Second Resulting Company, without any further act and deed.

3.7.3 Upon this Scheme becoming effective, any tax deducted at source (TDS) deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking 2 shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Second Resulting Company and all deductions otherwise admissible to the Demerged Company pertaining to the Demerged Undertaking 2 including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as section 43B, section 40, section 40A etc. of the Income-tax Act) shall be eligible for deduction to the Second Resulting Company.

3.7.4 The obligation for deduction/collection of tax at source on any payment made by or to be made by the Demerged Company pertaining to the Demerged Undertaking 2 under the Income-tax Act, goods and service tax laws, or other applicable direct and indirect tax laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Second Resulting Company.

3.7.5 All the expenses incurred by the Demerged Company and the Second Resulting Company in relation to this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of the Demerged Company and the Second Resulting Company in accordance with Section 35DD of the Income-tax Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.

3.8 ENCUMBRANCES

3.8.1 The transfer and vesting of the Demerged Undertaking 2 under Clause 3.1 above, shall be subject to the existing securities, charges and mortgages, if any in relation to the liabilities of the Demerged Undertaking 2 transferred by the Demerged Company.

3.8.2 In so far as the assets comprised in the Demerged Undertaking 2 are concerned, the existing securities, mortgages, charges, encumbrances or liens, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowing of the Demerged Company, shall without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities retained in the Demerged Company.

3.8.3 In so far as the assets retained in the Demerged Company are concerned, the security over such assets, to the extent they relate to the liabilities transferred under Clause 3.3 above, shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party in order to effect such release shall not affect the operation of the foregoing sentence.

3.9 SAVING OF THE CONCLUDED TRANSACTIONS

3.9.1 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking 2 as per this Scheme and continuance of the proceedings by or against the Second Resulting Company under Clause 3.4 hereof shall not affect any transactions or proceedings, already completed by the Demerged Company on or before the Appointed Date to the end and intent that the Second Resulting Company accept all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Second Resulting Company.

3.10 BUSINESS AND PROPERTY IN TRUST FOR THE SECOND RESULTING COMPANY

3.10.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking 2 for and on account of and in trust for the Second Resulting Company.

3.10.2 All cash, receivables and profits accruing to the Demerged Company or losses arising or incurred (including the effect of taxes if any thereon) after the Appointed Date and up to and including the Effective Date, relating to the Demerged Undertaking 2 shall for all purposes, be treated as cash, receivables, profits or losses, as the case may be, of the Second Resulting Company. Also from the Appointed Date up to the Effective Date any appreciation in or accretion or entitlement to the Demerged Undertaking 2, by virtue of a dividend or issue of shares, bonus, capital reorganization or otherwise pursuant to a Scheme of Amalgamation or Arrangement undertaken by the investee companies whose shares, units, etc. form a part of the assets of the Demerged Undertaking 2 of the Demerged Company, as the case may be shall be deemed to have also been issued, transferred and vested in the Second Resulting Company by virtue of this Scheme.

3.10.3 The Demerged Company hereby confirms that it has and shall continue up to the Effective Date, to preserve and carry on the Demerged Undertaking 2, in the ordinary course as a going concern, consistent with past practices and with reasonable diligence and business prudence and it will not, without prior consultation with the Second Resulting Company, alienate, charge, or otherwise deal with or dispose or suspend business operation pertaining to the Demerged Undertaking 2 or any part thereof (in each case, except in the ordinary course of business) or undertake substantial expansion of the Demerged Undertaking 2, other than expansions which have already commenced prior to the Appointed Date.

3.11 CONSIDERATION

3.11.1 Upon effectiveness of this Scheme and in consideration for the transfer of the Demerged Undertaking 2 of the Demerged Company into the Second Resulting Company, the Second Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members as on Record Date (or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be), the following equity shares:

"1 equity share of face value INR 10 (Ten) each of such class as may be determined by the Board of Directors of the Second Resulting Company for every 106 equity shares held in the Demerged Company by the shareholders of the Demerged Company on the record date"

It is clarified that no cash consideration shall be paid by the Second Resulting Company to the Demerged Company or its shareholders.

3.11.2 Any fractional entitlement arising out of the issue and allotment of the shares issued by the Second Resulting Company pursuant to clause 3.11.1 above, shall be rounded up to the next integer and be issued free from all liens, charges, equitable interests, encumbrances and other third-party rights of any nature whatsoever.

3.11.3 The equity shares to be issued and allotted pursuant to clause 3.11.1 shall in all respects, rank *pari-passu* in all respect, including dividends, with the existing equity shares of the Second Resulting Company.

3.11.4 The shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Second Resulting Company and shall be deemed to be in compliance with the Act, and other notifications, guidelines issued by the statutory/regulatory authorities in India.

3.11.5 Approval of this Scheme by the shareholders shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Second Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme, and no separate resolution under the Act would be required to be passed.

3.11.6 Upon the Scheme becoming effective and upon issue of equity shares by the Second Resulting Company in accordance with Clause 3.11.1 above, the existing equity shares of the Second Resulting Company held by the Demerged Company and its nominees, as on the Record Date shall, without any application or deed or payment, stand cancelled. Furthermore, the Second Resulting Company shall

not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

It is hereby expressly clarified that the consent of the shareholders and the secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the issued and paid-up equity share capital of the Second Resulting Company, resulting in a reduction in the equity share capital of the Second Resulting Company, and no further resolution would be required to be separately passed or taken.

The said cancellation of investment held by the Demerged Company in the Second Resulting Company and the said reduction in the share capital of the Second Resulting Company shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

3.12 ACCOUNTING TREATMENT

On effectiveness of the Scheme and with effect from the Appointed Date, subject to the compliance with the provisions of Section 2(19AA) of the Income-tax Act, the Demerged Company and the Second Resulting Company shall account for the scheme in their respective books of account /financial statements in accordance with applicable Indian Accounting Standards (Ind AS) notified under *the Companies (Indian Accounting Standards) Rules, 2015*, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

3.12.1 IN THE BOOKS OF THE DEMERGED COMPANY

(a) The aggregate book value of all assets and liabilities forming part of the Demerged Undertaking 2 transferred pursuant to this Scheme from the Demerged Company to the Second Resulting Company shall be reduced from the aggregate book value of assets and liabilities respectively as appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.

(b) By virtue of the reduction in equity share capital specified under Clause 3.11.6, the Demerged Company shall derecognise the carrying amount of its investments in the equity shares in the Second Resulting Company.

(c) All inter-company assets and liabilities i.e., investments, loan and advances or payables or receivables or arrangement of any kind, held inter-se, if any, between the Demerged Company and the Second Resulting Company relating to the Demerged Undertaking 2 shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

(d) The excess/deficit, if any of the aggregate of the book value of assets over the book value of liabilities forming part the Demerged Undertaking 2 transferred under this Scheme after taking into consideration the amount of investments cancelled under Clause 3.12.1 (b), and the effect of elimination of balances as mentioned under Clause 3.12.1 (c), shall be adjusted with the Retained Earnings of the Demerged Company.

3.12.2 IN THE BOOKS OF THE SECOND RESULTING COMPANY

(a) The Second Resulting Company shall record the assets and liabilities, forming part of the Demerged Undertaking 2 transferred to and vested in it pursuant to this Scheme, at their respective book values thereof as appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.

(b) The Second Resulting Company shall credit to its share capital account in its books of accounts the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to clause 3.11.1.

(c) All inter-company assets and liabilities i.e., investments, loan and advances or payables or receivables or arrangement of any kind, held inter-se, if any, between the Demerged Company and the Second Resulting Company relating to the Demerged Undertaking 2 shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

(d) The excess, if any, of the aggregate of the book value of the assets over the aggregate of the book value of liabilities forming part of the Demerged Undertaking 2 transferred pursuant to this Scheme and the amount credited to the share capital account as per clause 3.12.2(b), as reduced by the amount of share capital cancelled pursuant to clause 3.11.6, and, after giving effect to cancellation of inter-company assets and liabilities as per clause 3.12.2(c), shall be credited to the capital reserve account. However, where the amount credited to the share capital account as per clause 3.12.2(b), as reduced by the amount of share capital cancelled pursuant to clause 3.11.6, is higher than the aggregate of the book value of assets over the aggregate of the book value of liabilities forming part of the Demerged Undertaking 2 transferred pursuant to this Scheme, after giving effect to cancellation of inter-company assets and liabilities and liabilities as per clause 3.12.2(c), the difference shall be adjusted first in the retained earnings to the extent available and the balance if any shall be recognised in a separate account appropriately titled.

3.13 REMAINING BUSINESS OF THE DEMERGED COMPANY

3.13.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto, shall continue to belong to and be vested in and be managed by the Demerged Company.

3.13.2 All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Second Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company.

3.13.3 With effect from the Appointed Date and up to and including the Effective Date:

(a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf.

(b) All profits and income accruing or arising to the Demerged Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Demerged Company, and

(c) All employees relatable to the Remaining Business shall continue to be employed by the Demerged Company and the Second Resulting Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

3.13.4 On and from the Effective Date, and thereafter, the Demerged Company basis the instructions received from the Board of the Second Resulting company shall be entitled to continue to carry out all operations of the Demerged Undertaking 2 on behalf of the Second Resulting Company so far as may be necessary until the Second Resulting Company is able to obtain all legal permissions/ registrations required to carry out the business of the Demerged Undertaking 2 and transfer of rights and obligations of the Demerged Undertaking 2 to the Second Resulting Company under this Scheme have been formally given effect to. For avoidance of doubt, it is clarified that all such business operations shall be deemed to have been carried out on behalf of the Second Resulting Company and shall be accounted for in the books of the Second Resulting Company.

PART IV

OTHER TERMS AND CONDITIONS

4.1 APPLICATION TO THE NCLT

4.1.1 Each of the Companies shall jointly make the requisite company applications/ petitions under sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT, under whose jurisdiction the registered office of the Demerged Company and the Resulting Company is situated, for seeking sanction of this Scheme.

4.2 MODIFICATION OR AMENDMENT TO THE SCHEME

4.2.1 The Demerged Company, First Resulting Company and Second Resulting Company, through their respective Board of Directors or any Committee constituted by their respective Boards may assent to any modifications/amendments to the Scheme as they deem fit (including modification in the Appointed Date) or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Companies shall authorize their respective Boards of Directors or any Committee constituted by them to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authority or otherwise howsoever arising out of or by virtue of the Scheme or implementation thereof and/or any matter concerned or connected therewith.

4.2.2 Further it is clarified that the initial consent of the shareholders and creditors of the Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of the Clause 4.2.1 and any subsequent alteration in the manner provided above would not require a fresh note of consent from the stakeholders.

4.2.3 If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

4.3 CONDITIONALITY OF THE SCHEME

4.3.1 This Scheme is subject to the following conditions precedent:

(a) The approval by the requisite majorities of each class of shareholders and creditors (including but not limited to secured and unsecured) of the Demerged Company, First Resulting Company and the Second Resulting Company as directed by the NCLT under Sections 230 to 232 of the Act.

(b) The requisite sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which sanction or approval being required.

(c) The requisite sanction or approval of the NCLT in respect of this Scheme being duly and validly obtained; and

(d) The certified or authenticated copy of the order of the NCLT sanctioning this Scheme being filed with the relevant Registrar of Companies;

4.4 REVOCATION, WITHDRAWAL OF THIS SCHEME

4.4.1 Subject to the order of the NCLT, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme or any part of the Scheme of no effect at any stage if: (i) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the NCLT, shareholders of the Companies or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme or any part of the Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

4.4.2 The non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Demerged Undertaking 1 and Demerged Undertaking 2, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Companies so decide.

4.4.3 No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against any of the Companies or their directors or officers, if this Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.

4.5 EFFECT OF NON RECEIPT OF APPROVAL

4.5.1 In the event of the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. In such an event, Demerged Company shall bear the entire cost, charges and expenses in connection with this Scheme unless otherwise mutually agreed.

4.6 MISCELLANEOUS

4.6.1 In case any doubt or difference or issue shall arise between either of the Companies or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the said Companies, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the above mentioned Companies respectively, and the decision arrived at therein shall be final and binding on all concerned.

4.7 COST, CHARGES AND EXPENSES

4.7.1 All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in preparing, carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by KPML, as deem fit except relevant stamp duty charges, registration charges, mutation charges and all incidental costs and expenses thereto in relation to Demerged Undertaking 2 shall be borne by GRPL.

4.8 PERMISSION TO RAISE CAPITAL

4.8.1 Notwithstanding anything contained in this Scheme and subject to Applicable Law, until this Scheme becomes effective, the Demerged Company shall have the right to raise funds and/ or capital by issuance of shares and/ or debentures or any other instruments, for the efficient functioning of the business of the Demerged Company or for any other purpose including for purposes of refinancing, repayment, conversion or prepayment of any loans.

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Strictly Private and Confidential

March 10, 2023

Board of Directors
Khanna Paper Mills Limited
B-26, Infocity-I, Sector – 34, Gurgaon 122002, Haryana, India

Board of Directors
Khanna Fiber Private Limited
A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India

Board of Directors
Grownd Realty Private Limited
A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India

Dear Sirs,

Subject: Report on share entitlement ratio

In accordance with our discussions, I have prepared this report on the reasonableness of ratio of allotment of equity shares of Khanna Fiber Private Limited ("**KFPL**") and Grownd Realty Private Limited ("**GRPL**") to be issued to equity shareholders of Khanna Paper Mills Limited ("**KPML**") in connection with the proposed demerger of the commodity trading business from KPML to KFPL and demerger of construction and development of real estate for multiple commercial usage *inter alia* hospitality business from KPML to GRPL based on the financials and figures of the entities as on 31.12.2022

Background and Scope of Work

KPML is a company incorporated under the provisions of the Companies Act, 1956 on 2nd February 1985 bearing Company Identification Number U74110HR1985PLC054735. The registered office is situated at B-26, Infocity-I, Sector – 34, Gurgaon 122002, Haryana, India. The Company, inter alia, is engaged in the business of paper manufacturing, commodity trading and construction and development of real estate for multiple commercial usage inter alia hospitality business.

KFPL is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing Company Identification Number U21000PB2022PTC057193. The registered office of the company is presently situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. The Company is engaged in the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and also to deal in or manufacture any other articles or things of a character

similar or analogous to the foregoing or any of them or connected therewith. The entire paid up share capital of KFPL is held by KPML.

GRPL is a company incorporated under the provisions of the Companies Act, 2013 on 1st November 2022 bearing Company Identification Number U70109PB2022PTC057192. The registered office is situated at A-50, D.R. Enclave Ajnala Road, Amritsar, Punjab 143001, India. The Company is engaged in the business of purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, flats, offices, residential society, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon. The entire paid up share capital of GRPL is held by KPML.

The management of KPML, KFPL and GRPL is proposing a scheme of arrangement whereby the commodity trading business of KPML shall demerge and stand vested into KFPL and Construction and development of real estate for multiple commercial usage *inter alia* hospitality business of KPML shall demerge and stand vested into GRPL ("**Proposed Demerger**").

Post the Proposed Demerger, the remaining business, specifically including the paper manufacturing business will continue to be carried out by KPML.

The Proposed Demerger will be effected through a Scheme of Arrangement under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 as may be applicable and rules made thereunder. The draft Scheme of Arrangement for the Proposed Demerger ("**Scheme**") has been provided to me. As per the Scheme, upon the Scheme becoming effective, (i) the assets and liabilities relating to the commodity trading and hospitality business of KPML will be transferred to KFPL and GRPL, respectively; (ii) all equity shares of KFPL and GRPL, as held by KPML along with [refer scheme for inter-company balance language] shall be cancelled, and (iii) KFPL and GRPL shall issue its equity shares to individuals / entities who are shareholders of KPML (except its own self) as on the record date (as determined by the Board of Directors of KPML, KFPL and GRPL for the purposes of the Scheme) as consideration for the Proposed Demerger.

The above reorganization of KFPL's and GRPL's share capital will be part of the composite Scheme and the reduction will become effective on approval of the Scheme. The pre and post-reorganization shareholding pattern of KPML is detailed in Annexure 1.

The Appointed Date for the Proposed Demerger is the last of the dates on which the certified copy of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed by the Companies with the concerned Registrar of Companies, Ministry of Corporate Affairs, or such other date as may be approved by, the Board of Directors of KPML, KFPL and GRPL, and the National Company Law Tribunal ("**Appointed Date**").

In connection with the Proposed Demerger, the management of KPML, KFPL and GRPL (the "Management") requires to submit a report ("**Valuation Report**" or "**Report**") recommending the fair share exchange ratio for the Proposed Demerger ("**Purpose**"). This report ("**Report**") has been issued accordingly and it is my understanding that the Report will be used by the Management for the abovementioned Purpose. This Report is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such, this Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Procedures Undertaken

The procedures used in my analysis included such substantive steps as were considered necessary under the circumstances, including, but not necessarily limited to the following:

1. Considered the audited financials of KPML for the year ending on March 31, 2022;
2. Considered the draft Scheme of Arrangement;
3. Considered the existing and proposed shareholding pattern of KPML, KFPL and GRPL post the planned capital reduction as part of the composite Scheme;
4. Other information, interviews and correspondence with the Management, on which I have relied; and
5. Such other analysis, reviews and inquiries, as were considered necessary.

Ratio of Allotment

The Management has represented that consequent to the Proposed Demerger, there will be no impact on the ultimate beneficial shareholding of the equity shareholders of KPML, KFPL and GRPL since the Proposed Demerger is intended to result in a shareholding pattern in KFPL and GRPL which would correspond to match the aggregated value held beneficially by the ultimate shareholders of KPML, KFPL and GRPL

In consideration for the Proposed Demerger, the Management has proposed the following share entitlement ratio ("**Share Entitlement Ratio**") for the demerger of respective businesses:

For demerger of commodity trading business from KPML to KFPL

1 equity share of face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of KFPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

For demerger of hospitality business from KPML to GRPL

1 equity share of a face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of GRPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

Pursuant to the Scheme, KFPL and GRPL shall issue new equity shares (as described above) and at the same time, pursuant to the Scheme, the existing share capital of KFPL and GRPL held by KPML amounting to INR 25,00,000 comprising 2,50,000 equity shares of INR 10 each in KFPL and GRPL shall stand cancelled.

The current and proposed shareholding pattern of KFPL and GRPL post completion of the Scheme has been detailed in Annexure 2 of this report.

In summary, the proposed Share Entitlement Ratio shall replicate the inter-se ultimate beneficial shareholding of the equity shareholders of KPML in KFPL and GRPL and hence shall be regarded as value neutral for the shareholders.

Based on the above and considering the fact that consequent to the Proposed Demerger, all the current ultimate beneficial owners of KPML will have ultimate beneficial shareholding in KFPL and GRPL which is exactly similar to their ultimate beneficial shareholding in KPML, I believe that the above Share Entitlement Ratio as proposed by the Management is fair in relation to the Proposed Demerger.

Scope Limitations

1. I have relied upon the information, data and explanations provided to me by the Management for the purpose of reporting on the reasonableness of ratio of allotment of equity shares of KFPL and GRPL to the equity shareholders of KPML in connection with the Proposed Demerger.
2. For the purpose of opining on the reasonableness of the Share Entitlement Ratio, I have used the financial and other information provided by the Management, which I believe to be reliable and my conclusions are dependent on such information being complete and accurate in all material respects. My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to me by the Management. I have, therefore, not conducted any due diligence, independent review or audit or any other test or validation of such financial statements referred to above or of the information, explanations and representations provided to me. Accordingly, I do not express any opinion or any other form of assurance on the accuracy and completeness of information provided to me and accept no responsibility for the same.
3. The Management has represented that the financial statements as on March 31, 2022 provided to me, include all disclosures necessary for presentation of the financial position and results of operations in accordance with generally accepted accounting principles in India consistently applied, and disclosures otherwise required by the laws and regulations to which they are subject.
4. My conclusion of the reasonableness of the Share Entitlement Ratio assumes that the assets and liabilities of the distribution business remain intact as of the date of forming such opinion on the Share Entitlement Ratio.
5. My scope of work is limited to expression of my view on the proposed Share Entitlement Ratio and its impact on the economic interests of the equity shareholders of KPML, KFPL and GRPL. My report is not, nor should it be construed as opining or certifying the compliance of the Proposed Demerger of the commodity trading business and hospitality business of KPML with the provisions of law including companies, foreign exchange management and taxation related laws or as regards any legal compliance or issues arising from such Proposed Demerger.
6. Valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single Share Entitlement Ratio. While I have provided my view on the Share Entitlement Ratio based on the information available to me and within the scope of constraints of this engagement, others may have a different opinion. You acknowledge and agree that you have the final responsibility for determination of Share Entitlement Ratio for the Proposed Demerger and factors other than this

report will need to be considered in determining such ratio. These will include your own assessment of the Proposed Demerger and may include the input of other professional advisors.

7. I owe responsibility only to the Board of Directors of KPML, KFPL and GRPL, who have retained me and do not accept any liability to any third party, in relation to this Report.
8. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of KPML, KFPL and GRPL, their directors, employees or agents. In no circumstances shall my liability, relating to the services provided in connection with the engagement set out in this report, exceed the amount paid to me in respect of the fees charged for these services.

Distribution of Report

The information contained herein, and my Report is confidential and is intended only for the sole use and information of KPML, KFPL and GRPL for the abovementioned Purpose, which includes making necessary form filings and submissions with the concerned authorities as required under the Companies Act, 2013. Other than the above, the report may not be shared with any person without my prior written consent, and you along with such other person signing a letter of release (i) acknowledging the fact that the work undertaken by me was specifically for you, and accordingly may or may not be sufficient for such other persons' requirements, and (b) releasing me from all obligations or liabilities resulting from such person's reliance on my work in a form acceptable to me.

Yours faithfully,

CA. Prateek Mittal
Registered Valuer, IBBI
Registration Number: IBBI/RV/05/2018/10021
UDIN - 23406374BGYRZJ2821
Place: New Delhi
Date: March 10, 2023

Annexure 1

Equity Shareholding Pattern of KPML pre and post implementation of the Scheme

S. No.	Shareholder Name	Pre Scheme implementation		Post Scheme implementation	
		Number of shares of INR 10 each	% Shares	Number of shares of INR 10 each	% Shares
1	Shore to Shore (Company as nominee of Rahul Khanna)	1	0.000%	1	0.000%
2	Shri Rahul Khanna	397	0.001%	397	0.001%
3	Shri Saurabh Khanna	8,972,301	33.809%	8,972,301	33.809%
4	Shri Renu Khanna	3,807,945	14.349%	3,807,945	14.349%
5	Shivani Khanna (nominee shareholder)	1	0.000%	1	0.000%
6	Siya Khanna (nominee shareholder)	1	0.000%	1	0.000%
7	Brij Mohan and Rahul Khanna Family Trust (BMK is nominee)	13,757,299	51.840%	13,757,299	51.840%
		26,537,945	**100.00%**	**26,537,945**	**100.00%**

Annexure 2

Equity Shareholding Pattern of KFPL

S. No.	Shareholder Name	Pre Scheme implementation		Post Scheme implementation	
		Number of shares of INR 10 each	% Shares	Number of shares of INR 10 each	% Shares
1	KPML	9,999	99.99%	-	-
2	Nominee shareholder of KPML	1	0.01%	-	-
3	Shri Rahul Khanna	-	-	4	0.001%
4	Shri Saurabh Khanna	-	-	84,523	33.809%
5	Shri Renu Khanna	-	-	35,873	14.349%
6	Brij Mohan and Rahul Khanna Family Trust	-	-	129,600	51.840%
		10,000	**100.00%**	**250,000**	**100.00%**

Equity Shareholding Pattern of GRPL

S. No.	Shareholder Name	Pre Scheme implementation		Post Scheme implementation	
		Number of shares of INR 10 each	% Shares	Number of shares of INR 10 each	% Shares
1	KPML	9,999	99.99%	-	-
2	Nominee shareholder of KPML	1	0.01%	-	-
3	Shri Rahul Khanna	-	-	4	0.001%
4	Shri Saurabh Khanna	-	-	84,523	33.809%
5	Shri Renu Khanna	-	-	35,873	14.349%
6	Brij Mohan and Rahul Khanna Family Trust	-	-	129,600	51.840%
		10,000	**100.00%**	**250,000**	**100.00%**

ANNEXURE - 3

EXTRACT OF THE REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KHANNA PAPER MILLS LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ("REPORT"), AT ITS MEETING HELD ON MARCH 11, 2023 AT KHANNA PAPER MILLS LIMITED, VILLAGE NANGLI, FATEHGARH ROAD, NH 3, BYPASS ROAD, OPPOSITE METRO CASH & CARRY, AMRITSAR, PUNJAB 143001, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS

1. The Scheme of Arrangement between Khanna Paper Mills Limited (KPML/Demerged Company), Khanna Fiber Private Limited (KFPL/First Resulting Company), Grownd Realty Private Limited (GRPL/Second Resulting Company) and their respective Shareholders & Creditors (“Scheme”), pursuant to the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act. 2013 ("Act") and the rules and regulations made thereunder, provides for the transfer and vesting of the Demerged Undertaking 1 of Khanna Paper Mills Limited into Khanna Fiber Private Limited and transfer and vesting of the Demerged Undertaking 2 of Khanna Paper Mills Limited into Grownd Realty Private Limited.
2. The board of directors of the Demerged Company ("Board") at its meeting held on March 11, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
    a) The Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies, as may be required under applicable laws, or as may be directed by the National Company Law Tribunal, Chandigarh Bench ("NCLT");
    b) the draft Scheme being approved by the respective shareholders and board of directors of the Companies;
    c) the sanction of the draft Scheme by the NCLT under the relevant provisions of the Act;
    d) compliance with such conditions as may be imposed by the NCLT;
    e) receipt of such other approvals, including, approvals of any governmental authority s may be necessary under applicable laws or under any material contract to make the Scheme or the relevant part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

f) the certified copies of the order of NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("KMP") laying out in particular the share exchange ratios, specifying any special valuation difficulties.

5. The following documents were placed before the Board for its consideration:

   a) The draft copy of the Scheme;

   b) Valuation report dated March 10, 2022 issued by CA Prateek Mittal, Registered Valuer (IBBI Registration No. BBI/RV/05/2018/10021) for the determination of share entitlement ratios under the draft Scheme ("Valuation Report")

   c) The certificate dated March 11, 2023, from Nimish Nagpal & Company, Chartered Accountants, the statutory auditor of the Demerged Company, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards and principles prescribed by the Central Government under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles.

6. The Need & Rationale for the Scheme:

   The Demerged Company Is engaged in the business of (a) Paper manufacturing (b) Commodity trading, and (c) Construction and development of real estate for multiple commercial usage inter alia hospitality business.

   The nature of risks and competition involved in each such business undertaking is distinct and requires attribution of dissimilar technical and managerial focus. With a view to concentrate the growth efforts in a focused manner and to provide flexibility to manage each of the business divisions using strategies optimal to the nature and return profile of the division, the management of the Demerged Company, proposes to undertake a Scheme of Arrangement to demerge its interests in the commodity trading business and hospitality

business on a going concern basis, and vest the same with the First Resulting Company and Second Resulting Company respectively.

The Scheme of Arrangement is likely to be value accretive for the shareholders and would result in the following benefits:

a) Enables focused management orientation to the core business activities due to individual specialization and leadership vision, which would provide greater visibility on the performance of the said businesses;

b) Attribution of appropriate risk and valuation to different business undertakings based on their respective risk return profile and cash flows;

c) Unlocking the value of the Demerged Undertakings for the shareholders of the Demerged Company. The Scheme is in the interest of all the companies and will help in modernization, growth, and expansion of the businesses.

d) Independent collaboration and expansion as the respective company can attract different sets of strategic partners, lenders, investors, and other stakeholders having a specific interest in the respective businesses.

e) The Board of Directors of all the companies are of the opinion that the above Arrangement would result in benefit to the shareholders, creditors, employees, and other stakeholders of all the companies and all concerned, and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large.

The above Scheme is in the larger interests of all shareholders, creditors, employees and other stakeholders of the Demerged Company, First Resulting Company and Second Resulting Company.

7. Share Entitlement Ratio Report:

The share entitlement ratio as per the Valuation Report are as under:

For demerger of commodity trading business from KPML to KFPL

1 equity share of face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of KFPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

For demerger of hospitality business from KPML to GRPL

1 equity share of a face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of GRPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Demerged Company:

   The Board reviewed the documents placed in the meeting held on March 11, 2023, and is of the informed opinion that the proposed Scheme is in the best interests of the Demerged Company and its shareholders and creditors. The impact of the Scheme on its shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

9. Effect of the Scheme on the KMPs of the Demerged Company:

   There is no impact of the Scheme on the KMPs of the Demerged Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Demerged Company.

10. Effect of the Scheme on the Creditors of the Demerged Company:

    There is no impact of the draft Scheme on the creditors of the Demerged Company. Further, none of the creditors have any interest in the draft Scheme, except to the extent of shares held by them, in the Company.

11. Adoption of the Report by the Board:

    The Board of the Demerged Company has adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

ANNEXURE- 4

EXTRACT OF THE REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KHANNA FIBER PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ("REPORT"), AT ITS MEETING HELD ON MARCH 11, 2023 AT A-50, D.R. ENCLAVE AJNALA ROAD, AMRITSAR, AMRITSAR, PUNJAB, INDIA, 143001, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS

1. The Scheme of Arrangement between Khanna Paper Mills Limited (KPML/Demerged Company), Khanna Fiber Private Limited (KFPL/ First Resulting Company), Grownd Realty Private Limited (GRPL/ Second Resulting Company) and their respective Shareholders & Creditors (“Scheme”), pursuant to the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act. 2013 ("Act") and the rules and regulations made thereunder, provides for the transfer and vesting of the Demerged Undertaking 1 of Khanna Paper Mills Limited into Khanna Fiber Private Limited and transfer and vesting of the Demerged Undertaking 2 of Khanna Paper Mills Limited into Grownd Realty Private Limited.
2. The board of directors of the First Resulting Company ("Board") at its meeting held on March 11, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
    a) The Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies, as may be required under applicable laws, or as may be directed by the National Company Law Tribunal, Chandigarh Bench ("NCLT");
    b) the draft Scheme being approved by the respective shareholders and board of directors of the Companies;
    c) the sanction of the draft Scheme by the NCLT under the relevant provisions of the Act;
    d) compliance with such conditions as may be imposed by the NCLT;
    e) receipt of such other approvals, including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant part of the

Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

f) the certified copies of the order of NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("KMP") laying out in particular the share exchange ratios, specifying any special valuation difficulties.

5. The following documents were placed before the Board for its consideration:

a) The draft copy of the Scheme;

b) Valuation report dated March 10, 2022 issued by CA Prateek Mittal, Registered Valuer (IBBI Registration No. BBI/RV/05/2018/10021) for the determination of share entitlement ratios under the draft Scheme ("Valuation Report")

c) The certificate dated March 11, 2023, from Bedi Mishra & Associates, Chartered Accountants, the statutory auditor of the First Resulting Company, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards and principles prescribed by the Central Government under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles.

6. The Need & Rationale for the Scheme:

The Demerged Company Is engaged in the business of (a) Paper manufacturing (b) Commodity trading, and (c) Construction and development of real estate for multiple commercial usage inter alia hospitality business.

The nature of risks and competition involved in each such business undertaking is distinct and requires attribution of dissimilar technical and managerial focus. With a view to concentrate the growth efforts in a focused manner and to provide flexibility to manage each of the business divisions using strategies optimal to

the nature and return profile of the division, the management of the Demerged Company, proposes to undertake a Scheme of Arrangement to demerge its interests in the commodity trading business and hospitality business on a going concern basis, and vest the same with the First Resulting Company and Second Resulting Company respectively.

The Scheme of Arrangement is likely to be value accretive for the shareholders and would result in the following benefits:

a) Enables focused management orientation to the core business activities due to individual specialization and leadership vision, which would provide greater visibility on the performance of the said businesses;

b) Attribution of appropriate risk and valuation to different business undertakings based on their respective risk return profile and cash flows;

c) Unlocking the value of the Demerged Undertakings for the shareholders of the Demerged Company. The Scheme is in the interest of all the companies and will help in modernization, growth, and expansion of the businesses.

d) Independent collaboration and expansion as the respective company can attract different sets of strategic partners, lenders, investors, and other stakeholders having a specific interest in the respective businesses.

e) The Board of Directors of all the companies are of the opinion that the above Arrangement would result in benefit to the shareholders, creditors, employees, and other stakeholders of all the companies and all concerned, and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large.

The above Scheme is in the larger interests of all shareholders, creditors, employees and other stakeholders of the Demerged Company, First Resulting Company and Second Resulting Company.

7. Share Entitlement Ratio Report:

The share entitlement ratio as per the Valuation Report are as under:

For demerger of commodity trading business from KPML to KFPL

1 equity share of face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of KFPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

For demerger of hospitality business from KPML to GRPL

1 equity share of a face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of GRPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the First Resulting Company:

   The Board reviewed the documents placed in the meeting held on March 11, 2023, and is of the informed opinion that the proposed Scheme is in the best interests of the First Resulting Company and its shareholders and creditors. The impact of the Scheme on its shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

9. Effect of the Scheme on the KMPs of the First Resulting Company:

   There is no impact of the Scheme on the KMPs of the First Resulting Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Demerged Company, First Resulting Company or Second Resulting Company.

10. Effect of the Scheme on the Creditors of the First Resulting Company:

    There is no impact of the draft Scheme on the creditors of the First Resulting Company. Further, none of the creditors have any interest in the draft Scheme, except to the extent of shares held by them in the Company.

11. Adoption of the Report by the Board:

    The Board of the First Resulting Company has adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

ANNEXURE -5

EXTRACT OF THE REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GROWND REALTY PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ("REPORT"), AT ITS MEETING HELD ON MARCH 11, 2023 AT A-50, D.R. ENCLAVE AJNALA ROAD, AMRITSAR, AMRITSAR, PUNJAB, INDIA, 143001, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS

1. The Scheme of Arrangement between Khanna Paper Mills Limited (KPML/ Demerged Company), Khanna Fiber Private Limited (KFPL/ First Resulting Company), Grownd Realty Private Limited (GRPL/ Second Resulting Company) and their respective Shareholders & Creditors (“Scheme”), pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act. 2013 ("Act") and the rules and regulations made thereunder, provides for the transfer and vesting of the Demerged Undertaking 1 of Khanna Paper Mills Limited into Khanna Fiber Private Limited and transfer and vesting of the Demerged Undertaking 2 of Khanna Paper Mills Limited into Grownd Realty Private Limited.
2. The board of directors of the Second Resulting Company ("Board") at its meeting held on March 11, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
    a) The Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies, as may be required under applicable laws, or as may be directed by the National Company Law Tribunal, Chandigarh Bench ("NCLT");
    b) the draft Scheme being approved by the respective shareholders and board of directors of the Companies;
    c) the sanction of the draft Scheme by the NCLT under the relevant provisions of the Act;
    d) compliance with such conditions as may be imposed by the NCLT;
    e) receipt of such other approvals, including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant part of the

Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

f) the certified copies of the order of NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("KMP") laying out in particular the share exchange ratios, specifying any special valuation difficulties.

5. The following documents were placed before the Board for its consideration:

a) The draft copy of the Scheme;

b) Valuation report dated March 10, 2022 issued by CA Prateek Mittal, Registered Valuer (IBBI Registration No. BBI/RV/05/2018/10021) for the determination of share entitlement ratios under the draft Scheme ("Valuation Report")

c) The certificate dated March 11, 2023, from Bedi Mishra & Associates, Chartered Accountants, the statutory auditor of the Second Resulting Company, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards and principles prescribed by the Central Government under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles.

6. The Need & Rationale for the Scheme:

The Demerged Company is engaged in the business of (a) Paper manufacturing (b) Commodity trading, and (c) Construction and development of real estate for multiple commercial usage inter alia hospitality business.

The nature of risks and competition involved in each such business undertaking is distinct and requires attribution of dissimilar technical and managerial focus. With a view to concentrate the growth efforts in a focused manner and to provide flexibility to manage each of the business divisions using strategies optimal to

the nature and return profile of the division, the management of the Demerged Company, proposes to undertake a Scheme of Arrangement to demerge its interests in the commodity trading business and hospitality business on a going concern basis, and vest the same with the First Resulting Company and Second Resulting Company respectively.

The Scheme of Arrangement is likely to be value accretive for the shareholders and would result in the following benefits:

a) Enables focused management orientation to the core business activities due to individual specialization and leadership vision, which would provide greater visibility on the performance of the said businesses;

b) Attribution of appropriate risk and valuation to different business undertakings based on their respective risk return profile and cash flows;

c) Unlocking the value of the Demerged Undertakings for the shareholders of the Demerged Company. The Scheme is in the interest of all the companies and will help in modernization, growth, and expansion of the businesses.

d) Independent collaboration and expansion as the respective company can attract different sets of strategic partners, lenders, investors, and other stakeholders having a specific interest in the respective businesses.

e) The Board of Directors of all the companies are of the opinion that the above Arrangement would result in benefit to the shareholders, creditors, employees, and other stakeholders of all the companies and all concerned, and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large.

The above Scheme is in the larger interests of all shareholders, creditors, employees and other stakeholders of the Demerged Company, First Resulting Company and Second Resulting Company.

7. Share Entitlement Ratio Report:

The share entitlement ratio as per the Valuation Report are as under:

For demerger of commodity trading business from KPML to KFPL

1 equity share of face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of KFPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

For demerger of hospitality business from KPML to GRPL

1 equity share of a face value of INR 10 (Ten) each, of such class as may be determined by the Board of Directors of GRPL for every 106 equity shares held in KPML by the shareholders of KPML on the record date.

8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Second Resulting Company:

   The Board reviewed the documents placed in the meeting held on March 11, 2023, and is of the informed opinion that the proposed Scheme is in the best interests of the Second Resulting Company and its shareholders and creditors. The impact of the Scheme on its shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

9. Effect of the Scheme on the KMPs of the Second Resulting Company:

   There is no impact of the Scheme on the KMPs of the Second Resulting Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Demerged Company, First Resulting Company or Second Resulting Company.

10. Effect of the Scheme on the Creditors of the Second Resulting Company:

    There is no impact of the draft Scheme on the creditors of the Second Resulting Company. Further, none of the creditors have any interest in the draft Scheme, except to the extent of shares held by them in the Company.

11. Adoption of the Report by the Board:

    The Board of the Second Resulting Company has adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

Independent Auditor's Report

To The Members of
Khanna Paper Mills Limited
(CIN: U74110HR1985PLC054735)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Khanna Paper Mills Limited** ('the Company') (CIN: U74110HR1985PLC054735) which comprise the Standalone Balance Sheet as at 31st March 2023, Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of changes in Equity and Standalone Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards on Auditing 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 ethical 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.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards on Auditing are further described in the auditor's responsibilities for the audit of the standalone financial statements

NIMISH NAGPAL & COM. CA CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

4th Floor, Nagpal Towers - II, SCO 44, Distt. Shopping Centre, Ranjit Avenue, Amritsar 143001 (INDIA)
Ph. : +91-183-2504800, 5155800, +91- 9876115005
E-mail : contact@rsnagpal.com, Website : www.rsnagpal.com

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 ethical 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 ('KAM') 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Emphasis of Matter

We draw attention to Note No. 16 of the standalone financial statements, regarding the reimbursement that the company expected to be made by the insurer for settling the obligation the nature of which is also not confirmed by the management of the company. The reimbursement was recognized as a separate asset in the preceding years and is being carried forward without the company being able to evidence the virtual certainty that reimbursement will be received if the company settles such obligation.

Our opinion is not modified in respect of matters specified above.

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 obtained at the date of this auditor's report comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the

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standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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.

NIMISH NAGPAL & CO. CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

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As a part of an audit in accordance with SAs, we exercise professional judgement 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 control 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 with reference to standalone financial statements 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 in the preparation of standalone financial statements 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 standalone 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 evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the standalone financial statements.

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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.

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 in terms of Section 143(11) of the Act, we give in "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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone 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 Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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f. With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company, in place, 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 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 as at 31st March 2023 on its financial position in its standalone financial statements - Refer to Note 45 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

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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,

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The company has not declared/paid any dividend during the year.

vi. Since the mandatory usage of Audit Trail compliant accounting software has been deferred to 1st April 2023 vide Notification G.S.R 235(E) dated 31-03-2022, the reporting about its operation throughout the year is not tenable for the Financial Year 2022-2023.

h. With respect to the 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 according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Nimish Nagpal & Company**
Chartered Accountants
Firm Registration No. 023104N

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

CA Nimish Nagpal
Partner
Membership No. 515749
UDIN : 23515749BGYTMB8739

Place: Amritsar
Date: August 21st, 2023

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Annexure "A" to the Independent Auditor's Report on the standalone financial statements of Khanna Paper Mills Limited for the year ended 31st March 2023"

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

(i)	In respect of the Company's Property, Plant and Equipment	
	(a)	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment. (B) The Company has maintained proper records showing full particulars of Intangible assets
	(b)	The Company has a program of verification to cover all the items of Property, plant and equipment in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements.
	(c)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
	(d)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
	(e)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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(ii)	(a)	The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
	(b)	During the year, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks. As of the date of the audit report, we have not received any response and/ or confirmation with respect to correspondences made to the Bank for corroborating the quarterly returns or statements being filed by the company with them. Pending such response and/ or confirmation from the Bank, we are not able to comment about quarterly returns or statements filed by the company with such banks, being in agreement or not with the books of account of the Company. However, as per the information available and provided to us by the management, no adverse inference is drawn.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company,

a. the Company has made investments and has stood guarantee to its subsidiary which is disclosed in the standalone financial statements in Note 6, the details of which are as follows:

Name of the Company	Nature	Aggregate amount during the year	Balance outstanding as of balance sheet date
Khanna Paper INC. (Wholly Owned Subsidiary incorporated in USA)	SBLC – guarantee	13.5 Million (in USD) 11053.80 Lakhs (in INR)*	3.5 Million (in USD) 2865.80 Lakhs (In INR)
Khanna Fibre Private Limited (Wholly Owned Subsidiary)	Equity Shares – 10,000	INR 1.00 Lakh	INR 1.00 Lakh
Khanna Fibre Private Limited (Wholly Owned Subsidiary)	Debentures – OC-ZCDS – 8,20,000	INR 820 Lakhs	INR 820 Lakhs

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	Grownd Crew Private Limited (Wholly Owned Subsidary)	Equity Shares – 10,000	INR 1.00 Lakh	INR 1.00 Lakh
	Grownd Crew Private Limited (Wholly Owned Subsidary)	Debentures – OC-ZCDS – 65,00,000	INR 6500.00 Lakhs	INR 6500.00 Lakhs

** The company has given guarantee in the form of SBLC and each renewal of SBLC is treated as reissuance which is forming part of the aggregate amount during the year.*

b. The investments made and guarantee so provided as referred to in clause (iii) (a) is not prejudicial to the company's interest.
c. The Company has not provided any loans or advances in the nature of loans and hence the reporting in respect of:
   i. schedule of repayment of principal and payment of interest and whether regularity of the repayments or receipts, do not arise.
   ii. recovery of the overdue amount, if any, is not applicable.
   iii. renewal or extension or granting of fresh loans to settle the over dues of existing loans is not applicable.
   iv. aggregate amount with respect to promoters and related parties is also not applicable.

(iv)	In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
(v)	According to the information and explanations given to us, for any deposits accepted or amounts which are deemed to be deposits, the company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. We further report that the directives of the Reserve Bank of India are not applicable on the company with respect to such deposits. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, on the company in respect of the aforesaid deposits.

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(vi)	Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.					
(vii)	In respect of statutory dues:					
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally been regularly deposited during the year by the company with the appropriate authorities.				
	(b)	According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:				
		Statute	**Nature of dues**	**Amount (Rs.in lakhs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
		Custom Duty	Partial Duty Payment from DEPB Scripts and balance from Cash Amount	2.74	2007-2008	Assistant Commissioner
		Custom Duty	Denial of DEPB Benefit	154.74	2011-12	Punjab & Haryana High Court
		Custom Duty	Demand against differential custom duty	22.76	2011-12	The ADG (Adjudication), Ludhiana
		Custom Duty	2nd Hand Machinery,	54.36	2015-16	Tribunal , Chandigarh

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			revaluation LT-8			
		Excise	Differential Custom duty demanded by Department on Imported Wood Pulp destroyed by fire	94.32	20.06.2013	Central Excise - Tribunal, Chandigarh.
		Excise	Demand of Excise duty raised by department on finished Goods destroyed by Fire	228.21	20.06.2013	The Assisstant Commissioner - CGST Commissionerate, Jalandhar
		Service Tax	Demand Notice for erroneously granted Service Tax	2.91	2014-15	The Deputy Commissioner, CGST Division-1,Amritsar
		Service Tax	Service Tax Demand on Ocean Freight	54.37	2017 (Qtr-1)	The Joint Commissioner-Central GST, Jalandhar
		GST	GST Audit	846.92	2017-18 & 2018-19	Central GST (Audit) Commissionerate, Ludhiana

(viii)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
(ix)	(a)	According to the information and explanation given to us and records examined by us, 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)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

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	(c)	According to the information and explanations given to us by the management, the Company has obtained terms loans and were applied the purpose for which the loans were obtained.
	(d)	According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report funds have been raised on short-term basis by the Company and funds raised on short-term basis have not been utilised for long term purposes.
	(e)	According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
	(f)	According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable
(x)	(a)	The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
	(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
(xi)	(a)	We report that we have neither come across any instance of any fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
	(b)	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	(c)	We have not taken into consideration the whistle blower complaints as there were no such complaints received by the company during the year while determining the nature, timing and extent of our audit procedures.

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(xii)	According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.	
(xiii)	The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements under Note no 51. of Notes to Accounts as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.	
(xiv)	(a)	Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
	(b)	We have considered the internal audit reports of the Company issued till date for the period under audit.
(xv)	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.	
(xvi)	(a)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable
	(b)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
	(c)	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
	(d)	According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
(xvii)	The Company has not incurred cash losses in the current and in the immediately preceding financial year.	
(xviii)	There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.	
(xix)	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of 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	

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

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		believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, 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 the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
(xx)	(a)	In our opinion and according to the information and explanations given to us, in respect of any amount remaining unspent under sub-section (5) of section 135 of the Companies Act 2013, pursuant to other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act 2013 within a period of six months of the expiry of the financial year in compliance with second provision to sub-section (5) of section 135 of the said Act.
	(b)	In our opinion and according to the information and explanations given to us, in respect of any amount remaining unspent under sub-section (5) of section 135 of the Companies Act 2013, pursuant to ongoing projects, the company has transferred unspent amount ,if any, to a special account in compliance with second provision to sub-section (5) of section 135 of the said Act.
(xi)		The reporting under Clause 3(xxi) of the Order is not applicable in respect of the audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Nimish Nagpal & Company
Chartered Accountants
Firm Registration No. 023104N

CA Nimish Nagpal
Partner
Membership No. 515749
UDIN : 23515749BGYTMB8739

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Place: Amritsar
Date: August 21st, 2023

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Annexure "B" to the Independent Auditor's Report on the standalone financial statements of Khanna Paper Mills Limited for the year ended 31st March 2023
(Referred to in paragraph 2(A)(f) under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the internal financial controls under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Khanna Paper Mills Limited ("the Company") as at March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to the standalone financial statements 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. (the "Guidance Note")

Management's responsibility for internal financial controls

The Company's the board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.(hereinafter referred to as "the Act")

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 02[illegible]04N AMRITSAR

4th Floor, Nagpal Towers - II, SCO 44, Distt. Shopping Centre, Ranjit Avenue, Amritsar 143001 (INDIA)
Ph. : +91-183-2504800, 5155800, +91- 9876115005
E-mail : contact@rsnagpal.com, Website : www.rsnagpal.com

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. 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 the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement in 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 control system with reference to the standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the standalone financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

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being made only in accordance with authorisations of management and directors of the company; and (iii) 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.

Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management of 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Nimish Nagpal & Company
Chartered Accountants
Firm Registration No. 023104N

CA Nimish Nagpal
Partner
Membership No. 515749
UDIN : 23515749BGYTMB8739

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Place: Amritsar
Date: August 21st, 2023

4th Floor, Nagpal Towers - II, SCO 44, Distt. Shopping Centre, Ranjit Avenue, Amritsar 143001 (INDIA)
Ph. : +91-183-2504800, 5155800, +91- 9876115005
E-mail : contact@rsnagpal.com, Website : www.rsnagpal.com

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735
Registered office: B-26, Infocity-I, Sector - 34, Gurgaon-122002
Standalone Balance Sheet as at 31-03-2023

Rs. in Lakhs

Particulars	Note No	As at 31-03-2023	As at 31-03-2022
ASSETS			
Property, Plant and Equipment	3	46,845.86	46,158.63
Capital work-in-progress	4	4,427.12	4,493.00
Other Intangible assets	5	16.69	34.85
Financial Assets			
Investments	6	7,405.54	76.07
Other financial assets	7	1,590.89	911.92
Deferred tax assets net	8	-	2,208.99
Other non-current assets	9	5,775.95	2,171.11
Total Non-current Assets		66,062.05	56,054.57
Current assets			
Inventories	10	20,658.34	28,796.68
Financial Assets			
Investments	11	60.41	61.93
Trade receivables	12	24,700.47	17,513.08
Cash and cash equivalents	13	211.81	159.63
Bank balances other than cash and cash equivalents	14	2,838.53	3,032.80
Loans	15	8.69	6.27
Other financial assets	16	1,996.31	281.82
Current Tax Assets (Net)	17	40.02	40.14
Other current assets	18	9,060.59	24,056.48
Total Current Assets		59 575 17	73,948.83
Total Assets		1 25 637 22	1,30,003.40
EQUITY and LIABILITIES			
Equity Share Capital	19	2,653.79	2,653.79
Other Equity	20	62,756.65	52,570.64
Total Equity		65,410.44	55,224.43
Non-current liabilities			
Financial Liabilities			
Borrowings	21	12,019.96	10,896.16
Other financial liabilities	22	2,102.05	1,599.94
Provisions	23	755.58	637.97
Deferred tax liabilities net	24	786.97	-
Other non-current liabilities	25	443.59	552.36
Total Non-current liabilities		16,108.15	13,686.43
Current liabilities			
Financial Liabilities			
Borrowings	26	24,107.73	26,727.97
Trade Payables	27		
total outstanding dues of micro enterprises and small enterprises		952.99	907.46
total outstanding dues of others		14,144.84	12,965.25
Other financial liabilities	28	3,834.23	3,115.81
Other current liabilities	29	917.26	17,311.10
Provisions	30	40.31	29.84
Current Tax Liabilities (Net)	31	121.27	35.11
Total Current liabilities		44,118.63	61,092.54
Total liabilities		60,226.78	74,778.97
Total Equity and Liabilities		1,25 637 22	1,30,003.40

The accompanying notes form an integral part of the Standalone financial statements (1 to 56)

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

CA Nimish Nagpal
Partner
Membership Number: 515749
UDIN: 23515749BGYIMB8739
Place: Amritsar
Date: August 21, 2023

NIMISH NAGPAL & COMPANY
CHARTERED ACCOUNTANTS
FRN 023104N
AMRITSAR

For and on behalf of Board of Directors,
Khanna Paper Mills Limited

Brij Mohan Khanna
Chairman & Whole Time Director
DIN: 00052514

Anurag Saxena
Chief Financial Officer
Place: Amritsar
Date: August 21, 2023

Rahul Khanna
Whole Time Director
DIN: 00057173

Priyanka
Company Secretary
M. No: A-54843

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Registered office: B-26, Infocity-I, Sector - 34,Gurgaon-122002

Standalone Profit & Loss for the period ended on 31-03-2023

Rs. In Lakhs

Particulars	Note No	For Year ended 31-03-2023	For Year ended 31-03-2022
Income			
Revenue From Operations	32	2,80,996.21	1,95,919.61
Other Income	33	2,646.42	886.06
Total Income		**2,83,642.63**	**1,96,805.67**
Expenses			
Cost of materials consumed	34	2,27,458.68	1,65,898.24
Purchases of Stock-in-Trade		3,055.80	540.99
Changes in inventories of finished goods, Stock in Trade and work in	35	-570.21	-335.06
Employee benefits expense	36	7,461.63	6,149.85
Finance costs	37	3,039.07	2,869.10
Depreciation and amortization expense	38	5,861.46	5,265.46
Other expenses	39	21,359.50	15,343.82
Total Expenses		**2,67,665.93**	**1,95,732.40**
Profit/(loss) before tax		**15,976.70**	**1,073.27**
Tax expense	40		
Current tax		5,287.55	300.55
Deferred tax		455.06	-161.55
Total Tax expense		5,742.61	139.00
Profit/(loss) after tax for the period		**10,234.09**	**934.27**
Other Comprehensive Income			
OCI that will not be reclassified to P&L	41	-48.08	46.98
Total Other Comprehensive Income		**-48.08**	**46.98**
Total Comprehensive Income for the period		**10,186.01**	**981.25**
Earnings per equity share			
Basic	42	38.56	3.52
Diluted		38.56	3.52

The accompanying notes form an integral part of the Standalone financial statements. (1 to 56)

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

CA Nimish Nagpal
Partner
Membership Number: 515749
UDIN: 23515749BGYTM88739
Place: Amritsar
Date: August 21, 2023

For and on behalf of Board of Directors,
Khanna Paper Mills Limited

Brij Mohan Khanna
Chairman & Whole Time Director
DIN: 00062514

Anurag Saxena
Chief Financial Officer
Place: Amritsar
Date: August 21, 2023

Rahul Khanna
Whole Time Director
DIN: 00067193

Priyanka
Company Secretary
M. No: A-54843

KHANNA PAPER MILLS LIMITED
CIN: U74110HR1985PLC054735
Registered office: B-26, Infocity-I, Sector - 34,Gurgaon-122002

Standalone Statement of change in Equity for the year ended on 31-03-2023

A. Equity Share Capital

Current reporting period

Rs. in Lakhs

Particulars	Amount
As at 1 April, 2022	2,653.79
Changes in Equity Share Capital due to Prior Period Errors	-
Restated Balance as at	2,653.79
Changes in Equity Share Capital during the year	-
As at 31 March, 2023	2,653.79

Previous reporting period

Rs. in Lakhs

Particulars	Amount
As at 1 April, 2021	2,653.79
Changes in Equity Share Capital due to Prior Period Errors	-
Restated Balance as at	2,653.79
Changes in Equity Share Capital during the year	-
As at 31 March, 2022	2,653.79

B. Other Equity

Current reporting period

Rs. in Lakhs

Particulars	Reserves & Surplus		Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Exchange differeces on translating the financial statements of a foreign operation	Other items of OCI	
Balance as at 1 April, 2022	21,316.11	31,196.43	31.17	26.94	52,570.65
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-
Restated balance as at 1 April,2022	21,316.11	31,196.43	31.17	26.94	52,570.65
Add: Profit/(Loss) during the year	-	10,234.09	-	-	10,234.09
Add: Addition	-	-	6.47	-	6.47
Remeasurement Gain/(Loss) of defined Benefit Plan	-	-	-	(54.55)	(54.55)
Total Comprehensive Income/(Expense)	**21,316.11**	**41,430.52**	**37.64**	**(27.62)**	**62,756.65**
Balance as at 31 March, 2023	**21,316.11**	**41,430.52**	**37.64**	**(27.62)**	**62,756.65**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

KHANNA PAPER MILLS LIMITED
CIN: U74110HR1985PLC054735
Registered office: B-26, Infocity-I, Sector - 34, Gurgaon-122002

Standalone Statement of change in Equity for the year ended on 31-03-2023

Other Equity
Previous reporting period

Rs. in Lakhs

Particulars	Reserves & Surplus		Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI	
Balance as at 1 April, 2021	21,316.11	30,262.15	-	11.13	51,589.39
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-
Restated balance as at 1 April,2021	21,316.11	30,262.15	-	11.13	51,589.39
Net profit/(loss) during the year	-	934.28	-	-	934.28
Add: Addition	-	-	31.17	-	31.17
Remeasurement Gain/(Loss) of defined Benefit Plan	-	-	-	15.81	15.81
Total Comprehensive Income/(Expense)	**21,316.11**	**31,196.43**	**31.17**	**26.94**	**52,570.64**
Balance as at 31 March, 2022	**21,316.11**	**31,196.43**	**31.17**	**26.94**	**52,570.64**

The accompanying notes form an integral part of the Standalone financial statements. (1 to 56)

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

CA Nimish Nagpal
Partner
Membership Number: 515749
UDIN: 23515749BGYTMB8739

Place: Amritsar
Date: August 21, 2023

For and on behalf of Board of Directors,
Khanna Paper Mills Limited

Brij Mohan Khanna
Chairman & Whole Time Director
DIN: 00062514

Rahul Khanna
Whole Time Director
DIN: 00062514

Anurag Saxena 21/8/23
Chief Financial Officer

Place: Amritsar
Date: August 21, 2023

Priyanka
Company Secretary
M. No: A-54843

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735
Registered office: B-26, Infocity-I, Sector - 34,Gurgaon-122002
Standalone Cash Flow Statement for the period ended on 31-03-2023

Rs. in Lakhs

Particulars	Note No	For Year ended 31-03-2023	For Year ended 31-03-2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		10,234.09	934.28
Adjustments for:			
Depreciation and amortisation		5,861.46	5,265.46
(Gain)/Loss on disposal of property, plant and equipment		45.36	-25.00
(Gain)/Loss on disposal of investments		-	-
(Gain)/Loss on investments measured at fair value through profit and loss		1.51	-11.26
Provision for income tax		5,742.61	139.00
Allowances made/(reversed) for trade receivables (net)		-208.24	307.71
Finance Cost		3,039.07	2,869.10
Interest income		-225.27	-307.32
Unrealised Foreign exchange Gain		-118.41	-15.95
Operating profit before working capital changes		24,372.18	9,156.02
Adjustment for (increase) / decrease in operating assets			
Trade receivables		-6,944.66	-4,383.52
Loans & Advances		-	-
Other financial assets		-1,625.40	-198.37
Inventories		8,138.34	12,670.50
Other assets		15,009.80	7,227.65
Adjustment for increase / (decrease) in operating liabilities			
Trade payables		1,309.03	-6,119.02
Other financial liabilities		1,220.53	3,190.90
Other Liabilities		16,502.61	-8,901.98
Provisions		73.32	-5.32
Cash generated from operations		25,050.73	12,636.86
Income tax paid (net)		-2,660.38	-4.82
Net cash generated by operating activities		22,390.35	2,641.68
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		-573.78	-192.54
Payments to acquire Property, plant and equipment		-3,618.75	2,246.10
Purchase of property, plant and equipment		-1,270.73	-693.30
Purchase of intangible assets		0.62	-
Expenditure incurred in Capital Work in Progress		-5,511.50	-4,748.23
Purchase of other investment		-7,323.00	-
Proceeds from disposal of property, plant and equipment		271.61	32.40
Loan and Advances(net)		2.42	1.45
Interest received		225.27	307.32
Net cash (used in) / generated by investing activities		-17,802.68	-3,046.80
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		-2,620.23	-4,464.21
Proceeds from long term borrowings		1,123.81	-2,196.30
Finance cost		-3,039.07	-2,869.10
Net cash used in financing activities		-4,535.49	-9,529.61
Net increase / (decrease) in cash and cash equivalents		52.18	65.27
Cash and cash equivalents at the beginning of the year		159.63	94.36
Exchange gain/loss on Cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		211.81	159.63

Particulars	As at 31-03-2023	As at 31-03-2022
Reconciliation of Cash and Cash equivalents with Balance Sheet:		
Cash and cash equivalents includes		
Cash on hand	4.34	4.53
Balances with Banks	207.47	155.10

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows"
2. During financial year 2022-23 and 2021-22, the Group is not having any non cash changes which have a direct impact on its cash flows from financing activities.

The accompanying notes form an integral part of the Standalone financial statements. (1 to 56)

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

CA Nimish Nagpal
Partner
Membership Number: 516749
UDIN: 23516749BGYIMB7739
Place: Amritsar
Date: August 21, 2023

For and on behalf of Board of Directors
Khanna Paper Mills Limited

Mr. M Shah Khanna
Chairman & Whole Time Director
DIN: 00062517

Anurag Saxena
Chief Financial Officer
Place: Amritsar
Date: August 21, 2023

Rahul Khanna
Whole Time Director
DIN: 00067173

Priyanka
Company Secretary
M. No: A54843

1 COMPANY INFORMATION

Khanna Paper Mills Limited ("the company") is an unlisted public limited company incorporated on 2nd February 1985 and is registered at Registrar of Companies, Delhi. Khanna Paper Mills Limited's Corporate Identification Number (CIN) is U74110HR1985PLC054735 . The registered office of the Company is located at B-26, Infocity-I, Sector - 34 Gurgaon, Haryana-122002, India.

Its authorized share capital is INR 4,500 Lakhs and its paid-up capital is INR 2,653.79 Lakhs. The company is engaged in the business of development of recycled, eco-responsible and innovative papers.

The Company's plant is located in Amritsar, Punjab which is widely spread over 80 acres making it the largest single location plant in the country to use recycled paper waste. The company is an ISO Certified Public Limited Company, manufacturing quality paper, board, newsprint by recycling of waste material, pulp and paper products. Khanna Paper Mills is one of the leading recycle based paper manufacturing Company.

Khanna Paper Mills Limited has become the first paper mill in India to produce high quality writing and printing board from 100% deinked wood free recovered paper. Khanna Paper Mills has about 100 dealers who have a reach not only over the length and breadth of India but across the globe.

The financial statements for the year ended March 31, 2023, were approved by the Board of Directors and authorised for issue on August 21, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

a Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate affairs pursuant to Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended), Ministry Of Corporate Affairs Notification [F.No. 17/62/2015-CL-V Vol-II] dated 24th March, 2021 and Guidance Note on Division II – IND AS Schedule III to the Companies Act, 2013 (Revised January, 2022 Edition) issued by CL&CGC- ICAI dated 24th January, 2022.

The company regularly assesses by considering various external and internal factors as to whether information in the financial statements could reasonably be expected to influence decisions made by the primary users of its general-purpose financial statements. Such assessment also takes into consideration the characteristics of those users while also considering the company's own circumstances. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

The financial statements are presented in Indian Rupees ("Rs" or "INR") and all the figures appearing in the financial statements are rounded off to the nearest lakhs in accordance with Para 5 of Division II of Schedule III of the Companies Act, 2013.

b Going Concern

In preparing the financial statements, the management has assessed the Company's ability to continue as a going concern and has used the going concern basis of accounting.

NIMISH HASSIJA & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

c Basis of measurement and presentation

The financial statements have been prepared on the historical cost basis unless otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2,or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

c Classification of Assets and Liabilities as Current and Non Current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when;

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Operating Cycle

The operating cycle is the time gap between the acquisition of the asset for processing and their realization in cash and cash equivalents. Based on the nature of products/ 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.

NIMISH NAGPAL & COMPANY
CHARTERED ACCOUNTANTS
FRN 023104N
AMRITSAR

e Significant management judgement in applying accounting policies and estimation of uncertainty

Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

i **Revenue**

Where the Company recognizes revenue using the percentage of completion method, this requires estimation of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable losses. These are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined.

ii **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized.

Estimation of Uncertainty

i **Recoverability of advances/receivables**

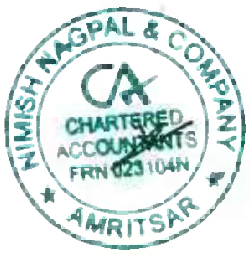
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

ii **Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

iii **Provisions**

At each balance sheet date on the basis of management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.



iv Uncertainty over Income Tax Treatments

In terms of Appendix 'C' of Ind AS 12 as inserted by Companies (Indian Accounting Standards) Second Amendment Rules, 2019, w.e.f. 1-4-2019, where the acceptability of a particular tax treatment under tax law is not known until the relevant taxation authority or a court takes a decision in the future, a dispute or examination of a particular tax treatment by the taxation authority may affect the company's accounting for a current or deferred tax asset or liability. Hence, the company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty. While determining so, the company assumes that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations and thus considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company reflects the effect of uncertainty for each uncertain tax treatment by using either the "the most likely amount" or "the expected value" methods, depending on which method the company expects to better predict the resolution of the uncertainty, when it is not probable that the taxation authority will accept an uncertain tax treatment.

f Prior Period Items

A prior period error, if any, is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

The Company corrects ***material*** prior period errors retrospectively in the financial statements approved for issue after their discovery by:
(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

f Recent accounting pronouncements

The 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i Ind AS 1, Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

ii Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

iii Ind AS 12, Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

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2.2 Summary of Significant Accounting Policies

a Property, Plant and Equipment (PPE)

Property, Plant and Equipment is stated at their cost of acquisition/construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable costs for making the assets ready for its intended use, borrowing costs attributable to acquisition of qualifying asset, up to the date the asset is ready for its intended use.

Items such as spare parts, stand-by equipment and servicing equipment are capitalized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Subsequent expenditure related to an item of property, plant and equipment is included in the carrying amount only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance and it is probable that future economic benefits associated with the item will flow to the entity subject to the cost of the item being measured reliably.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from any use. Any gain or loss arising on recognition of asset is included in the Statement of Profit and Loss Account. Moreover, property plant and equipment which are not held for sale, are idle and no future economic benefits are expected from them are tested for impairment to provide for corresponding impairment loss (if any).

The company ceases to depreciate the asset at the earlier of the date when the asset is classified as held for sale in accordance with Ind AS 105 and the date when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-In-Progress

Useful life of property, plant and equipment

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in the future periods. Accordingly, the useful life of the property, plant and equipment is taken as under:

Main Categories of Property, Plant and Equipment	Useful Life in Years
Land	Indefinite Life
Building	30 to 60 Years
Plant & Equipment	10 to 21 Years
Furniture and Fixtures	10 Years
Vehicles	8 to 10 Years
Office equipment	5 Years
End User Devices	3 Years
Boiler & Turbine	14 to 20 Years

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b Intangible Assets

Intangible Assets comprises of Computer Software. These are stated at cost less accumulated amortization and are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use.

Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Useful Life of Intangible Assets

Main Categories of Intangible Assets	Useful Life in Years
Computer Software	5 Years

c Inventories

Inventories are carried at lower of costs and net realizable value. The cost is determined on a moving average basis.

The cost comprises of all costs of purchase (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

d Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash on hand, cash at bank and short-term deposits with bank and short-term deposits with banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents.

Cash flows are inflows and outflows of cash and cash equivalents.

The statement of cash flows reports cash flows during the period classified by operating, investing and financing activities.

i Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

ii Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

iii Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Cash Flow Statement is being prepared using Indirect Method as per Ind AS 7.

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e **Equity, Reserves and Dividend Payments**

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.

Components of other equity includes retained earnings, general reserve and other comprehensive income (OCI) arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets & exchange differences on translating the financial statements of a foreign operation.

Retained earnings include all current and prior period retained profits.

Annual dividend distribution to shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity. No dividend has been recommended by the Board during the financial year. The Board, accordingly, has decided to carry forward the profits for such financial year, without setting them aside as a reserve.

f **Financial Instruments**

I **Financial Assets**

A financial asset is any asset that is:

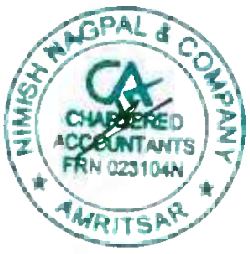
a cash;
b an equity instrument of another entity;
c a contractual right:
  i to receive cash or another financial asset from another entity; or
  ii to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
d a contract that will or may be settled in the entity's own equity instruments and is:
  i a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  ii a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

I.I **Recognition, Classification and Measurement**

The company recognizes a financial asset in its balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument.

The company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:
(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above purposes:
(a) principal is the fair value of the financial asset at initial recognition.
(b) interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

I.ii Derecognition

The company derecognizes a financial asset when, and only when:
(a) the contractual rights to the cash flows from the financial asset expire, or
(b) it transfers contractual rights to receive the cash flows of the financial asset

ii Financial Liability

A financial liability is any liability that is:

a a contractual obligation:
  i to deliver cash or another financial asset to another entity; or
  ii to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

b a contract that will or may be settled in the entity's own equity instruments and is:
  i a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  ii a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

ii.i Recognition, Classification and Measurement

The company recognizes a financial liability in its balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument.
The company classifies all financial liabilities as subsequently measured at amortised cost, except for financial guaranteed contracts which are measured at fair value through profit or loss. Where the financial guarantee contract was issued to an unrelated party in a stand-alone arm's length transaction, its fair value at inception is likely to equal the premium received, unless there is evidence to the contrary.

The Company also considers at initial recognition, irrevocably designating a financial liability as measured at fair value through profit or loss when doing so it eliminates or significantly reduces a measurement or recognition inconsistency.

ii.ii Derecognition

The company removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished — i.e., when the obligation specified in the contract is discharged or cancelled or expires.

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iii Effective Interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

iv Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The company classifies the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. The instrument is an equity instrument if it no contractual obligation:

a to deliver cash or another financial asset to another entity; or

b to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

g Impairment of Financial Assets and Expected Credit Losses

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The company measures expected credit losses of a financial instrument in a way that reflects:
(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, pre-payment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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If the Company's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

h Other current assets and liabilities

Other current assets and liabilities include the amounts that do not meet the definition of a financial asset or financial liability, as the case may be.

I Trade Receivables and Trade Payables

A receivable shall be classified as 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business and the company has a right to an amount of consideration that is unconditional (i.e., if only the passage of time is required before payment of that consideration is due). The amounts due under contractual rights, other than arising out of sale of goods or rendering of services, are not included within Trade Receivables.

A payable shall be classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. The amounts due under contractual obligations or which are statutory payables are not included within Trade Payables.

J MSME

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

The company gets supplies of goods or services from micro and small enterprises ("the supplier"). The company makes the payment therefore on or before the date agreed upon between it and the supplier in writing or, where there is no agreement in this behalf, before the appointed day. Further, the company ensures that in no case the period agreed upon between the supplier and the buyer in writing shall exceed forty-five days from the day of acceptance or the day of deemed acceptance, as the case may be.

The "appointed day" means the day following immediately after the expiry of the period of fifteen days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier.

"The day of acceptance" means,—

a the day of the actual delivery of goods or the rendering of services; or

b where any objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day on which such objection is removed by the supplier.

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"The day of deemed acceptance" means, where no objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day of the actual delivery of goods or the rendering of services.

k Trade Receivables and Unbilled Revenue

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the contracts is recognized upon satisfaction of Performance obligation.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Revenue in excess of billing is recorded as unbilled revenue and is classified as a contract asset. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached, i.e., future service which is necessary to achieve the billing milestone.

Invoicing in excess of revenue recognized is classified as revenue received in advance. Any amount previously recognized as revenue received in advance is recognized to revenue on satisfaction of the performance obligation over the contract period.

Contract Asset refers to the company's right to consideration in exchange for goods or services that the company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liability refers to the company's obligation to transfer goods or services to a customer for which the company has received consideration (or the amount is due) from the customer.

l Revenue Recognition

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, then the promised product or services are combined and accounted as a single performance obligation.

The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

The Company recognizes revenue when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. For the identified performance obligation(s), the company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, when one of the following criteria is met:

a the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

b the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

In assessing the existence and enforceability of a right to payment for performance completed to date, the company considers the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms. This would include an assessment of whether:

a legislation, administrative practice or legal precedent confers upon the entity a right to payment for performance to date even though that right is not specified in the contract with the customer;

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b relevant legal precedent indicates that similar rights to payment for performance completed to date in similar contracts have no binding legal effect; or

c an entity's customary business practices of choosing not to enforce a right to payment has resulted in the right being rendered unenforceable in that legal environment.

For each performance obligation satisfied over time, the company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The company applies single method of measuring progress for each performance obligation satisfied over time and the company applies that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the company re-measures its progress towards complete satisfaction of a performance obligation satisfied over time.

Methods that can be used to measure company's progress towards complete satisfaction of a performance obligation satisfied over time include output methods and input methods. Output methods recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.

Contract Cost

The company recognizes as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that the company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

As a practical expedient, the company recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

Interest Income

Interest due on fixed deposits is accounted on accrual basis.

Dividend Income

Dividend income is recognized when the right to receive the payment is established.

m Foreign currency transactions and translations

The financial statements of the Company are presented in Indian Rupees ("₹" or "INR" or "Rs"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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Exchange differences arising on the re-translation or settlement of other monetary items are included in the statement of profit and loss for the period.

Exchange differences arising on a monetary item that forms part of a company's net investment in a foreign operation is recognised in profit or loss in the separate financial statements of the company.

n **Government Grant**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that:
(a) the entity will comply with the conditions attaching to them; and
(b) the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. A Government grant in the nature of a non-monetary asset for the use of the company is recorded at a nominal amount. Government grants related to assets are presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

o **Borrowing Costs**

Borrowing costs include:

- interest expense calculated using the effective interest method as described in Ind AS 109, Financial Instruments;
- interest in respect of lease liabilities recognised in accordance with Ind AS 116, Leases if any; and
- exchange differences, if any, arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognized as expenses in the period in which it is incurred.

To the extent that the company borrows funds specifically for the purpose of obtaining a qualifying asset, the company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset.

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The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, the company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

P Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i the contract involves the use of an identified asset

ii the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The ROU assets are 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. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use-assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment to whether it will exercise an extension or a termination option.

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The Company 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. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

q Income Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax and deferred tax are recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:
(a) in other comprehensive income, are recognised in other comprehensive income.
(b) directly in equity, are recognised directly in equity

Current Tax

Current tax is the expected tax payable on the taxable income for the year calculated in accordance with the Income Tax Act and any adjustment to taxes in respect of previous years.

The tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Deferred Tax

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:
(a) deductible temporary differences;
(b) the carry forward of unused tax losses; and
(c) the carry forward of unused tax credits.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

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r **Employee Benefits**

When an employee has rendered services during an accounting period, the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service are recognised:
(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
(b) as an expense, unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset.

Post-employment benefits include items such as the following:
(a) retirement benefits; and
(b) other post-employment benefits, such as post-employment life insurance.

Other long-term employee benefits include items such as the following, if not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service:
(a) long-term paid absences such as long-service or sabbatical leave;
(b) jubilee or other long-service benefits;
(c) long-term disability benefits;
(d) profit-sharing and bonuses; and
(e) deferred remuneration.

For other long-term employee benefits, the company recognises net total of service cost, net interest on the net defined benefit liability and remeasurements of the net defined benefit liability, in the statement of profit or loss.

During the year, the company has not provided any such other long-term employee benefits.

Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Defined Benefit Plans and Compensated Absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.
The deficit or surplus is:
(a) the present value of the defined benefit obligation less
(b) the fair value of plan assets (if any).
The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

s **Earnings per share**

Basic Earnings Per Share is computed by dividing the net profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period and for all period presented is adjusted for events such as bonus issue that have changed the number of equity shares outstanding without a corresponding change in resources.

NIMISH NAGPAL & COMPANY
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Diluted Earnings Per Share is computed by dividing the net profit for the year attributable to the equity shareholders 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 shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

t **Corporate Social Responsibility**

As per section 135 of Companies Act, 2013, a company meeting the applicable threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The area for CSR activity is promoting health care, sanitation, education and preventing hunger.

u **Impairment Testing**

Property, plant and equipment and Intangible Assets (hereinafter as "assets") are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the 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. Where it is not possible to measure fair value less costs of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, the company uses the asset's value in use as its recoverable amount. Calculation of value-in-use has considered the following elements:

(a) an estimate of the future cash flows the company expects to derive from the asset;
(b) expectations about possible variations in the amount or timing of those future cash flows;
(c) the time value of money, represented by the current market risk-free rate of interest;
(d) the price for bearing the uncertainty inherent in the asset; and
(e) other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the company expects to derive from the asset.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

v **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used the increase in the provisions due to the passage of time is recognized as finance cost.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more certain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

w Segment Information

An operating segment is a component of an entity:
(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
(c) for which discrete financial information is available.

The Company is primarily engaged in the business of manufacture of Paper, News Print and Paper Board, which are governed by the same set of risk and returns. Accordingly, the Company has two segments. The Board of Directors of the Company has been identified as being the chief operating decision maker (CODM) for evaluating and making decisions about resources to be allocated to the segment and assess its performance.

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

CA Nimish Nagpal
Partner
Membership Number: 515749
UDIN: 23515749BGYTMB8739

Place: Amritsar
Date: August 21, 2023

For and on behalf of Board of Directors,
Khanna Paper Mills Limited

Brij Mohan Khanna
Chairman & Whole Time Director
DIN: 00062514

Rahul Khanna
Whole Time Director
DIN: 00067173

Anurag Saxena
Chief Financial Officer

Place: Amritsar 21/8/23
Date: August 21, 2023

Priyanka
Company Secretary
M. No: A-54843

KHANNA PAPER MILLS LIMITED

Notes forming part of the Financial Statements

3 Property, Plant and Equipment

Rs. in Lakhs

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-22	Addition	Deduction	As on 31-Mar-23	As on 01-Apr-22	for the year	Deduction	As on 31-Mar-23	As on 31-Mar-23
(I) Property, Plant and Equipment									
Land	3,317.25	533.66	-	3,850.90	-	-	-	-	3,850.90
Buildings	9,172.02	1,428.05	-	10,600.07	2,725.99	239.86	-	2,965.84	7,634.23
Plant and Equipment	1,08,892.81	3,902.77	6,511.85	1,06,283.73	74,880.83	5,155.81	6,264.70	73,771.93	32,511.80
Furniture and Fixtures	242.39	25.36	-	267.76	211.72	8.43	-	220.15	47.61
Vehicles	656.66	-	96.27	560.40	361.38	58.97	95.98	324.36	236.03
Office Equipments	417.54	18.03	-	435.57	374.01	22.50	-	396.50	39.07
Computers	861.18	68.49	390.34	539.32	815.23	23.91	389.63	449.51	89.82
Boiler & Turbine	7,971.36	871.13	562.75	8,279.74	6,003.44	333.84	493.93	5,843.35	2,436.39
Total	1,31,531.22	6,847.49	7,561.21	1,30,817.50	85,372.59	5,843.30	7,244.25	83,971.64	46,845.86

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-21	Addition	Deduction	As on 31-Mar-22	As on 01-Apr-21	for the year	Deduction	As on 31-Mar-22	As on 31-Mar-22
(I) Property, Plant and Equipment									
Land	3,289.86	27.39	-	3,317.25	-	-	-	-	3,317.25
Buildings	5,918.96	3,253.05	-	9,172.02	2,555.27	170.72	-	2,725.99	6,446.03
Plant and Equipment	1,01,400.19	7,576.97	84.36	1,08,892.81	70,407.34	4,557.84	84.36	74,880.83	34,011.98
Furniture and Fixtures	242.39	-	-	242.39	203.34	8.38	-	211.72	30.67
Vehicles	656.66	-	-	656.66	300.66	60.72	-	361.38	295.29
Office Equipments	407.63	9.91	-	417.54	340.76	33.24	-	374.01	43.54
Computers	825.85	35.34	-	861.18	791.81	23.42	-	815.23	45.95
Boiler & Turbine	7,971.36	-	-	7,971.36	5,638.41	365.03	-	6,003.44	1,967.92
Total	1,20,712.91	10,902.66	84.36	1,31,531.22	80,237.60	5,219.35	84.36	85,372.59	46,158.63

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN.023104N AMRITSAR

4 Capital work in progress

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Opening Balance	4,493.00	9,957.82
Add: Addition during the year	5,511.50	4,748.23
Less: Capitalised during the year	5,577.38	10,213.06
Closing Balance	4,427.12	4,493.00

4.1 Capital Work-in-Progress Ageing Schedule

Current reporting period

Rs. in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	
Projects in progress	4,182.84	123.23	121.05	-	4,427.12
Projects temporarily suspended	-	-	-	-	-

Previous reporting period

Rs. in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	
Projects in progress	316.33	2,454.11	416.55	1,306.00	4,493.00
Projects temporarily suspended	-	-	-	-	-

5 Other Intangible assets

Rs. in Lakhs

Particulars	Total
Cost as at 1 April, 2022	1,397.37
Addition	-
Disposals	-
Adjustment	-
Cost as at 31 March, 2023	**1,397.37**
Accumulated ammortisation as at 1 April, 2022	1,362.53
Ammortization charge for the year	18.16
Reversal on Disposal of assets	-
Accumulated ammortisation as at 31 March, 2023	1,380.69
Net Carrying Amount as at 31 March, 2023	16.69

Previous Year

Rs. in Lakhs

Particulars	Total
Cost as on 1 April, 2021	1,401.07
Addition	-
Disposals	3.70
Adjustment	-
Cost as at 31 March, 2022	1,397.37
Accumulated ammortisation as at 1 April, 2022	1,316.41
Ammortization charge for the year	46.11
Reversal on Disposal of assets	-
Accumulated ammortisation as at 31 March, 2022	1,362.53
Net Carrying Amount as at 31 March, 2022	34.85

6 Investments - non current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Investment in subsidiary carried at cost	7,323.00	-
Investment in subsidiary carried at fair value through OCI	82.54	76.07
Total	**7,405.54**	**76.07**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

6.1 Details of Investments

Name of Entity	No of Shares/Units	Current Year	No of Shares/Units	Previous Year
Investments in Equity Instruments				
In Subsidiary Company				
Khanna Paper Inc.(wholly owned subsidiary incorporated in USA)				
Equity Shares of USD 1 each(fully paid)	1,00,000	82.54	1,00,000	76.07
Grownd Realty Private Limited				
Equity shares of INR 10 each(fully paid-up)	10,000	1.00	-	-
Khanna Fiber Private Limited				
Equity shares of INR 10 each(fully paid-up)	10,000	1.00	-	-
Grownd Crew Private Limited				
Equity shares of INR 10 each(fully paid-up)	10,000	1.00	-	-
Investments in Debentures or Bonds				
Grownd Realty Private Limited				
Debentures of INR 100 each(fully paid-up)	65,00,000	6,500.00	-	-
Khanna Fiber Private Limited				
Debentures of INR 100 each(fully paid-up)	8,20,000	820.00		

Aggregate details of investment

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Aggregate market value as at the end of the year	-	-
Market value of quoted investments	-	-
Aggreate value of Un-quoted investments	7,405.54	76.07
Provision for diminution in value of investments	-	-

7 Other financial assets - non current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Security deposits	479.98	568.15
Bank deposits with more than 12 months maturity	1,110.91	343.77
Total	**1,590.89**	**911.92**

*Bank Deposits are earmarked with the Banks for obtaining Bank Borrowings

** Security Deposits with refers to amount given to Vendors under contractual terms as per normal course of business which are expected to be realised after twelve months from the reporting period.

8 Deferred tax assets, net

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred Tax Asset	-	6,027.79
Deferred Tax Liability	-	(3,818.80)
Total	-	2,208.99

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Deferred Tax Assets/Liability

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred Tax Assets		
Provision for Gratuity	242.67	196.42
Provision for Deferred Revenue	193.02	220.71
Provision for leave encashment	35.45	26.52
43B Disallowances (Bonus Payable)	41.70	51.87
Trade Receivables	34.76	102.72
MAT Credit	2,888.64	5,429.53
Total DTA	**3,436.23**	**6,027.78**
B		
Related to Fixed Assets	4,202.64	3,790.10
Reversal of Upfront Fees	8.89	17.04
Fair value gain/Loss on Mutual Fund	11.68	11.66
Total DTL	**4,223.20**	**3,818.80**
Deferred Tax Assets/(Liability) net	**-786.97**	**2,208.99**

Movement in deferred tax assets/liability

Current reporting period

Rs. in Lakhs

Particulars	Opening balance	Recognised to P&L	Recognised to OCI	Closing balance
A.				
Provision for Gratuity	196.42	35.41		231.83
Provision for Deferred Revenue	220.71	36.31		184.40
Provision for leave encashment	26.52	7.35		33.86
43B Disallowances (Bonus Payable)	51.87	-12.03		39.84
Trade Receivables	102.72	-69.52		33.21
MAT Credit	5,429.53	-2,305.13		3,124.40
Total DTA	**6,027.78**	**-2,380.24**	**-**	**3,647.54**
B				
Related to Fixed Assets	3,790.10	142.08		3,932.18
Reversal of Upfront Fees	17.04	-8.55		8.49
Fair value gain/Loss on Mutual Fund	11.66	-0.51		11.15
Total DTL	**3,818.80**	**133.02**	**-**	**3,951.82**
Net	**2,208.99**	**-2,513.26**	**-**	**-304.28**

Previous reporting period

Rs. in Lakhs

Particulars	Opening balance	Recognised to Statement of P&L	Recognised to other comprehensive income	closing balance
A.				
Provision for Gratuity	17.43	179.00		196.42
Provision for Deferred Revenue	313.79	-93.08		220.71
Provision for leave encashment	12.15	14.37		26.52
43B Disallowances (Bonus Payable)	11.62	40.26		51.87
Trade Receivables	-	102.72		102.72
MAT Credit	5,493.75	-64.22		5,429.53
Total DTA	5,848.74	179.05	-	6,027.78
B				
Related to Fixed Assets	3,736.33	53.77		3,790.10
Reversal of Upfront Fees	7.56	9.48		17.04
Fair value gain/Loss on Mutual Fund	-6.80	18.46		11.66
Total DTL	3,737.09	81.71	-	3,818.80
Net	2,111.64	97.34	-	2,208.99

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

9 Other non Current assets

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Capital advances		
Others	1,948.30	329.23
Related Parties	3,797.83	1,797.83
Balances with government authorities	0.85	0.85
Prepaid expenses	28.97	43.20
Total	**5,775.95**	**2,171.11**

10 Inventories

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Raw materials*	7,564.01	16,270.22
Work-in-progress	757.04	1,078.75
Finished goods**	5,936.18	5,044.25
Stores and spares***	4,558.70	3,501.15
Packing Material	533.26	422.76
Coal & Fuel	1,309.15	2,479.54
Total	**20,658.34**	**28,796.67**

*Raw Materials includes Goods in Transit of INR 1,763.25 lakhs (Previous Year INR 1,434.21 lakhs)

**Finished Goods includes Goods in Transit of INR 3,285.71 lakhs (Previous Year INR 2,413.46 lakhs)

***Stores & Spares includes Goods in Transit of INR 504.35 lakhs (Previous Year INR 324.73 lakhs)

****Coal & Fuel includes Goods in Transit of INR 10.61 lakhs (Previous Year INR Nil)

11 Investments - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Investment in others carried at fair value through profit or loss		
Mutual Funds	60.41	61.93
Total	**60.41**	**61.93**

11.1 Current Investments

Rs. in Lakhs

Name of Entity	No of Units	Current Year	No of Units	Previous Year
Carried at fair value through profit or loss (FVTPL)				
Quoted Investments				
Investments in Mutual Funds				
a) Sundaram Large and Mid Cap Fund- Regular Growth (LMGP)				
NAV as on March 31, 2023 is INR 52.5889 each unit (Previous Year INR 54.4584)	81,089	42.64	81,089	44.16
b) Sundaram Aggressive Hybrid Fund - Regular Growth (SBGP)				
NAV as on March 31, 2023 is INR 110.7679 each unit (Previous Year INR 110.7588)	16,042	17.77	16,042	17.77

Aggregate details of investment

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Aggregate market value as at the end of the year:	60.41	61.93
Market value of quoted investments	60.41	61.93
Market value of Un-quoted investments	-	-
Provision for diminution in value of investments	-	

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

12 Trade receivables - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good	24,673.71	17,513.08
Unsecured which have significant increase in credit risk	26.76	-
Total	**24,700.47**	**17,513.08**

Trade Receivable

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Above includes due from:		
Directors		
Other Officers of the company		
Firm in which director is partner		
Entities where KMP has significant influence	19.69	
Total	**19.69**	-

Trade Receivables Ageing schedule

Rs. in Lakhs

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
-considered good	15,210.43	9,198.36	293.59	3.97	9.38	57.44	24,773.17
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
-considered good	-	-	-	-	-	-	-
-which have significant increase in credit risk	-	13.41	-0.00	3.88	9.48	-	26.76
-credit impaired	-	-	-	-	-	-	-
Sub Total	15,210.43	9,211.76	293.59	7.85	18.86	57.44	24,799.93
Unbilled - considered good							-
Unbilled - which have significant increase in credit risk							-
Unbilled - credit impaired							-
Provision for doubtful debts							-99.46
Total							**24,700.47**

For Previous Year

Rs. in Lakhs

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
-considered good	16,766.54	770.99	16.99	0.50	141.81	123.96	17,820.79
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
-considered good	-	-	-	-	-	-	-
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Sub Total	16,766.54	770.99	16.99	0.50	141.81	123.96	17,820.79
Unbilled - considered good							-
Unbilled - which have significant increase in credit risk							-
Unbilled - credit impaired							-
Provision for doubtful debts							-307.71
Total							**17,513.08**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

13 Cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Balances with Banks	207.47	155.10
Cash on hand	4.34	4.53
Total	211.81	159.63

14 Bank balances other than Cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Earmarked balances with bank	2,838.53	3,032.80
Total	2,838.53	3,032.80

It comprises of fixed deposits amounting to ₹ 2837.62 Lakhs (Previous Year 3032.80 Lakhs) earmarked with the Banks for obtaining Bank Borrowings

15 Loans - current financial assets

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Loans to employees	8.69	6.27
Total	8.69	6.27

16 Other financial assets - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Security deposits	164.98	149.33
Insurance Claim Recoverable	1,831.33	125.70
Interest Recoverable	-	6.79
Total	1,996.31	281.82

17 Current Tax Assets, net

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Income Tax Refund Receivable	40.02	40.14
Total	40.02	40.14

18 Other current assets

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Balances with government authorities	1,590.96	17,730.92
Advances to suppliers	7,395.49	6,111.81
Prepaid expenses	74.14	213.75
Total	9,060.59	24,056.48

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

19 Equity Share Capital

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Authorised Share Capital		
45000000 (PY - 45000000) Equity Shares of Rs. 10 each	4,500.00	4,500.00
Issued, subscribed & fully paid up		
26537945 (PY - 26537945) Equity Shares of Rs. 10 each	2,653.79	2,653.79
Total	**2,653.79**	**2,653.79**

Reconciliation of Share Capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	2,65,37,945	2,653.79	2,65,37,945	2,653.79
Changes due to prior period error	-	-	-	-
Issued during the year	-	-	-	-
Adjustment	-	-	-	-
Deletion	-	-	-	-
Closing balance	**2,65,37,945**	**2,653.79**	**2,65,37,945**	**2,653.79**

Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Equity Share holder holding more than 5%

Name of Share Holder	As at 31-03-2023		As at 31-03-2022	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding
Mr. Brij Mohan Khanna	-	0.00%	47,66,653	17.96%
Mr. Rahul Khanna	397	0.00%	89,72,201	33.81%
Mr. Saurabh Khanna	89,72,301	33.81%	89,72,301	33.81%
Mrs. Renu Khanna	38,07,945	14.35%	38,07,945	14.35%
M/s Brij Mohan and Rahul Khanna Family Trust (Significant Beneficial Ownership held by Mr. Brij Mohan Khanna)	1,37,57,299	51.84%	-	0.00%

Shares held by promoters at the end of the year

Name of Promotor	Class of Shares Equity/Preference	No. of Shares	% of total shares	% Change during the year
Mr. Brij Mohan Khanna	Equity	-	0.00%	-17.96%
Mr. Rahul Khanna	Equity	397	0.00%	-33.81%
Mr. Saurabh Khanna	Equity	89,72,301	33.81%	0.00%
Mrs. Renu Khanna	Equity	38,07,945	14.35%	0.00%

Previous Year

Name of Promotor	Class of Shares Equity/Preference	No of Shares	% of total shares	% Change during the year
Mr. Brij Mohan Khanna	Equity	47,66,653	17.96%	0.00%
Mr. Rahul Khanna	Equity	89,72,201	33.81%	0.00%
Mr. Saurabh Khanna	Equity	89,72,301	33.81%	0.00%
Mrs. Renu Khanna	Equity	38,07,945	14.35%	0.00%

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

Unpaid Calls
As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March ,2023

Forfeiture of Shares
As per records of the Company, no shares have been forfeited by the Company during the year.

20 Other Equity

Particulars	As at 31-03-2023	As at 31-03-2022
General Reserve		
Opening Balance	21,316.12	21,316.12
Retained earnings		
Opening Balance	31,196.44	30,262.16
Profit/(Loss) for the period	10,234.09	934.27
Exchange differeces on translating the financial statements of a foreign operation		
Opening Balance	31.18	0.01
Other items of OCI		
Opening Balance	26.95	11.14
Other comprehensive income for the period	(48.08)	46.98
Total	**62 756.70**	**52 570.66**

Movement of Other Equity

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
General Reserve		
Opening Balance	21,316.11	21,316.11
Add: Transfer from P&L		
Less: Deletion		
(Add)/Less: Adjustment		
Closing Balance	**21,316.11**	21,316.11
Retained Earnings		
Balance at the beginning of the year	**31,196.43**	30,262.15
Add: Profit/(Loss) during the year	**10,234.09**	934.28
Less: **Appropriation**		
Balance at the end of the year	**41,430.52**	31,196.43
Exchange differeces on translating the financial statements of a foreign operation		
Opening Balance	**31.17**	-
Add: Addition	6.47	31.17
Less: Deletion		
Closing Balance	37.64	31.17
Other items of OCI		
Opening Balance	26.94	11.13
Remeasurement Gain/(Loss) of defined Benefit Plan(net of tax)	-54.55	15.81
Less: Deletion		
Closing Balance	**-27.62**	**26.94**
Total	**62 756.65**	**52,570.64**

Nature of Reserve & Surplus

General Reserve

The Company had transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act,1956. Mandatory transfer to general reserve is not required under the Companies Act,2013.

Retained Earnings

Retained earnings are the profits that company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the company

21 Borrowings - non current financial liabilities

Rs.In Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Secured Term loans from Bank	**10,2**78.25	9,106.46
Secured Other loans	**1,741**.71	1,789.70
Total	**12,019.96**	**10,896.16**

NIMISH GOPAL & COMPANY CHARTERED ACCOUNTANTS FRN-023104N AMRITSAR

KHANNA PAPER MILLS LIMITED

Notes forming part of the Financial Statements
Terms of Repayment

Sr No	Name of Lender	hctioned Amo	Details	Security
1	HDFC Bank	2,500.00	Term Loan Interest Rate: Linked to Treasury Bill (Last interest Charged – 8.25% p.a) Due Date for Repayment: Due for repayment till September 27 in 18 quarterly installments of INR 124.99 lakhs	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
2	HDFC Bank	2,374.00	Term Loan Interest Rate: 1 yr. MCLR + 0.30% p.a. Due Date for Repayment: Due for repayment till Jan 24 in 3 quarterly installments of INR 124.83 lakhs	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
3	HDFC Bank	2,129.00	Term Loan Interest Rate: Linked to Treasury Bill (Last interest Charged – 8.15% p.a) Due Date for Repayment: Due for repayment till May 25 in 9 quarterly installments of INR 106.45 lakhs	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
4	HDFC Bank	5,000.00	Term Loan Interest Rate: Linked to Treasury Bill (Last Interest Charged – 8.25% p.a) Due Date for Repayment: Due for repayment till July 28 in 20 quarterly installments of INR 213.20 lakhs	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
5	Indian Bank	1,200.00	Term Loan Interest Rate:1 yr. MCLR + 0.15% p.a. Due Date for Repayment: Due for repayment till July 25 in 21 monthly installments of INR 16.66 lakhs and Balance of 10.41 lakhs to be paid as last installment	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
6	Punjab National Bank	3,200.00	Term Loan Interest Rate: 1 yr. MCLR + 1.85% p.a. Due Date for Repayment: Due for repayment till December 24 in 5 quarterly installments of INR 160 lakhs and Balance of 153.06 lakhs to be paid as last installment	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.

Notes forming part of the Financial Statements

7	Canara Bank	3,000.00	Term Loan Interest Rate: 1 yr. MCLR + 0.15% p.a. Due Date for Repayment: Due for repayment till Feb 25 in 6 quarterly installments of INR 150 lakhs and Balance of 120.89 lakhs to be paid as last installment	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
8	Kotak Mahindra Bank	5,000.00	Term Loan Rate of interest:Linked to Treasury Bill (Last Interest Charged – 8.45% p.a) Due Date for Repayment:Due for repayment till Jan 27 in 15 quarterly installments of INR 246.02 lakhs	First pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company.
9	HDFC Bank	29.72	Vehicle Loan	Vehicle Financed
10	HDFC Bank	49.90	Vehicle Loan	Vehicle Financed
11	Kotak Mahindra Bank	1,770.00	Home Finance	House Property Financed

1. Term Loans from consortium lead by Canara Bank amounting to ₹ 13871.26 Lakhs (Previous year ₹ 11,934.40 Lakhs) is secured by first pari passu charge over land & building. It is further secured by first pari passu charge over movable fixed assets (except vehicle loans & one property loan) of the company. Consortium also holds second pari passu charge over the current assets of the company. Term Loan Consortium includes Canara Bank as Lead Bank and Punjab National Bank, HDFC Bank Limited, Kotak Mahindra Bank Limited, Indian Bank as member banks.

2. The loans from banks are also guaranteed by Mr Rahul Khanna and Mr Saurabh Khanna

3. Amount disclosed as above is net of Current Maturities of Long Term Borrowings (i.e. Secured Term Loans from Banks and Secured Other Loans) of INR 3567.58 lakhs (Previous Year 2787.42 Lakhs)

22 Other financial liabilities - non current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Security deposits	2,102.05	1,599.94
Total	**2,102.05**	**1,599.94**

Security Deposits include amount received from customers as well as dealers under contractual terms as per normal course of business.

23 Provisions - non current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits		
Gratuity	663.10	564.56
Leave Encashment	92.48	73.41
Total	**755.58**	**637.97**

24 Deferred tax liabilities, net

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred Tax Asset	(3,436.23)	-
Deferred Tax Liability	4,223.20	-
Total	**786.97**	**-**

**Refer note 7 - Deferred Tax assets net for movement of deferred tax asset/liability for current period & previous period and details of deferred tax liability net as at March 31, 2023*

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

25 Other Non current liabilities

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred Income	443.59	552.36
Total	**443.59**	**552.36**

26 Borrowings - current financial liabilities

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Secured Current maturities of Long term borrowing	3,567.58	2,787.42
Secured Loans repayable on demand from Banks		
Cash credit/PCFC/working capital loans	20,435.57	23,940.49
Unsecured Loans repayable on demand from Banks		
Credit Cards	4.58	0.06
Unsecured Loans from related parties	100.00	-
Total	**24,107.73**	**26,727.97**

1. Cash credit/PCFC/working capital loans from banks are secured by are Secured by hypothecation of inventory & trade receivables of the Comoany.
2. The interest rates for cash credit/PCFC/working capital loans from banks range from 6.00% to 9.00% per annum (Previous year 6.50% to 9.00% per annum)
3. The borrowings have been guaranteed by Mr Rahul Khanna (Director) and Mr Saurabh Khanna (Director).
4. The total charge on all the assets of the Company on account of fund based & non-fund based facilities is INR 65,000.00 Lakhs (Previous Year INR 50635.00 Lakhs)
5. Unsecured loans from related parties are repayble on demand and interest is charged at 8 % per annum.

27 Trade Payables - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Total outstanding dues of Micro Enterprise and small enterprise	952.99	907.46
Total outstanding dues of Creditor of other than Micro Enterprise and small enterprise		
Others	14,144.84	12,137.84
Related Party	-	827.41
Total	**15,097.83**	**13,872.71**

Trade Payables ageing schedule (Current Year)

Rs. in Lakhs

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	705.78	244.69	2.52	-	-	952.99
(ii) Others	-	12,904.92	1,034.99	200.55	4.37	-	14,144.83
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total							15,097.83

Trade Payables ageing schedule (Previous Year)

Rs. in Lakhs

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	403.91	503.55	-	-	-	907.46
Others	-	-	-	-	-	-	-
Disputed dues- MSME	-	7,205.41	5,394.14	118.46	27.83	215.22	12,961.05
Disputed dues- Others	-	-	-	-	-	4.20	4.20
Total							13,872.71

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

28 Other financial liabilities - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Interest accrued	100.71	85.54
Other payables	602.75	1,593.84
Audit Fee Payable	15.25	15.25
Employee Related Payable	249.31	284.03
Expenses Payable	2,718.36	1,135.58
Payables on Purchase of Property, Plant and Equipment and Intangible Assets	147.85	1.57
Total	3,834.23	3,115.81

1. Payables on Purchase of Property, Plant and Equipments and Intangible Assets includes MSME dues of INR 21.25 lakhs (Previous Year Nil)

29 Other current liabilities

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Advance received from customers	351.84	560.83
Deferred revenue	108.77	108.77
Statutory dues payable		
Custom Duty	7.24	2.12
ESI & EPF	54.41	45.69
GST	169.40	16,449.41
Income Tax (TDS)	221.02	135.28
Labour Welfare Fund Payable	1.79	1.70
Professional Tax Payable	2.79	4.31
VAT & CST	-	2.99
Total	917.26	17,311.10

30 Provisions - current

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits		
Gratuity	31.34	23.81
Leave Encashment	8.97	6.03
Total	40.31	29.84

31 Current Tax Liabilities, net

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Current Tax Liabilities, net	121.27	35.11
Total	121.27	35.11

32 Revenue From Operations

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Sale of products	2,73,960.33	1,87,906.95
Sale of services	4,984.73	4,330.37
Other operating revenues		
Total continued	2,78,945.06	1,92,237.32

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

Revenue From Operations

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Total continued from previous page	2,78,945	1,92,237
Others	-	152.67
Export Incentives	426.10	232.07
Scrap Sale	1,625.05	3,297.55
Total	**2,80,996.21**	**1,95,919.61**

Revenue from contracts with customers disaggregated based on nature of products

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Finished Goods		
- Paper	1,16,148.35	65,259.03
- Newsprint	74,904.87	51,000.66
- Board	92,437.48	75,249.35
Traded Goods	3,422.59	637.97
Sale of Services	4,984.73	4,330.37
Total	**2,91,898.01**	**1,96,477.39**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Total Revenue from Contract with Customers	2,91,898.01	1,96,477.39
Less: Rebates and Discounts	-12,952.95	-4,240.07
Add: Scrap Sale	1,625.05	3,297.55
Add: Income from Export Incentives	426.10	232.07
Add: Other Operating Revenue		152.67
Total	**2,80,996.21**	**1,95,919.61**

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2023	For Year ended 31-03-2022
	Unbilled Revenue		Deffered Revenue	
Revenue recognised that was included in deferred revenue at the beginning of the year				
Increases due to cash received, excluding amounts recognised as revenue during the year				
Transfers from unbilled revenue recognised at the beginning of the year to receivables				
Total	-	-	-	-

Contract balances

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Trade Receivables	24,700.47	17,513.08
Contract Assets- Unbilled Revenue		
Contract Liabilities		
Advances from customers	-351.84	-560.83
Total	**24,348.63**	**16,952.25**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

33 Other Income

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Interest income		
On Bank Deposits	175.48	153.19
On other Financial Assets	49.79	154.13
Profit on sale of property, plant and equipement	-	25.00
Net gain on foreign currency translation	411.82	196.17
Commission Received	48.10	60.76
Fair value gain on financial classified at fair value through P&L	(1.51)	11.26
Gain/Loss On Cancellation Of Hedging Contracts	29.37	-
Insurance Claims	1,745.98	-
Miscellaneous Income	181.99	278.95
Rental income	5.40	6.60
Total	**2,646.42**	**886.06**

34 Cost of materials consumed

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Raw Material consumed		
Opening stock	16,270.22	30,193.92
Purchases	1,78,161.30	1,19,194.15
Less: Closing stock	7,564.01	16,270.22
Total	**1,86,867.52**	**1,33,117.84**
Stores and Spares consumed		
Opening stock	3,501.15	3,480.64
Purchases	3,771.77	3,817.10
Less: Closing stock	4,558.70	3,501.15
Total	**2,714.22**	**3,796.59**
Packing Material consumed		
Opening stock	422.76	409.97
Purchases	4,275.24	4,052.24
Less: Closing stock	533.26	422.76
Total	**4,164.74**	**4,039.46**
Coal & Fuel consumed		
Opening stock	2,479.54	1,594.70
Purchases	32,541.81	25,829.19
Less: Closing stock	1,309.15	2,479.54
Total	**33,712.20**	**24,944.36**
Total	**2,27,458.68**	**1,65,898.24**

35 Changes in inventories of finished goods, Stock in Trade and work in progress

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Opening stock		
Finished Goods	5,044.25	3,885.10
WIP	1,078.75	1,902.85
Less: Closing Stock		
Finished Goods	5,936.18	5,044.25
WIP	757.04	1,078.75
Total	**570.21**	**335.06**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

36 Employee benefits expense

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Salaries and wages	6,970.51	5,741.53
Contribution to provident and other fund	326.96	276.41
Staff welfare expenses	164.16	131.91
Total	7,461.63	6,149.85

Employee Benefit Expenses includes Payments to Related Parties of INR 1486.99 lakhs (Previous Year 1346.53 lakhs).

37 Finance costs

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Interest expenses		
On term loan from bank	761.01	529.10
On Working Capital Borrowing	1,649.32	1,400.05
On Other Borrowing	137.28	302.19
Others	3.71	-
On Borrowings from Related Parties	2.08	14.90
On Security Deposits	84.02	59.48
Other borrowing costs	401.64	563.38
Total	3,039.07	2,869.10

38 Depreciation and amortization expense

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Depreciation on Property, Plant and Equipments	5,843.30	5,219.35
Amortisation of Intangible Assets	18.16	46.11
Total	5,861.46	5,265.46

39 Other expenses

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Auditors' Remuneration	15.47	15.25
Commission	3,006.84	1,547.50
Freight outward	9,681.33	7,609.84
Insurance	529.01	452.58
Loss on sale of property, plant and equipement (Net)	45.36	-
Power and fuel (net of utilised by others)	4,230.11	2,813.13
Professional fees	569.23	653.31
Rent	95.93	71.21
Repairs to buildings	1,613.99	197.59
Repairs to machinery	291.35	436.63
Repairs others	672.22	591.14
Rates and taxes	55.93	62.19
Travelling Expenses	250.69	142.14
Other Expenses	456.93	355.19
Allowances made/(reversed) for Trade Receivables(net)	(208.24)	307.70
Expenditure on Corporate Social Responsibilty	53.35	88.42
Total	21,359.50	15,343.82

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

40 Tax expenses

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Current tax	5,287.55	300.55
Deferred tax	455.06	(161.55)
Total	**5,742.61**	**139.00**

41 OCI that will not be reclassified to P&L

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Remeasurements of the defined benefit plans		
Re-measurement (gain)/loss on defined benefit plans	(54.55)	15.81
Others		
Exchange differences on translating the financial statements of a foreign operation	6.47	31.17
Total	**-48.08**	**46.98**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

42 Earning per share

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Profit attributable to equity shareholders Rs. in Lakhs	10,234.09	934.27
Weighted average number of Equity Shares	2,65,37,945.00	2,65,37,945.00
Earnings per share basic (Rs)	38.56	3.52
Earnings per share diluted (Rs)	38.56	3.52
Face value per equity share (Rs)	10.00	10.00

43 Defined Benefit Plans

(i) Gratuity

Changes in the present value of the defined benefit obligation in respect of Gratuity (funded)

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Defined Benefit Obligation at beginning of the year	588.38	611.48
Current Service Cost	80.85	65.86
Interest Cost	42.48	42.25
Actuarial (Gain) / Loss	54.55	-15.81
Benefits Paid	-71.81	-115.41
Defined Benefit Obligation at year end	**694.45**	**588.37**

Reconciliation of present value of defined benefit obligation and fair value of assets

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Present value obligation as at the end of the year	694.45	588.38
Short term provision	31.34	23.81
Long term provision	663.10	564.57

Expenses recognized in Profit and Loss Account

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Current service cost	80.85	65.86
Interest cost	42.48	42.25
Total expense recognised in Profit and Loss	**123.33**	**108.11**

Actuarial assumptions

Particulars	As at 31-03-2023	As at 31-03-2022
Discount Rate	7.36%	7.22%
Expected Rate of increase in Compensation Level	6.00%	6.00%
Mortality Rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Retirement Age	58	58
Attrition at Ages	Upto 30 - 3% 31 to 44 - 2% Above 44 - 1%	Upto 30 - 3% 31 to 44 - 2% Above 44 - 1%

Sensitivity Analysis

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
A. Discount Rate		
0.50% increase	(34.54)	(29.84)
0.50% decrease	37.33	32.28
B. Future salary increases		
0.50% increase	37.65	32.51
0.50% decrease	(35.13)	(30.31)

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Expected Cash Flows	As at 31-03-2023	As at 31-03-2022
0 to 1 year	31.34	23.81
1 to 2 year	30.25	24.57
2 to 3 year	26.64	25.97
3 to 4 year	36.40	22.07
4 to 5 year	39.08	32.05
5 to 6 year	37.92	31.84
6 year onwards	492.81	428.07
Total Expected benefit payments	694.44	588.38

General Description of the Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

(ii) Leave Encashment

Changes in the present value of the defined benefit obligation

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Defined Benefit Obligation at beginning of the year	79.44	77.47
Current Service Cost	26.63	18.30
Interest Cost	5.74	5.35
Actuarial (Gain) / Loss	26.34	8.80
Benefits Paid	(36.69)	(30.53)
Defined Benefit Obligation at year end	101.44	79.44

Reconciliation of present value of defined benefit obligation and fair value of assets

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Present value obligation as at the end of the year	101.44	79.44
Amount classified as:		
Short term provision	8.97	6.03
Long term provision	92.47	73.41

Expenses recognized in Profit and Loss Account

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Current service cost	26.63	18.30
Interest cost	5.74	5.35
Total expense recognised in Profit and Loss	32.36	23.56

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

Actuarial assumptions

Particulars	As at 31-03-2023	As at 31-03-2022
Discount Rate	7.36%	7.22%
Increase in Compensation Cost	6.00%	6.00%
Mortality Rate	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)
Retirement Age	58	58
Attrition At Ages	Upto 30 - 3% 31 to 44 - 2% Above 44 - 1%	Upto 30 - 3% 31 to 44 - 2% Above 44 - 1%
Leave Availment Rate	5.00%	5.00%
Leave lapse rate while in service	Nil	Nil
Leave lapse rate on exit	Nil	Nil
Leave Encashment rate while in service	5.00%	5.00%

Sensitivity Analysis

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
A. Discount Rate		
0.50% increase	(5.82)	(4.62)
0.50% decrease	6.28	5.00
B. Future salary increases		
0.50% increase	6.36	5.05
0.50% decrease	(5.88)	(4.66)

Expected Cash Flows

Particulars	As at 31-03-2023	As at 31-03-2022
0 to 1 year	8.97	6.03
1 to 2 year	3.81	3.63
2 to 3 year	2.80	3.11
3 to 4 year	4.83	2.77
4 to 5 year	3.97	3.60
5 to 6 year	3.98	3.18
6 year onwards	73.08	57.11
Total Expected benefit payments	**101.44**	**79.43**

44 Auditors' Remuneration

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Payments to auditor as		
- Auditor	15.25	12.75
- for taxation matters	-	2.50
- for company law matters	0.23	-
Total	**15.48**	**15.25**

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

45 Contingent Liabilities

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Claims against the Company not acknowledged as debt		
- In respect of custom matters	234.60	234.60
- In respect of excise matters	322.53	322.53
In respect of service tax matters	118.80	57.28
In respect of C Forms	-	23.30
In respect of VAT	-	0.87
In respect of Legal matters	7.62	7.62
In respect of GST matters	846.92	-
In respect of Income Tax matters	5.80	-
Total	**1,536.27**	**646.20**

Standby Letter of Credit (SBLC) given by Company for loan taken by KPI is $ 3.5 Million or say ₹ 2,865.80 Lakhs as on 31.03.2023 and $ 5.5 Million or say ₹ 4,183.85 Lakhs as on 31-3-22.

46 Commitments

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Capital Commitments	3,222.57	601.33
Outstanding Bank Guarantees	2363.98	1,924.15
Unexpired letter of credits	7,548.63	3,103.02
Total	**13,135.18**	**5,628.49**

47 Micro and Small Enterprise

Rs. in Lakhs

Particulars	As at 31-03-2023		As at	
	Principal	Interest	Principal	Interest
Amount Due to Supplier	974.25	-	907.46	-
Principal amount paid beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-	-	-
Further interest remaining due and payable for earlier years.	-	-	-	-

1. Amount due to suppliers includes Trade Payables amounting to INR 952.99 lakhs (Previous Year INR 907.46 lakhs) and Payable on Purchase of Property, Plant and Equipments and Intangible Assets amounting to INR 21.25 lakhs (Previous Year Nil)

48 Earnings In Foreign Currencies

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Foreign exchange earnings - Export of goods	21,235.13	9,935.00
Total	**21,235.13**	**9,935.00**

49 Expenditure made in Foreign Currencies

Rs. in Lakhs

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Foreign exchange payments - Import of goods/services	97,911.08	65,698.00
Total	**97,911.08**	**65,698.00**

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50 Segment Reporting

Business Segment

The Company is primarily engaged in the business of manufacture of Paper, News Print and Paper Board, which are governed by the same set of risk and returns. Accordingly, the Company has broadly classified its business activities into the following divisions, each of which represents an independent business activity.

The compant is engaged in the business of

a) Manufacturing of Paper, News Print and Paper Board

b) Commodity Trading

c) Hospitality Business which focuses on construction and development of identified land parcel for the use as Hotel, Restaurant, Public Utility Area and other commercial dwelling units for commercial purposes including leasing.

Ind AS 108 Operating Segments, states that the reportable item of each segment should be measured at that price which is used by the chief operating decision maker (CODM) for the purposes of making decisions about allocating resources to the segment and assessing its performance. However, if CODM uses more than one measure than management may use the most consistent measure. Also, standards do not provide any specific measure for calculation, nor it require that the same accounting policy should be followed for preparation of financial statements. So, the measurement principles are not required to be in accoraance or consistent Ind AS.

Further, as per para 27(b) of Ind AS 108, if there are any differences between the reportable segments' profits or losses and the entity's profit or loss before considering the effect of income tax expense or income, then the nature of this difference should be disclosed. This shows that the standard does not mandate the entity to follow any specific policy or measure but if there is any difference between the reportable segments' profits or losses and the entity's profit or loss before income tax, then a clear and detailed reconciliation should be disclosed for difference amount.

Identification of Segments

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of segment the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products.

Segment Revenue and Results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Rs. In Lakhs

Particulars	31 March 2023			31 March 2022		
	External	Intersegment	Total	External	Intersegment	Total
Revenue						
Manufacturing Business	2,80,220.04		2,80,220.04	1,96,167.70		1,96,167.70
Commodity Trading	3,422.59		3,422.59	637.97		637.97
Hospitality and Real Estate	-		-	-		-
Total Revenue	**2,83,642.63**		**2,83,642.63**	**1,96,805.68**	-	**1,96,805.68**
Expenses						
Manufacturing Business	2,64,168.24		2,64,168.24	1,94,708.30		1,94,708.30
Commodity Trading	3,415.80		3,415.80	940.99		940.99
Hospitality and Real Estate	81.89		81.89	83.11		83.11
Total Segment Expenses	**2,67,665.93**	-	**2,67,665.93**	**1,95,732.40**	-	**1,95,732.40**
Operating Profit			15,976.70			1,073.28
Profit before tax			15,976.70			1,073.28
Provision for current tax			5,287.55			300.55
Provision for deferred tax			455.06			-161.55
Profit for the period			**10,234.09**			**934.28**

1. Operating income includes other income

Segment Assets & Liabilities

Rs. in Lakhs

Particulars	Segment Assets		Segment Liabilities	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Manufacturing Business	1,23,191.88	1,27,507.36	60,226.78	74,778.97
Commodity Trading	-	-	-	-
Hospitality and Real Estate	2,445.34	2,496.04	-	-
Total	**1,25,637.22**	**1,30,003.40**	60,226.78	74,778.97
Total assets/liabilities	**1,25,637.22**	**1,30,003.40**	**60,226.78**	**74,778.97**

Additional Information by Geographies

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Revenue by Geographical Market		
In India	26,659.51	12,589.71
Outside India	2,56,983.12	1,84,215.97
Total	**2,83,642.63**	**1,96,805.68**

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51 Related Party Disclosure

(i) List of Related Parties

	Relationship
Khanna Paper Inc.	Subsidiary
Sh. Brij Mohan Khanna	Chairman and Whole Time Director
Smt. Renu Khanna	Whole Time Director
Sh. Rahul Khanna	Whole Time Director
Sh. Saurabh Khanna	Additional Director
Smt. Shivani Khanna	Non- Executive Director
Sh. Rakesh Sethi	Independent Director
Sh. Gurjot Singh Narang	Independent Director
Sh. Narender Sharma	Independent Director
Sh. Anurag Saxena	Chief Financial Officer
Brij Mohan Khanna (HUF)	Relative of KMP
Shore to Shore Logistics India Limited	Entities where KMP has significant influence
Grownd Crew Private Limited	Subsidiary
Grownd Reality Private Limited Khanna	Subsidiary
Fibre Private Limited	Subsidiary
Priyanka	Company Secretary
SRN Recycling Private Limited	Entities where KMP has significant influence
Shri Rajesh Khanna	Relative of KMP
Sh. Ravindra Jain	Ex-Company Secretary
Sh. Munish Sood	Ex-Company Secretary
Sh. Balbir Kumar Bajaj	Ex-Independent Director
Sh. Suneet Kochhar	Ex-Director
Machino Polymers Limited	Entities where KMP has significant influence
Machino Polymers India Private Limited	Entities where KMP has significant influence
Trucap Finance Limited	Entities where KMP has significant influence
Tulika Exim And Tradecomm LLP	Entities where KMP has significant influence

(ii) Related Party Transactions

Rs. in Lakhs

Particulars	Relationship	For Year ended 31-03-2023	For Year ended 31-03-2022
Purchase of Goods			
- Khanna Paper Inc.	Subsidiary	19,817.91	34,052.31
Reimbursement Of Expenses			
- Shore to Shore Logistics India Limited	Entities where KMP has significant influence	3.80	4.31
Charges Recovered			
- Khanna Paper Inc.	Subsidiary	33.79	80.73
Remuneration			
- Sh. Brij Mohan Khanna	Chairman and Whole Time Director	547.87	307.82
- Sh. Rahul Khanna	Whole Time Director	360.40	400.40

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Notes forming part of the Financial Statements

Related Party Transactions

(In Rs)

Particulars	Relationship	As at 31-03-2023	As at 31-03-2023
Continued from previous page			
- Sh. Saurabh Khanna	Additional Director	360.40	400.40
- Sh. Suneet Kochhar	Ex-Director	-	145.76
- Smt. Renu Khanna	Whole Time Director	120.00	53.87
- Sh. Anurag Saxena	Chief Financial Officer	60.00	1.77
- Sh. Ravindra Jain	Ex-Company Secretary	14.49	27.51
- Sh. Munish Sood	Ex-Company Secretary	1.36	-
- Priyanka	Company Secretary	2.48	-
Sitting Fees			
- Sh. Balbir Kumar Bajaj	Ex-Independent Director	-	1.00
- Sh. Rakesh Sethi	Independent Director	4.50	2.00
- Sh. Gurjot Singh Narang	Independent Director	5.50	1.00
- Sh. Narender Sharma	Independent Director	5.50	1.00
- Smt. Shivani Khanna	Non- Executive Director	4.50	4.00
Interest			
- Sh. Rahul Khanna	Whole Time Director	-	5.96
- Smt. Shivani Khanna	Non- Executive Director	2.08	8.94
Repayment of Unsecured Loans			
- Sh. Rahul Khanna	Whole Time Director	-	400.00
- Smt. Shivani Khanna	Non- Executive Director	-	600.00
Rent Received			
- Shore to Shore Logistics India Limited	Entities where KMP has significant influence	-	2.40
Receipt of Unsecured Loan			
- Smt. Shivani Khanna	Non- Executive Director	100.00	-
Unsecured Loan received			
- Sh. Brij Mohan Khanna	Chairman and Whole Time Director	2,560.00	-
Unsecured Loan repayment			
- Sh. Brij Mohan Khanna	Chairman and Whole Time Director	2,560.00	-
Rent Paid			
- Brij Mohan Khanna (HUF)	Relative of KMP	30.00	-
- Sh. Rahul Khanna	Whole Time Director	5.40	-
- Smt. Shivani Khanna	Non- Executive Director	48.60	-
Investment in Equity Shares			
- Grownd Crew Private Limited	Subsidiary	1.00	-
- Grownd Reality Private Limited	Subsidiary	1.00	-
- Khanna Fibre Private Limited	Subsidiary	1.00	-
Investment in Debentures			
- Grownd Reality Private Limited	Subsidiary	6,500.00	-
- Khanna Fibre Private Limited	Subsidiary	820.00	-
Purchase of Property, Plant and Equipment			
- Smt. Renu Khanna	Whole Time Director	400.21	-
- Shri Rajesh Khanna	Relative of KMP	35.10	-
Sale			
- SRN Recycling Private Limited	Entities where KMP has significant influence	15.87	-

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(iii) Related Party Balances

Rs. in Lakhs

Particulars	Relationship	As at 31-03-2023	As at 31-03-2022
Advance to Vendor			
- Khanna Paper Inc.	Subsidiary	81.95	2,412.44
Trade payable (Current/Non Current)			
- Shore to Shore Logistics India Limited	Entities where KMP has significant influence	-	827.39
Trade Receivable (Current/Non Current)			
- Shore to Shore Logistics India Limited	Entities where KMP has significant influence	3.71	-
- SRN Recycling Private Limited	Entities where KMP has significant influence	15.97	-
Remuneration			
- Sh. Anurag Saxena	Chief Financial Officer	0.01	-
- Sh. Rahul Khanna	Whole Time Director	-	6.34
Unsecured Loan			
- Smt. Shivani Khanna	Non- Executive Director	100.00	-
Investment			
- Grownd Reality Private Limited	Subsidiary	6,501.00	-
- Grownd Crew Private Limited	Subsidiary	1.00	-
- Khanna Fibre Private Limited	Subsidiary	821.00	-
Advances for Property, Plant and Equipment and Intangible Assets			
- Smt. Renu Khanna	Whole Time Director	3,797.83	1,797.83

(iv) Employee Benefits for Key Management Personnel

Particulars	For Year ended 31-03-2023	For Year ended 31-03-2022
Short Term Employee Benefits	1,486.99	1,346.53
Total	-	-

Standby Letter of Credit (SBLC) given by Company for loan taken by KPI is $ 3.5 Million or say ₹ 2,865.80 Lakhs as on 31.03.2023 and $ 5.5 Million or say ₹ 4,183.85 Lakhs as on 31-3-22.

52 Financial Instrument

Financial Risk Management - Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

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A. Financial Assets and Liabilities

Rs. in Lakhs

Particulars	As at 31-03-2023			As at 31-03-2022		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Assets Measured at						
Investments	-	7,383.41	82.54	-	61.93	76.07
Trade receivables	-	24,700.47	-	-	17,513.08	-
Cash and cash equivalent	-	211.81	-	-	159.63	-
Other bank balances	-	2,838.53	-	-	3,032.80	-
Loans	-	8.69	-	-	6.27	-
Other financial assets	-	3,587.20	-	-	1,193.74	-
Total	-	**38,730.11**	**82.54**	-	21,967.45	76.07
Liabilities Measured at						
Borrowings	36,127.69	-	-	37,624.13	-	-
Trade payables	-	15,097.83	-	-	13,872.71	-
Other financial liabilities	-	5,936.28	-	-	4,715.75	-
Total	**36,127.69**	**21,034.11**	-	**37,624.13**	**18,588.46**	-

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Level 1: Quoted prices in an active market: This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) 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. This level of hierarchy include Company's over-the-counter (OTC) derivative contracts and mutual funds.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31-03-2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment				
Mutual Funds	-	60.41	-	60.41
Unquoted Equity Instruments*	-	-	85.54	85.54
Debentures*	-	-	7,320.00	7,320.00
	-	60.41	7,405.54	7,465.95

Particulars	As at 31-03-2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment				
Mutual Funds	-	61.93	-	61.93
Unquoted Equity Instruments*	-	-	76.07	76.07
Debentures*	-	-	-	-
	-	61.93	76.07	138.00

** The fair value of these investments appearing under Level III approximates the carrying value and hence, the valuation technique and inputs with sensitivity analysis have not been given.*

B. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency exchange risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To mitigate interest rate risk, the Company's regularly monitors market movement and its impact on the Company's taken borrowings and accordingly, Company's take action.

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The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(i) Exposure to Interest Rate Risk

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Borrowing bearing fixed rate of interest	1,846.29	1,789.76
Borrowing bearing variable rate of interest	34,281.40	35,834.37
Total	**36,127.69**	**37,624.13**

(ii) Sensitivity Analysis

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Interest Rate - Increase by 50 basis points	10.67	9.65
Interest Rate - Decrease by 50 basis points	-10.67	-9.65

(b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company uses Forward Contracts to hedge its risks associated with fluctuations in foreign currencies and interest rate relating to foreign currency liabilities, certain firm commitments and some forecasted transactions related to foreign currency trade. The use of Forward Contracts is governed by Company's overall strategy. The Company does not use forward Contracts for speculative purposes.

(i) Exposure to Foreign Currency Risk

Rs. in Lakhs

Particulars	Foreign Currency	Current year FC in Lakhs	Current year Amount in Rs.	Previous year FC	Previous year Amount in Rs.
Trade Receivables	USD	37.47	3,068.40	18.78	1,428.24
Investment	USD	-	-	1.00	76.07
Other Financial Assets	SEK	-	-	1.73	14.22
Other Financial Assets	USD	39.67	3,248.14	24.85	1,890.38
Other Financial Assets	EUR	2.35	209.41	-	-
Other Financial Assets	GBP	0.00	0.31	-	-
Trade Payables	EUR	0.17	15.45	1.93	163.94
Trade Payables	GBP	0.01	1.05	0.23	22.93
Trade Payables	USD	85.84	7,085.42	0.61	46.52
Other Financial Liabilities	USD	0.75	62.18	-	-
Total		**166.28**	**13,690.37**	**49.12**	**3,642.30**

(ii) Sensitivity Analysis

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
INR/USD - Increase by 1%	-6.38	31.76
INR/USD - Decrease by 1%	6.38	-31.76

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C. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and advances and other financial assets. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition.

Particulars	As at 31-03-2023	As at 31-03-2022
Cash and Cash Equivalents	211.81	159.63
Bank balances other than above	2,838.53	3,032.80
Loans	8.69	6.27
Other financial assets	3,587.20	1,193.74
Trade Receivables	24,700.47	17,513.08
Total	31,346.70	21,905.52

(III) Trade Receivable

For trade receivables ageing refer note 12.

(a) Concentration of Trade Receivables:

Revenue from top customer is 5.99% (Previous Year 6.36 %)

Revenue from top five customers is 22.96% (Previous Year 22.11 %)

(iv) Expected Credit Losses:

The allowance for lifetime expected credit loss on Trade Receivables for the year ended March 31, 2023 was INR 307.71 Lakhs (Previous year INR 99.46 Lakhs).

Movement in ECL on trade receivables

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Balance at the beginning of the year	307.71	-
Loss Allowance measured at life time expected credit loss	-	307.71
Reversal	-208.24	-
Balance at the end of reporting period	99.46	307.71

D Liquidity Risk

The Company manages its liquidity risk to maintain adequate net working capital by constantly managing projected cash flows. Beyond effective working capital and cash management, the Company mitigates liquidity risk by contracting with financial institutions with respect to bank overdrafts or banking facility agreements for efficient management of funds.

Maturity Table for Financial Liabilities

For Current Year

Rs. in Lakhs

Particulars	Less than 1 year	1- 2 Years	2-3 Years	More than 3 Years	Total
Borrowings	25,751	4,007	2,504	3,866	36,128
Trade Payables	15,098	-	-	-	15,098
Other Financial Liabilities	5,936	-	-	-	5,936
Total	46,785	4,007	2,504	3,866	57,162

For Previous Year

Rs. in Lakhs

Particulars	Less than 1 year	1- 2 Years	2-3 Years	More than 3 Years	Total
Borrowings	28,381	6,506	2,611	125	37,624
Trade Payables	13,873	-	-	-	13,873
Other Financial Liabilities	3,116	1,600	-	-	4,716
Total	45,370	8,106	2,611	125	56,213

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

E. Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

- Debt (Long term borrowings, Short Term Borrowings and Current Maturities of Long Term Borrowings)
- divided by Total 'Equity' (as shown in the balance sheet)

The Company's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Total Borrowings	36,127.69	37,624.13
Less: Cash and cash equivalents	211.81	159.63
Net Debts (A)	35,915.88	37,464.50
Total Equity (B)	65,410.44	55,224.43
Capital Gearing Ratio (B/A)	1.82	1.47

53 Ratio Analysis

Particulars	Numerator/Denominator	As at 31-03-2023	As at 31-03-2022	Change in %	Reasons
(a) Current Ratio	Current Assets / Current Liabilities	1.35	1.21	11.56%	
(b) Debt-Equity Ratio	Total Debts / Equity	0.55	0.68	-19.00%	
(c) Debt Service Coverage Ratio	Earning available for Debt Service / Interest + Installments	4.27	1.55	175.71%	Increase in profitability due to incerase in operating margin and increase in turnover as compared to previous year
(d) Return on Equity Ratio	Profit after Tax / Average Shareholder's Equity	0.17	0.02	893.94%	Increase in profitability due to incerase in operating margin and increase in turnover as compared to previous year.
(e) Inventory turnover ratio	Total Turnover / Average Inventories	11.36	5.58	103.77%	Increase in turnover as compared to previous year while decrease in average inventory held by the company which has led to increase in inventory turnover.
(f) Trade receivables turnover ratio	Total Turnover / Average Account Receivable	13.31	12.67	5.10%	
(g) Trade payables turnover ratio	Total Purchases / Average Account Payable	15.31	9.06	68.98%	Increase in purchases as compared to previous year while decrease in average accounts payable has led to increase in trade payable turnover.

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS 023104N AMRITSAR

Notes forming part of the Financial Statements

(h) Net capital turnover ratio	Total Turnover / Net Working Capital	18.18	15.24	19.30%	
(i) Net profit ratio	Net Profit / Total Turnover	0.04	0.00	663.76%	Increase in profitability due to increase in operating margin and increase in turnover as compared to previous year.
(j) Return on Capital employed	Net Profit / Capital Employed	0.10	0.01	901.14%	Increase in profitability due to increase in operating margin and increase in turnover as compared to previous year.
(k) Return on investment	Return on investment / Total Investment	0.02	0.06	-71.60%	Increase in total investment while income on investment has not accrued in similar proportion

54 CSR Expenditure

Rs. in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Amount required to be spent by the company during the year	53.64	88.42
Amount of expenditure incurred	146.64	80.19
Shortfall at the end of the year	0.27	93.27
Total of previous years shortfall	-	4.84

Reason for shortfall

In 2022-23:

The funds required to be spent on CSR activities which were not spent during the financial year were deposited in eligible fund as specified under Schedule VII of the Companies Act 2013 within the stipulated time frame.

In 2021-22:

The funds which were not spent were in respect to ongoing projects during the financial year 2021-22 and the same has been deposited in separate bank account.

Nature of CSR activities

In 2022-23

1. Eradicating hunger
2. Promoting health care including preventive health care
3. Making available safe drinking water
4. Promoting education
5. Measures for reducing inequalities faced by socially and economically backward groups
6. Ensuring environmental sustainability, ecological balance
7. Animal Welfare
8. Measures for the benefit of armed forces veterans, war widows and their dependents
9. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

In 2021-22:

1. Promotion of Sanitation
2. Promotion of Education
3. Eradicating Poverty
4. Promotion of Healthcare
5. Measures for the benefit of armed forces
6. Training to promote rural sports
7. Disaster Management
8. Livelihood and enhancement projects

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

55 Other Statutory Disclosures as per the Companies Act, 2013

(i.) Title deeds of Immovable Property

The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii.) Disclosure whether fair value of investment property is based on the valuation by a Registered Valuer

The company does not have any investment property.

(iii.) Disclosure whether revaluation of Property, Plant and Equipment and Intangibles Assets is based on the valuation by a Registered Valuer

The company has not revalued its Property, Plant and Equipment and Intangible Assets during Financial Year 2022-23 and 2021-22.

(iv.) Disclosures of loans or advances in the nature of loan granted to promoters, directors, KMPs, RPs

The Company has not granted Loans or Advances in the nature of loan to any promoters, directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments during Financial Year 2022-23 and 2021-22.

(v.) Intangible Assets under Development

The Company is not having Intangible Assets under Development during Financial Year 2022-23 and 2021-22.

(vi.) Details of Benami Property held

The Company does not hold any benami property and no proceeding have been initiated on or are pending against the company for holding benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(vii.) Company has borrowings from banks or financial institutions on the basis of security of current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.

(viii.) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(ix.) Relationship with Struck off Companies

There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during Financial Year 2022-23 and 2021-22

(x.) Registration of charges or satisfaction with Registrar of Companies beyond the statutory period

There were no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as at March 31, 2023.

(xi.) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 during Financial Year 2022-23 and 2021-22.

(xii.) Compliance with approved Scheme(s) of Arrangements

The Board of Directors has approved the scheme of arrangement between Khanna Paper Mills Limited (Demerged Company), Khanna Fiber Private Limited (Resulting Company-1) and Grownd Realty Private Limited (Resulting Company-2) and their respective shareholders and creditors on March 11, 2023. The application for approval of this scheme of demerger has been filed with National Company Law Tribunal (Chandigarh) on March 22, 2023. The effect of such Scheme of Arrangements has not been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' as the scheme of arrangement is in the process of approval with the National Company Law Tribunal (Chandigarh) as on the date of signing of the financial statements.

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

Notes forming part of the Financial Statements

(xiii.) Utilisation of Borrowed funds and share premium

a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other persons or entities including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediaries shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of company (ultimate beneficiary) or provide any guarantee, security or the to or on behalf of the ultimate beneficiaries.

b) The Company has not received any fund from any other persons or entities 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 funding party (ultimate beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xiv.) Undisclosed Income

During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961

(xv.) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto or Virtual Currency during Financial Year 2022-23 and 2021-22.

56 Re-classification/Recasting/Re-statement of previous year figures

Previous year figures have been reclassified/recast/restated wherever necessary to conform to the current year's presentation.

For
Nimish Nagpal & Company
Chartered Accountants
FRN: 023104N

NIMISH NAGPAL & COMPANY CHARTERED ACCOUNTANTS FRN 023104N AMRITSAR

CA Nimish Nagpal
Partner
Membership Number: 515749
UDIN: 23515749BGYTMB8739

Place: Amritsar
Date: August 21, 2023

For and on behalf of Board of Directors,
Khanna Paper Mills Limited

Brij Mohan Khanna
Chairman & Whole Time Director
DIN: 00062514

Rahul Khanna
Whole Time Director
DIN: 00067173

Anurag Saxena
Chief Financial Officer

Place: Amritsar
Date: August 21, 2023

Priyanka
Company Secretary
M. No: A-54843

Independent Auditor's Report
To the Members of Khanna Fiber Private Limited

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Khanna Fiber Private Limited ("the Company")** which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss for the period from 1st November to 31st March 2023 (including other comprehensive income),Statement of Cash Flows, Statement of changes in equity and a summary of the significant Indian accounting policies, notes to accounts and other explanatory information (herein after referred to as "Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian accounting principles of the financial position of the Company as at 31st March 2023 and its financial performance for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS 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 audit opinion on the Ind AS Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the 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. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Indian 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Management and the Board of Directors 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 Responsibility

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control 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 with reference to Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, 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, 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 purpose 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder;

e) On the basis of 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 March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position in its Ind AS Financial Statements;

   ii. The Company has not entered into any long-term contracts including derivative contracts for which Company is required to make provision for material foreseeable losses, as required under the applicable law or accounting standards;

   iii. The Company is not liable to transfer any amount to the Investor Education and Protection Fund.

h) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

   The Company is a Private Limited Company and accordingly the requirements as stipulated by the section 197(16) of the Act are not applicable to the Company.

For and on behalf of
Bedi Mishra & Associates
Chartered Accountants
ICAI Firm's registration number: 027060N
ICAI UDIN: 23510555BGTPUP3465

Bedi Mishra & Associates • FRN 027060N AMRITSAR • Chartered Accountants

Navin Bedi
Partner
Membership number: 510555

Place of Signature: Amritsar
Date: 07/08/2023

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS Financial Statements of the Company for the year ended March 31, 2023:

1) (a) (A) The Company is not having any Property, Plant and Equipment hence clause is not applicable.

(B) The Company is not having any intangible assets hence clause is not applicable.

(b) According to the information and explanations given to us, no property, plant & equipment exist till financial year.

(c) According to the information and explanations given to us no title deeds of immovable properties held in the name of the company.

(d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

2) (a) According to the information and explanations to us no inventories exist during the year.

(b) According to the information provided to us, Company has not taken any working capital loan from bank or financial institution on the basis of current assets.

3) The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties during the year. Accordingly, reporting under clause 3 (iii) (a) to (f) of the Order is not applicable.

4) The company has not given Loan & Advances to director relative under Companies Act, 2013.

5) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence reporting under clause 3(v) of the Order is not applicable.

6) According to the information and explanations given to us, the Company is not required to maintain cost records as per the provisions of sub section (1) of section 148 of the Companies Act, 2013. Accordingly, the provision of clause 3(v) of the order is not applicable to the company and hence not commented upon.

7) In respect of statutory dues:-

(a) The Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Cess and any other material statutory dues[2] applicable to it to the appropriate authorities.

No undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

(b) There are no dues of Income Tax, Wealth Tax and Custom Duty and Cess on account of disputes.

8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) On an overall examination of the Ind AS Financial Statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.

10) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence the reporting under clause 3 (ix) (a) of the Order is not applicable.

(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence the reporting under clause 3(x) (b) of the Order is not applicable.

11) (a) Considering the principle of materiality outlined in the standards on auditing, no fraud by the Company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

12) The Company is not a Nidhi Company and hence the reporting under the clause 3 (xii) (a) to (c) of the Order is not applicable.

13) In our opinion, the company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to the applicable transaction with the related parties and the details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian accounting standards.

14) (a) The company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) The company did not have an internal audit system for the period under audit. Hence, reporting under clause 3(xiv)(b) of the Order is not applicable.

15) The company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence the provisions of the section 192 of the Companies Act, 2013 are not applicable to the company.

16) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the reporting under clause 3(xvi) (a)-(b) of the Order is not applicable.

(b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) of the Order is not applicable.

(c)The Group does not have any CIC. Accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.

17) According to the information and explanations given to us based on our examination of the record of the company, the company has not incurred cash losses in the financial year. Therefore the provisions of clause 3(xv) of the order are not applicable.

18) There has been no resignation of the statutory auditors of the company during the year and accordingly this clause is not applicable.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of 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 any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We 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 the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the company as and when they fall due.

20) The provisions of section 135 of the Companies Act are not applicable to the company for the year under consideration. Hence, the reposting under clause 3 (xx) (a) to (b) of the Order is not commented upon.

Annexure - B 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")

Opinion

We have audited the internal financial controls over financial reporting of **Khanna Fiber Private Limited** as of 31st March 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with Indian accounting standard. 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Bedi Mishra & Associates
Chartered Accountants
ICAI Firm's registration number: 027060N
ICAI UDIN: 23510555BGTPUP3465

Navin Bedi.

Navin Bedi
Partner
Membership number: 510555

Bedi Mishra & Associates • FRN 027060N AMRITSAR • Chartered Accountants

Place of Signature: Amritsar
Date: 07/08/2023

KHANNA FIBER PRIVATE LIMITED
Regd. Address: A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001 (India)
CIN-U21000PB2022PTC057193

Balance Sheet as on 31st March, 2023

Particulars	Note	As on 31st March, 2023 (Amount in Lakhs)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment		-
(b) Other Intangible assets		-
(c) Goodwill		-
(d) Financial Assets		
(i) Investments	3	304.95
(ii) Trade Receivables		-
(iii) Loans		-
(iv) Others	4	429.17
(e) Deferred Tax Assets (Net)		-
(f) Other Non Current Assets		-
Current assets		
(a) Inventories		-
(b) Financial Assets		
(i) Investments		-
(ii) Trade Receivables		-
(iii) Cash and Cash Equivalents	5	95.05
(iv) Bank Balances other than (iii) above		-
(v) Short term loans & advances		-
(vi) Others		-
(c) Current Tax Assets (Net)		-
(d) Other Current Assets	6	0.29
TOTAL		**829.46**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	7	1.00
(b) Other Equity	8	5.35
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		-
(i) Long Term Borrowings	9	820.00
(ii) Lease Liabilities		-
(iii) Other Financial Liabilities		-
(b) Deferred Tax Liability (net)		-
Current liabilities		
(a) Financial liabilities		
(i) Short Term Borrowings		-
(ia) Lease Liabilities		-
(ii) Trade payables		-
(A) total outstanding dues of micro enterprises and small enterprises		-
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		-
(iii) Other Financial Liabilities		-
(b) Provisions	10	0.06
(c) Other Current Liabilities	11	3.05
TOTAL		**829.46**

See accompanying notes 1 to 23 forming part of the financial statements

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUP3465

Navin Bedi
Partner
Membership No: 510555

Place of Signature : Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
KHANNA FIBER PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

KHANNA FIBER PRIVATE LIMITED

Regd. Address: A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001 (India)

CIN-U21000PB2022PTC057193

Statement of Profit and Loss Accounts for the Period 1st Nov 2022 to 31st March, 2023

	Particulars	Note	For the period ended 31st March, 2023 (Amount in Lakhs)
I	Revenue from operations (net)		-
II	Other Income	12	9.95
III	**Total Income (I+II)**		9.95
IV	**Expenses**		
	Cost of materials consumed		-
	Purchase of Traded Goods		-
	Changes in inventories of finished goods, by-products and work in progress		-
	Employee benefits expense		-
	Finance costs		-
	Depreciation and amortization expense		-
	Other expenses	13	4.54
	Total Expenses		4.54
V	**Profit/(Loss) Before Exceptional Items and Tax**		5.41
VI	**Profit/(Loss) Before Tax from Continuing Operations**		5.41
VII	**Tax Expense:**		
	(a) Current tax expense		0.06
	(b) Deferred tax		-
VIII	**Profit / (Loss) for the Continuing Operation**		5.35
IX	**Profit / (Loss) from discontinuing operations**		-
X	**Tax from discontinuing operations**		-
XI	**Profit/ (Loss) from discontinuing operations**		-
XII	**Profit / (Loss) for the period**		5.35
XIII	**Other Comprehensive Income**		
	(i) Items that will not be reclassified to profit or loss		-
	Remeasurement of the net defined benefit liability asset		
	(ii) Income tax relating to items that will not be reclassified to P&L		-
	Total other comprehensive income, net of tax		-
XIV	**Total comprehensive income for the year**		5.35
XV	**Earning per equity share (Nominal value per share Rs. 10 /-)**		
	(1) Basic (Rs.)		53.49
	(2) Diluted (Rs.)		53.49
	Number of shares used in computing earning per share		
	(1) Basic (Nos.)		10,000
	(2) Diluted (Nos.)		10,000

See accompanying notes 1 to 23 forming part of the financial statements

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUP3465

Navin Bedi
Partner
Membership No. 510555

Bedi Mishra & Associates • Chartered Accountants • FRN 027060N AMRITSAR

Place of Signature : Amritsar
Date : 07.08.2023

for and on behalf of the Board of Directors of
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KHANNA FIBER PRIVATE LIMITED

Regd. Address: A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001 (India)

CIN-U21000PB2022PTC057193

Statement of cash flows for the year ended March 31, 2023

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Cash flow from operating activities	
Profit/ (loss) before tax	5.35
Adjustments for:	
-Depreciation expenses	-
- Provision for Income Tax	0.06
Operating cash flows before working capital changes	**5.41**
Working capital adjustments:	
Changes in other assets	-
(Increase)/ decrease in other non-current and current assets	(0.29)
Increase/ (decrease) in other non current and current financial liabilities	3.05
Cash generated from/ (used in) operations	**8.17**
Income taxes paid, net of refund received	-
Net cash generated from /(used in) operating activities (A)	**8.17**
Cash flows from investing activities	
Purchase of property, plant and equipment (CWIP)	-
Investment in Mutual fund	(304.95)
Investment in fixed deposits	(429.17)
Net cash generated from investing activities (B)	**(734.12)**
Cash flow from financing activities	
Proceeds from issue of equity shares	1.00
Proceeds from issuance of non convertible debentures	820.00
Net cash generated from /(used in) financing activities (C)	**821.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**95.05**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (refer below)	**95.05**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:	
Balance with Banks:	
In current accounts	95.05
	95.05

The notes referred to above form an integral part of the financial statements

1. The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS -7 "Statement of Cash Flows"

As per our report of even date attached:

for Bedi Mishra & Associates

Chartered Accountants

ICAI Firm Registration Number 027060N

ICAI UDIN 23510555BGTPUP3465

Navin Bedi

Partner

Membership No. 510555

Bedi Mishra & Associates • FRN.027060N AMRITSAR • Chartered Accountants

for and on behalf of the Board of Directors of

KHANNA FIBER PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

Place of Signature: Amritsar

Date : 07/08/2023

KHANNA FIBER PRIVATE LIMITED

Statement of Changes In Equity For The Period Ended 31st March, 2023

(A) Equity Share capital

(i) Current Reporting period

Particulars	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 1st November, 2022	-	-	-	-	-
For the year ended 31st March, 2023	-	-	-	10,000	10,000

(B) Other Equity

(i)Current Reporting Period (Amount in Lakhs)

Particulars	Reserves and Surplus		Items of Other Comprehensive income			
	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Other items of Other Comprehensive Income	Total
Balance as at 1st November, 2022	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as on 01.11.2022	-	-	-	-	-	-
Profit for the year	-	5.35	-	-	-	5.35
Other Comprehensive Income (net of tax)	-		-	-	-	-
Total Comprehensive Income for the year	-	5.35	-	-	-	5.35
Transfer from retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Balance as at 31st March, 2023	-	5.35			-	5.35

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUP3465

Navin Bedi
Partner
Membership No. 510555

Bedi Mishra & Associates FRN 027060N AMRITSAR Chartered Accountants

Place of Signature : Amritsar
Date : 07.08.2023

for and on behalf of the Board of Directors of
KHANNA FIBER PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

1 **Corporate Information**

Khanna Fiber Private Limited (the "Company") is a wholly owned subsidiary of Khanna Paper Mills Limited. It is incorporated on 1st November 2022. The Company is in the business of providing wholesale & retail trading of waste paper , paper and other related products.

The Company is domiciled in India and is limited by shares. The registered office of the Company is located at A-50, DR Enclave, Ajnala Road, Amritsar, Punjab-143001 (India)

2 **Basis of preparation of standalone financial statements**

a) **Statement of Compliance with Ind AS**

(i) Statement of Compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lakhs of Indian Rupees and are rounded to the nearest rupees, except per share data and unless stated otherwise.

The financial statements were authorised for issue by the Company's Board of Directors on 7th August 2023.

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

b) **Basis of measurement**

These standalone financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and financial liabilities which have been measured at amortised cost. Refer note 2(g)(4) for accounting policy regarding financial instruments.

c) **Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees, which is the Company's functional currency. Accordingly financial information presented in Indian Rupees unless otherwise stated. Also refer note 2 (g)(9) for accounting policy in respect of accounting for foreign currency transactions.

d) **Significant accounting judgments, estimates and assumptions**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including those of contingent liabilities if any. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

(i) measurement of useful life and residual values of property, plant and equipment and intangible assets

(ii) recoverable amount/value in use of property, plant and equipment and intangible assets

(iii) impairment of financial assets and non-financial assets

(iv) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources

(v) classification of lease term

(vi) fair value recognition and measurement

e) **Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Managing Director.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

f) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the wholesale & retail trading of waste paper, paper, others and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as three months or depend on work tenure for the purpose of current/non-current classification of assets and liabilities.

g) **Significant accounting policies**

i) **Property, plant and equipment and intangible assets**

During current year, no operations have been started and there is no Property, Plant and equipment's. Intangibles assets are also not held

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the standalone statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in standalone statement of profit and loss.

Depreciation

Depreciation is provided on pro-rata basis as per Straight line method (SLM) at the rates corresponding to the useful life specified under Schedule II to the Companies Act, 2013.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful lives of items of property, plant and equipment are as per schedule II to Companies Act 2013, as tabulated below:-

Particulars	**Useful Life (Years)**
Furniture and Fixtures	10
Vehicle	8
Office Equipment	5
Computers	3

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortised over a period of 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any

2) **Impairment of property, plant and equipment**

During current year, no operations have been started and there is no assets hence it is not applicable this year.

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3) **Employee benefits**

During current year, no operations have been started and there is no employee and so Employee benefits are not applicable this year.

Employee benefits include provident fund, gratuity fund and compensated absences.

Post Employment Benefits

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense in the standalone statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the standalone statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences, and

(b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

The employees of the Company are entitled to long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method.

4) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets - Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through standalone statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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 amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in interest income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss. This category generally applies to trade and other receivables.

• *Debt instruments at fair value through other comprehensive income (FVTOCI)*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) 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). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in standalone statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

• *Debt instruments at fair value through profit or loss (FVTPL)*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

• *Equity instruments measured at fair value through other comprehensive income (FVTOCI)*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

Investment in subsidiaries

Equity investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

(ii) **Financial Assets - Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and at FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in standalone statement of profit and loss.

(iv) **Financial liabilities – Recognition & Subsequent measurement**

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.
The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through standalone statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through standalone statement of profit and loss are designated as such 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 are recognized in OCI. These gains/ loss are not subsequently transferred to standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in statement of profit and loss. The Company has not designated any financial liability as at fair value through standalone statement of profit and loss.

• *Financial liabilities at amortised cost (Loans and Borrowings)*
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in standalone statement of profit and loss.

(v) **Financial liabilities - Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains (losses). The difference in the respective carrying amounts is recognised in standalone statement of profit and loss.

(vi) Compound financial instruments
Compound financial instruments issued by the Company comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in statement of profit and loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(vii) Offsetting
Financial assets and liabilities are offset and the net amount is presented in Standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle in net basis or to realise the asset and settle the liability simultaneously.

(viii) Income/loss recognition

• *Interest income*
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• *Borrowing costs*
Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ix) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. The company has separated the derivative component of compulsorily convertible debenture issued during the year and measured at FVTPL.

5) **Leases**
During current year, no operations have been started and there is no assets on lease hence it is not applicable this year.

The Company has applied Ind AS 116 – "Leases" using the modified retrospective approach.
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and

iii) the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
-the Company has the right to operate the asset, or
-the Company designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has also availed the option of recognising right-of-use asset equivalent to lease liability at the transition date of 1st April 2018 for its leases.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

i) fixed payments, including in-substance fixed payments;

ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii) amounts expected to be payable under a residual value guarantee; and

iv) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other non-current financial liabilities' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

6) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

7) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

8) **Revenue recognition**

Being First year of incorporation, No operation carried out and hence there is no revenue in current year.

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Company's activities. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is presented, net of sales and services tax, rebates and discounts. Revenue is recognised as follows:

(i) *Wholesale & Retail sale of Waste Paper , paper & other related products*

Trading of paper income consists of revenue earned from the provision of wholesale & retails sale of wastepaper, paper & other related products, and is charged to customers. Income is recognised as per terms of contract entered into with customers which is recognised on a time proportion basis.

9) **Accounting for foreign currency transactions**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the standalone statement of profit and loss.

10) **Income- tax**

Income-tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority on the same taxable entity, ,but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, to the extent that it is probable that future taxable profits will be available against which they can be utilized (and in case of MAT, during the specified period, i.e., the period for which MAT credit is allowed to be carried forward). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, no deferred tax asset/liabilities are recognised in respect of timing differences that reverse within tax holiday period.

11) **Segment reporting**

Segment reporting is not applicable to company during current year.

Identification of segments:

In accordance with Ind AS 108 - Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the board of directors which has been identified as the Director, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is in the business of trading of wastepaper, paper and other related products and Director reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

12) **Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the standalone statement of profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13) **Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", 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.

14) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) **Standards issued but not yet effective**

There are no new standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements.

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 3 NON CURRENT FINANCIAL ASSETS - INVESTMENT

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Investments in Quoted Mutual Funds Measured at FVTPL	
Other than Equity Instruments	
Investment in Mutual Funds	304.95
TOTAL	**304.95**

Note 4 NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Fixed deposit with Bank	429.17
TOTAL	429.17

Note 5 CURRENT FINANCIAL ASSETS- CASH & CASH EQUIVALENT

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Balance With Banks	95.05
TOTAL	**95.05**

Note 6 OTHER CURRENT ASSETS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
GST Input	0.00
TDS Receivable	0.29
TOTAL	**0.29**

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 7 SHARE CAPITAL

Particulars	As on 31st March, 2023	
	Number of shares	Amount in Lakhs
(a) Authorised 250000 Equity shares of Rs.10/- each	2,50,000	25.00
(b) Issued, Subscribed and Paid up 10000 Equity shares of Rs.10 each with voting rights	10,000	1.00
TOTAL	**10,000**	**1.00**

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As on 31st March, 2023	
	No of shares	Amount in Lakhs
Number of shares at the beginning of the year	-	-
Add: Shares issued during the year	10,000	1.00
Number of shares at the end of the year	**10,000**	**1.00**

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share (Rs.)	Total Value (Rs.)
Khanna Paper Mills Limited	9,999	99.99%	10	99,990
TOTAL	**9,999**	**99.99%**		**99,990**

Note 7A SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Khanna Paper Mills Limited	9,999	99.99%	0%
2	Saurabh Khanna*	1	0.01%	0%
TOTAL		**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 8 OTHER EQUITY

Particulars	As on 31st March, 2023 (Amount in Lakhs)
(A) General Reserve	
Opening balance	-
CLOSING BALANCE	-
(B) RETAINED EARNING	
Opening balance	-
Add: Profit / (Loss) for the year	5.35
Add:- Prior period Adjustments	-
CLOSING BALANCE	**5.35**

Note 9 FINANCIAL LIABILITIES- LONG TERM BORROWINGS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Debentures	
Optionally Convertible Zero-Coupon Debentures*	820.00
TOTAL	**820.00**

* Optionally Convertible Zero-Coupon Debentures issued at Rs.100 with 5 year redemption periods and 0% interest rate.

Note 10 PROVISIONS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Provision of Income tax	0.06
TOTAL	**0.06**

Note 11 OTHER CURRENT LIABILITIES

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Audit Fees Payable	3.00
TDS Payable	0.05
TOTAL	**3.05**

Note 12 OTHER INCOME

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Interest on FDRs	3.00
Unrealized Gain on Investment	5.07
Realized Gain on Investment	1.87
TOTAL	**9.95**

Note 13 OTHER EXPENSES

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Printing And Stationary Expenses	0.03
ROC Fees	0.66
Audit Fees	
- Statutory Audit Fees	2.00
- Tax Audit Fees	1.00
Professional Fees	0.85
TOTAL	**4.54**

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 14 TAX EXPENSE

(a) Income Tax Expense

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Current tax	
Current tax	0.06
Adjustments for current tax of prior periods	-
Total current tax expense	0.06
Deferred tax charge / (credit)	-
Deferred tax charge / (credit)	-
Decrease (increase) in deferred tax liabilities	-
Total deferred tax charge/ (credit)	-
TOTAL TAX EXPENSE	**0.06**

(b) A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions conditions defined in the said section, the Company has not opted for the new rate for the purpose of computation of provision for income tax.

(c) On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Note 15 EARNING /(LOSS) PER SHARE

Particulars	For the period ended 31st March, 2023 (Amount in Rs.)
Nominal value of equity shares (₹ per share)	10
Profit (loss) available to shareholders for calculation of basic and diluted earnings per share	5,34,901.00
Weighted average number of equity shares for calculation of basic earnings per share	10,000
Basic earnings / (loss) per share (in ₹)	53.49
Weighted average number of equity shares for calculation of diluted earnings per share	10,000
Diluted earnings/ (loss) per share (in ₹)	53.49

Note 16 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Contingent Liabilities	-
Commitments	-

Note : As at March 31, 2023, the Company has Rs. Nil capital commitments under contract to purchase fit outs and office equipment's.

Note 17 AUDITOR'S REMUNERATIONS

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
As Auditors	
- for Statutory Audit	2.00
- for Tax Audit	1.00
TOTAL	3.00

Note 18 REALTED PARTIES DISCLOSURES

Nature of Relationship	Name of Parties
A. Holding Company	Khanna Paper Mills Limited (CIN: U74110HR1985PLC054735)
B. Fellow Subsidiaries	Khanna Paper Inc (Foreign Entity). Grownd Realty Private Limited (CIN:U70109PB2022PTC057192) Grownd Crew Private Limited (CIN:U74999PB2022PTC057194)
C. Common director with significant influence *("Significant Influence" here shall mean Common Director either individually or together with other Common Directors' holds 50% or more Share Capital and the Voting Power in the Company.")*	Shore to Shore Logistics Private Limited (CIN:U60231HR2007PLC054693) SRN Recyling Private Limited (CIN:U37100DL2021PTC376731) Green Planet Hospitality Private Limited (CIN:U55101HR2014PTC053640)
C. Key Management Personnel	Brij Mohan Khanna (Director) (DIN:00062514) Saurabh Khanna (Manging Director) (DIN:00062737) Kumar Gaurav Batra (Director) (DIN:09810332)

D. Summary of Related Party Transection

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Non Current Borrowings	
Optionally Convertible Zero-Coupon Debentures	
Khanna Paper Mills Limited	820.00
TOTAL	**820.00**

Note 19 FINANCIAL INSTRUMENTS

Accounting Classification and Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Financial Assets Measured at Fair Value through Profit & Loss	
Investments in Other Than Equity Instruments	304.95
TOTAL	**304.95**
Financial Assets Measured at Amortised Cost	
Fixed Deposit in bank	429.17
Cash and Cash Equivalents	95.05
Advance for Fixed Assets	-
Other Advances	-
Other Current Assets	0.29
TOTAL	**524.51**
Financial Liabilities Measured at Amortised Cost	
Debentures	820.00
Other than Current Liabilities	3.05
TOTAL	**823.05**

The Management has assessed that fair value of all above financial assets and liabilities approximate their carrying amounts.

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

There have been no transfers among Level 1, Level 2 and Level 3 during the period. All the financial instruments are valued using level 3 valuation techniques.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has disclosed the fair value of Investment at financial instruments measured at Fair Value.

The Company has not disclosed the fair value of financial instruments measured at amortised cost as their carrying amounts are a reasonable approximation of fair value.

Note 20 FINANCIAL RISK MEASUREMENTS

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company is exposed to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk

(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 receivables from customers, loans and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents (including bank balances and fixed deposits with banks)

Credit risk on cash and cash equivalent is limited as (including bank balances and fixed deposits with banks) the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(a) Trade receivables and other current financial assets

The Company's policy of exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses. In the absence of sufficient historical pattern, company has followed simplified approach of ECL method.

However being the first year of incorporation, company is not having any Trade receivables as on March 31,2023.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

i) Financing arrangement

The Company has not availed term loan facility from bank during FY 2022-2023.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

As at March 31, 2023	Carrying Amount	Total	Within One Year	Later than One Year But not Later Than Five Years	Later Than Five Years
Non convertible debentures	820.00	820.00	-	820.00	-
Other financial liabilities	3.05	3.05	3.05	-	-
TOTAL	**823.05**	**823.05**	**3.05**	**820.00**	**820.00**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company has not entered into foreign currency transactions for the period covered by these financial statements. Accordingly, the Company has no exposure to foreign exchange gain and losses on its consolidated financial position, performance and cash flows.

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised costs. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount not the future cash flows will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

Particulars	For the period ended 31st March, 2023
Variable rate borrowings	-
Fixed rate borrowings	0%
TOTAL BORROWINGS	0%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Statement of profit and loss (Pre tax)		Impact on Other equity	
	1% increase	1% decrease	1% increase	1% decrease
As on March 31,2023				
Variable Rate Borrowings	-	-	-	-

Note 21 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Gross Debt*	820.00
Less: Cash and Cash Equivalents	(95.05)
Adjusted Net Debt (A)	724.95
Total Equity (B)	6.35
Debt Ratio (A/B)	114.18

* Gross debt includes non current borrowing and current borrowing.

Note 22 FOREIGN CURRENCY EXPOSURE

The Company does not have any unhedged foreign currency exposure as at March 31, 2023.

Note 23 DUES TO MICRO AND SMALL ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year	
– Principal	-
– Interest	-
The amount of interest paid by the buyer under MSMED Act	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-
The amount of interest due and payable for the period of delay in making payment	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-

Segment reporting

Segment reporting is not applicable to company during current year.

Information reported to the director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business providing trading of wastepaper, paper & other related products, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are same as the accounting policies disclosed in Note 1. The Company has operations only across India and not outside India.

No managerial remuneration is payable to directors during the year (March 31, 2023: Nil).

Expenditure on Corporate Social Responsibility activities

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year (March 31, 2023: Nil).

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24th March 2021

(i) Company does not held any immovable properties which are not in the name of the company.

(ii) Company does not held any investment property.

(iii) Company has not revalued any Property, plant & equipment's and intangible assets.

(iv) Company has not granted any loan to promoters, directors, KMPs and the related parties, either severally or jointly

(v) No Property, Plant & Equipment and Capital work in progress in company in current financial year.

(vi) Company does not fall in any proceeding under benami property made under the Benami Transection (Prohibition) Act,1988

(vii) Company has not borrowings from banks to financial institutions on the basis of security of current assets.

(viii) Company has not declared wilful defaulter by any bank and financial institution or other lander.

(ix) Company has not any relationship with struck off companies.

(x) No charges or statisfication yet to registered with ROC beyond the statutory period.

(xi) Compliance with number of layers of companies are not applicable on company.

(xii) Compliance with approved Scheme(s) of arrangements are not applicable on company.

(xiiia) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
(xiiib) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Ratios

Ratio	Current ratio
Numerator	Current Assets
Denominator	Current Liabilities

Ratios / measures	**As at March 31, 2023**
Current Assets (A)	95.34
Current Liabilities (B)	3.11
Current ratio (C) = (A) / (B)	30.63
change from previous year	30.63

Ratio	Debt Equity Ratio
Numerator	Total Debt (represent current and non current borrowings and lease liabilities)
Denominator	Shareholder's Equity (represent total equity)

Ratios / measures	**As at March 31, 2023**
Term loan from bank including current maturities	-
Non- Convertible Debentures	820.00
Intercorporate Deposit	-
Less : Cash and cash equivalent	-95.05
Net Debt (A)	**724.95**
Shareholder's equity (B)	**6.35**
Debt equity ratio (C) = (A) / (B)	114.18
change from previous year	114.18

Ratio	Return on equity ratio
Numerator	Profit after tax
Denominator	Average shareholder's equity

Ratios / measures	**As at March 31, 2023**
Profit/ (loss) for the year (A)	5.35
Closing shareholder's equity (B)	6.35
Average shareholder's equity [(Opening + Closing)/2] C	6.35
Return on equity ratio (D) = (A) / (C)	0.84
change from previous year	0.84

Ratio	Net loss ratio
Numerator	Loss after tax
Denominator	Revenue from operations

Ratios / measures	**As at March 31, 2023**
Profit/ (loss) after tax (A)	5.35
Total Income (B)	9.95
Net loss ratio (C) = (A) / (B)	0.54
change from previous year	0.54

Ratio	Return on capital employed
Numerator	Earning before interest and taxes
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	**As at March 31, 2023**
Profit/ (loss) after tax (A)	5.35
Adjustments:-	
Add: Finance cost (B)	-
Earnings before interest and tax (C) = (A) + (B)	**5.35**
Total Assets	829.46
Less: current liability	3.11
Capital Employed (D)	**826.35**
Return on capital employed (J) = (D) / (I)	0.01
change from previous year	0.01

Note: Being first year of incorporation and no business carried on during the year hence Trade receivable ratio, Net capital turnover ration, Inventory turnover ratio,Debt Service Coverage Ratio, Trade payable turnover ratio and Return on investment are not applicable to the Company.

Covid impact assessment

Further, World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March 2020. Consequent to this, Government of India declared lockdown on 23rd March 2020. Owing to COVID-19 pandemic, the Company's offices were under nationwide lockdown since 24th March 2020 till 10th May 20 as per the instructions issued by the Central and State Government. As per the government guidelines the Company resumed operations in a phased manner from 11th May 2020 onwards.

Management further believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, investments, investment properties, liabilities and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the commercial real estate, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company has used internal and external information and having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Subsequent event

There have been no subsequent events of material importance which could affect the financial statements.

Special Attention

In current year, compnay rasied fund throtugh debentures (Optionally Convertible Zero-Coupon Debentures) from parent company (Wholly Owned Holding Company) for opreation of company.Till March 31, 2023, Company's opreation are work in progess hence company have invested borrowed fund to mutual fund & others.

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUP3465

Navin Bedi
Partner
Membership No. 510555

Bedi Mishra & Associates FRN 027060N AMRITSAR Chartered Accountants

Place of Signature : Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
KHANNA FIBER PRIVATE LIMITED

Brij Mohan Khanna	Kumar Gaurav Batra
Director	Director
DIN: 00062514	DIN: 09810332

Independent Auditor's Report
To the Members of Grownd Reality Private Limited

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Grownd Reality Private Limited ("the Company")** which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss for the period from 1st November to 31st March 2023 (including other comprehensive income),Statement of Cash Flows, Statement of changes in equity and a summary of the significant Indian accounting policies, notes to accounts and other explanatory information (herein after referred to as "Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian accounting principles of the financial position of the Company as at 31st March 2023 and its financial performance for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS 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 audit opinion on the Ind AS Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the 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. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Indian 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Management and the Board of Directors 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 Responsibility

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control 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 with reference to Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, 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, 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 purpose 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder;

e) On the basis of 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 March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position in its Ind AS Financial Statements;

   ii. The Company has not entered into any long-term contracts including derivative contracts for which Company is required to make provision for material foreseeable losses, as required under the applicable law or accounting standards;

   iii. The Company is not liable to transfer any amount to the Investor Education and Protection Fund.

h) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

   The Company is a Private Limited Company and accordingly the requirements as stipulated by the section 197(16) of the Act are not applicable to the Company.

For and on behalf of
Bedi Mishra & Associates
Chartered Accountants
ICAI Firm's registration number: 027060N
ICAI UDIN: 23510555BGTPUO5540

Navin Bedi

Navin Bedi
Partner
Membership number: 510555

Bedi Mishra & Associates • Chartered Accountants • FRN 027060N AMRITSAR

Place of Signature: Amritsar
Date: 07/08/2023

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS Financial Statements of the Company for the year ended March 31, 2023:

1) (a) (A) The Company has maintained proper records of Property, Plant and Equipment (Capital work in progress).

(B) The Company has maintained proper records of intangible assets (Capital Work in Progress).

(b) Pursuant to the company's programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us no title deeds of immovable properties held in the name of the company.

(d) The company has not revalued[1] any of its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

2) (a) According to the information and explanations to us no inventories exist during the year.

(b) According to the information provided to us, Company has not taken any working capital loan from bank or financial institution on the basis of current assets.

3) The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties during the year. Accordingly, reporting under clause 3 (iii) (a) to (f) of the Order is not applicable.

4) The company has not given Loan & Advances to director relative under companies act, 2013.

5) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence reporting under clause 3(v) of the Order is not applicable.

6) According to the information and explanations given to us, the Company is not required to maintain cost records as per the provisions of sub section (1) of section 148 of the Companies Act, 2013. Accordingly, the provision of clause 3(v) of the order is not applicable to the company and hence not commented upon.

7) In respect of statutory dues:-

(a) The Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Cess and any other material statutory dues[2] applicable to it to the appropriate authorities.

No undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

(b) There are no dues of Income Tax, Wealth Tax and Custom Duty and Cess on account of disputes.

8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) On an overall examination of the Ind AS Financial Statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.

10) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence the reporting under clause 3 (ix) (a) of the Order is not applicable.

(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence the reporting under clause 3(x) (b) of the Order is not applicable.

11) (a) Considering the principle of materiality outlined in the standards on auditing, no fraud by the Company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

12) The Company is not a Nidhi Company and hence the reporting under the clause 3 (xii) (a) to (c) of the Order is not applicable.

13) In our opinion, the company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to the applicable transaction with the related parties and the details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian accounting standards.

14) (a) The company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) The company did not have an internal audit system for the period under audit. Hence, reporting under clause 3(xiv)(b) of the Order is not applicable.

15) The company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence the provisions of the section 192 of the Companies Act, 2013 are not applicable to the company.

16) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the reporting under clause 3(xvi) (a)-(b) of the Order is not applicable.

(b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) of the Order is not applicable.

(c)The Group does not have any CIC. Accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.

17) According to the information and explanations given to us based on our examination of the record of the company, the company has not incurred cash losses in the financial year. Therefore, the provisions of clause 3(xv) of the order are not applicable.

18) There has been no resignation of the statutory auditors of the company during the year and accordingly this clause is not applicable.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of 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 any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We 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 the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the company as and when they fall due.

20) The provisions of section 135 of the Companies Act are not applicable to the company for the year under consideration. Hence, the reposting under clause 3 (xx) (a) to (b) of the Order is not commented upon.

Annexure - B 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")

Opinion

We have audited the internal financial controls over financial reporting of **Grownd Reality Private Limited** as of 31st March2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with Indian accounting standard. 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Bedi Mishra & Associates
Chartered Accountants
ICAI Firm's registration number: 027060N
ICAI UDIN: 23510555BGTPUO5540

Navin Bedi
Partner
Membership number: 510555

Place of Signature: Amritsar
Date: 07/08/2023

GROWND REALTY PRIVATE LIMITED
Regd. Add.: A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
CIN-U70109PB2022PTC057192

Balance Sheet as on 31st March, 2023

Particulars	Note	As on 31st March, 2023 (Amount in Lakhs)
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	3	-
(b) Capital Work in progress		733.64
(c) Intangible Assets under Development	4	0.40
(d) Financial Assets		
(i) Investments	5	3,006.40
(ii) Trade Receivables		-
(iii) Loans		-
(iv) Others	6	2,213.08
(e) Deferred Tax Assets (Net)		-
(f) Other Non Current Assets		-
2 Current assets		
(a) Inventories		-
(b) Financial Assets		
(i) Investments		-
(ii) Trade Receivables		-
(iii) Cash and Cash Equivalents	7	410.60
(iv) Bank Balances other than (iii) above		-
(v) loans and advances		-
(vi) Others	8	173.35
(c) Current Tax Assets (Net)		-
(d) Other Current Assets	9	12.96
TOTAL		**6,550.44**
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	10	1.00
(b) Other Equity	11	42.49
2 Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Long Term Borrowings	12	6,500.00
(ii) Lease Liabilities		-
(iii) Other Financial Liabilities		-
(b) Deferred Tax Liability (net)		-
3 Current liabilities		
(a) Financial liabilities		
(i) Short Term Borrowings		-
(ia) Lease Liabilities		-
(ii) Trade payables		-
(A) Total outstanding dues of micro enterprises and small enterprises		-
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises		-
(iii) Other Financial Liabilities		-
(b) Provisions	13	2.80
(c) Other Current Liabilities	14	4.15
TOTAL		**6,550.44**

See accompanying notes 1 to 26 forming part of the financial statements

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUO5540

Navin Bedi
Partner
Membership No. 510555
Place of Signature: Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
GROWND REALTY PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

GROWND REALTY PRIVATE LIMITED
Regd. Add.: A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
CIN-U70109PB2022PTC057192

Statement of Profit and Loss Accounts for the Period 1st Nov 2022 to 31st March, 2023

Particulars	Note	For the period ended 31st March, 2023 (Amount in Lakhs)
I Revenue from operations (net)		-
II Other Income	15	63.34
III Total Revenue (I+II)		**63.34**
IV Expenses		
Cost of materials consumed		-
Purchase of Traded Goods		-
Changes in inventories of finished goods, by-products and work in progress		-
Employee benefits expense		
Finance costs		-
Depreciation and amortization expense		-
Other expenses	16	-
Total Expenses		18.05
V Profit/(Loss) Before Exceptional Items and Tax		**18.05**
VI Profit/(Loss) Before Tax from Continuing Operations		45.29
VII Tax Expense:		45.29
(a) Current tax expense		
(b) Deferred tax		2.80
VIII Profit / (Loss) for the Continuing Operation		-
IX Profit / (Loss) from discontinuing operations		**42.49**
X Tax from discontinuing operations		-
XI Profit/ (Loss) from discontinuing operations		-
XII Profit / (Loss) for the period		-
XIII Other Comprehensive Income		**42.49**
(i) Items that will not be reclassified to profit or loss		
Remeasurement of the net defined benefit liability/asset		-
(ii) Income tax relating to items that will not be reclassified to P&L		
Total other comprehensive income, net of tax		-
XIV Total comprehensive income for the year		-
XV Earning per equity share (Nominal value per share Rs. 10 /-)		**42.49**
(1) Basic (Rs.)		
(2) Diluted (Rs.)		424.89
Number of shares used in computing earning per share		424.89
(1) Basic (Nos.)		
(2) Diluted (Nos.)		10,000
		10,000

See accompanying notes 1 to 26 forming part of the financial statements

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUO5540

Navin Bedi
Partner
Membership No. 510555

Place of Signature: Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
GROWND REALTY PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

GROWND REALTY PRIVATE LIMITED
Regd. Add. : A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
CIN-U70109PB2022PTC057192
Statement of cash flows for the year ended March 31, 2023

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Cash flow from operating activities	
Profit/ (loss) before tax	42.49
Adjustments for:	
-Depreciation expenses	-
- Provision for Income Tax	2.80
Operating cash flows before working capital changes	**45.29**
Working capital adjustments:	
Changes in other assets	-
(Increase)/ decrease in other non-current and current assets	(186.31)
Increase/ (decrease) in other non current and current financial liabilities	4.15
Cash generated from/ (used in) operations	**(136.88)**
Income taxes paid, net of refund received	-
Net cash generated from /(used in) operating activities (A)	**(136.88)**
Cash flows from investing activities	
Purchase of property, plant and equipment (CWIP)	(734.04)
Investment in Mutual fund	(3,006.40)
Investment in fixed deposits	(2,213.08)
Net cash generated from investing activities (B)	**(5,953.52)**
Cash flow from financing activities	
Proceeds from issue of equity shares	1.00
Proceeds from issuance of non convertible debentures	6,500.00
Net cash generated from /(used in) financing activities (C)	**6,501.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**410.60**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (refer below)	**410.60**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:	
Balance with banks:	
In current accounts	410.60
	410.60

The notes referred to above form an integral part of the financial statements

1. The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS -7 "Statement of Cash Flows "

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUO5540

Navin Bedi
Partner
Membership No. 510555

Place of Signature: Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
GROWND REALTY PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

GROWND REALTY PRIVATE LIMITED
Statement of Changes In Equity For The Period Ended 31st March, 2023

(a) Equity Share capital

	Balance on the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance on the beginning of the reporting year	Changes in equity share capital during the year	Balance on the end of the year
For the year ended 1st November, 2022	-	-	-	-	-
For the year ended 31st March, 2023	-	-	-	10,000	10,000

(b) Other Equity

(Amount in Lakhs)

	Reserves and Surplus		Items of Other Comprehensive	
	General Reserve	Retained Earnings	Re- measurement of defined benefit plan	Total
Balance as on 1st November, 2022	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as on 01.11.2022	-	-	-	-
Profit for the year	-	42.49	-	42.49
Other Comprehensive Income (net of tax)	-		-	-
Total Comprehensive Income for the year	-	42.49	-	42.49
Transfer from retained earnings	-	-	-	-
Transfer to general reserve	-	-	-	-
Final Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Balance as on 31st March, 2023	-	42.49	-	42.49

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUO5540

Navin Bedi
Partner
Membership No. 510555

Place of Signature: Amritsar
Date : 07/08/2023

for and on behalf of the Board of Directors of
GROWND REALTY PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

1 **Corporate Information**

Grownd Realty Private Limited (the "Company") is a wholly owned subsidiary of Khanna Paper Mills Limited. It is incorporated on 1 November 2022. The Company is in the business of providing real estate service including construction services. The Company is domiciled in India and is limited by shares.

The Company is domiciled in India and is limited by shares. The registered office of the Company is located at A-50, DR Enclave, Ajnala Road, Amritsar, Punjab-143001(India).

2 **Basis of preparation of standalone financial statements**

a) **Statement of Compliance with Ind AS**

(i) Statement of Compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lakhs of Indian Rupees and are rounded to the nearest rupees, except per share data and unless stated otherwise.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 7th August 2023.

(ii) Historical cost convention

The standalone financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

b) **Basis of measurement**

These standalone financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and financial liabilities which have been measured at amortised cost. Refer note 2(g)(4) for accounting policy regarding financial instruments.

c) **Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees, which is the Company's functional currency. Accordingly financial information presented in Indian Rupees unless otherwise stated. Also refer note 2 (g)(9) for accounting policy in respect of accounting for foreign currency transactions.

d) **Significant accounting judgments, estimates and assumptions**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including those of contingent liabilities if any. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

(i) measurement of useful life and residual values of property, plant and equipment and intangible assets
(ii) recoverable amount/value in use of property, plant and equipment and intangible assets
(iii) impairment of financial assets and non-financial assets
(iv) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
(v) classification of lease term

e) **Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the managing director.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

f) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

g) **Significant accounting policies**

1) **Property, plant and equipment and intangible assets**

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the standalone statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in standalone statement of profit and loss.

Depreciation

Depreciation is provided on pro-rata basis as per Straight line method (SLM) at the rates corresponding to the useful life specified under Schedule II to the Companies Act, 2013.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful lives of items of property, plant and equipment are as per schedule II to Companies Act 2013, as tabulated below:-

Particulars	Useful Life (Years)
Furniture and Fixtures	10
Vehicle	8
Office Equipment	5
Computers	3

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).
Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortised over a period of 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.
The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

2) **(i) Impairment of property, plant and equipment**

Being the first year of incorporation, no assets impaired during the year.

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(ii) Impairment of investment in subsidiaries

The carrying amount of the investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the investments recoverable amount is estimated.

The recoverable amount of an investment is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an investments exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

3) **Employee benefits**

During current year, no operations have been started and there is no employee and so Employee benefits are not applicable this year.

Employee benefits include provident fund, gratuity fund and compensated absences.

Post Employment Benefits

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense in the standalone statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees

Defined benefit plans

For defined benefit plans in the form of gratuity fund is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the standalone statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

The employees of the Company are entitled to long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method.

4) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through standalone statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

• *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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 amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in interest income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss. This category generally applies to trade and other receivables.

• *Debt instruments at fair value through other comprehensive income (FVTOCI)*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) 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). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in standalone statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

• *Debt instruments at fair value through profit or loss (FVTPL)*
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.
• *Equity instruments measured at fair value through other comprehensive income (FVTOCI)*
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

Investment in subsidiaries
Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

(ii) **Financial Assets - Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on:
• Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
• Financial assets that are debt instruments and at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in standalone statement of profit and loss.

(iv) **Financial liabilities – Recognition & Subsequent measurement**

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts
The measurement of financial liabilities depends on their classification, as described below:

• *Financial liabilities at fair value through profit or loss*
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through standalone statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through standalone statement of profit and loss are designated as such 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 are recognized in OCI. These gains/ loss are not subsequently transferred to standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in statement of profit and loss. The Company has not designated any financial liability as at fair value through standalone statement of profit and loss.

• *Financial liabilities at amortised cost (Loans and Borrowings)*
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in standalone statement of profit and loss.

(v) **Financial liabilities - Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses). The difference in the respective carrying amounts is recognised in standalone statement of profit and loss.

(vi) Compound financial instruments
Compound financial instruments issued by the Company comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in statement of profit and loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in Standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle in net basis or to realise the asset and settle the liability simultaneously.

(viii) Income/loss recognition

• *Interest income*

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• *Borrowing costs*

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ix) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. The company has separated the derivative component of compulsorily convertible debenture issued during the year and measured at FVTPL.

5) **Leases**

During current year, no operations have been started and there is no assets on lease hence it is not applicable this year.

The Company has applied Ind AS 116 – 'Leases' using the modified retrospective approach.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

iii) the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

-the Company has the right to operate the asset; or

-the Company designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has also availed the option of recognising right-of-use asset equivalent to lease liability at the transition date of 1 April 2018 for its leases.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
i) fixed payments, including in-substance fixed payments;
ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii) amounts expected to be payable under a residual value guarantee; and

iv) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other non-current financial liabilities' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term

6) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

7) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

8) **Revenue recognition**

Being First year of incorporation. No operation carried out and hence there is no revenue in current year.

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Company's activities. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is presented, net of sales and services tax, rebates and discounts. Revenue is recognised as follows:

(i) *Sale and rental of real estate*

Sale and rental income consists of revenue earned from the provision of sale of real estate and rental of real estate services, and is charged to tenants or customer based on the occupied lettable area of the properties and sale of properties. Income is recognised as per terms of contract entered into with tenants or customer which is recognised on a time proportion basis.

(ii) *Operations and maintenance income*

Operations and maintenance income consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income is recognised as per terms of contract entered into with tenants which is recognised on a time proportion basis.

9) **Accounting for foreign currency transactions**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the standalone statement of profit and loss.

10) **Income- tax**

Income-tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority on the same taxable entity, ,but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, to the extent that it is probable that future taxable profits will be available against which they can be utilized (and in case of MAT, during the specified period, i.e., the period for which MAT credit is allowed to be carried forward). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, no deferred tax asset/liabilities are recognised in respect of timing differences that reverse within tax holiday period.

11) **Segment reporting**

Segment reporting is not applicable to company during current year.

Identification of segments:

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.
Results of the operating segments are reviewed regularly by the board of directors which has been identified as the Director, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is in the business of providing sale of real estate including rental income and property management services and Director reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

12) **Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the standalone statement of profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13) **Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", 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.

14) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) **Standards issued but not yet effective**

There are no new standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements.

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note No 3 CAPITAL WORK IN PROGRESS (CWIP)

(i) For Capital-work-in progress, following ageing schedule shall be given:

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 31st March 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Land	733.64	-	-	-	733.64
Projects temporarily Suspended	-	-	-	-	-

(ii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given

(Amount in Lakhs)

Particulars	To be completed in				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Note No 4 INTANGIBLE ASSETS UNDER DEVELOPMENT

(i) For Intangible Asset under Development, following ageing schedule shall be given:

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 31st March 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Website Development	0.40	-	-	-	0.40
Projects temporarily Suspended	-	-	-	-	-

(ii)For Intangible Asset Under Development, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given

(Amount in Lakhs)

Particulars	To be completed in				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Project 1	-	-	-	-	
Project 2	-	-	-	-	

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24th March 2021

(i) Company does not held any immovable properties which are not in the name of the company..

(ii) Company does not held any investment property.

(iii) Company has not revalued any Property, plant a& equipment's and intangible assets..

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 5 NON CURRENT FINANCIAL ASSETS - INVESTMENT

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Investments in Quoted Mutual Funds Measured at FVTPL	
Equity Instruments	
Investment in Equity Mutual Fund	198.14
Other than Equity Instruments	
Investment in other than Equity Mutual Fund	2,468.26
Investment in Mutual Fund (Still Pending to allotment)	340.00
TOTAL	**3,006.40**

Note 6 NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Fixed deposit with Bank	2,213.08
TOTAL	**2,213.08**

Note 7 CURRENT FINANCIAL ASSETS- CASH AND CASH EQUIVALENTS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Cash In Hand	-
Balance With Banks	410.60
TOTAL	**410.60**

Note 8 CURRENT FINANCIAL ASSETS -SHORT TERM LOANS AND ADVANCES

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Advance for Fixed Assets	173.35
Other Advance	-
TOTAL	**173.35**

Note 9 OTHER CURRENT ASSETS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Advance Tax A/Y 23-24	1.00
GST Input	9.05
TDS Receivables	2.55
Accrued Interest	0.36
TOTAL	**12.96**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 10 SHARE CAPITAL

Particulars	As on 31st March, 2023	
	Number of shares	Amount in Lakhs
(a) Authorised		
250000 Equity shares of Rs.10/- each	2,50,000	25.00
(b) Issued, Subscribed and Paid up		
10000 Equity shares of Rs.10 each with voting rights	10,000	1.00
TOTAL	**10,000**	**1.00**

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As on 31st March, 2023	
	No of shares	Amount in Lakhs
Number of shares at the beginning of the year	-	-
Add: Shares issued during the year	10,000	1.00
Number of shares at the end of the year	**10,000**	**1.00**

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share (Rs.)	Total Value
Khanna Paper Mills Limited	9,999	99.99%	10	99,990
TOTAL	**9,999**	**99.99%**		**99,990**

Note 10A SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Khanna Paper Mills Limited	9,999	99.99%	0%
2	Saurabh Khanna*	1	0.01%	0%
TOTAL		**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 11 OTHER EQUITY

Particulars	As on 31st March, 2023 (Amount in Lakhs)
(A) General Reserve	
Opening balance	-
Closing balance	-
(B) RETAINED EARNING	
Opening balance	-
Add: Profit / (Loss) for the year	42.49
Add:- Prior period Adjustments	-
Closing balance	**42.49**

Note 12 FINANCIAL LIABILITIES- LONG TERM BORROWINGS

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Debentures	
Optionally Convertible Zero-Coupon Debentures*	6,500.00
TOTAL	**6,500.00**

* Optionally Convertible Zero-Coupon Debentures issued at Rs 100 with 5 year redemption periods and 0% interest rate.

Note 13 OTHER CURRENT LIABILITIES

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Provision for Income Tax	2.80
TOTAL	**2.80**

Note 14 OTHER CURRENT LIABILITIES

Particulars	As on 31st March, 2023 (Amount in Lakhs)
Audit Fees Payable	2.75
Other Current Liabilities	0.54
Statutory remittances (TDS Payables, GST Payable etc.)	0.85
TOTAL	**4.15**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 15 OTHER INCOME

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Profit on Investment	
- Unrealized	34.73
- Realized	3.09
Interest on Fixed Deposit	25.12
Interest on Investment *	0.40
TOTAL	**63.34**

Note 16 OTHER EXPENSES

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Bank Fees and Charges	0.00
Commission Expenses	8.29
IT and Internet Expenses	0.05
Legal Fees	3.60
Mobile Bills	0.06
Printing and Stationery	0.08
Audit Fees	
- Statutory Audit Fees	2.00
- Tax Audit Fees	0.75
Professional Fees	1.71
Repairs and Maintenance	0.04
Roc Fees	0.95
Travel Expense	0.35
Power & Fuel Expenses	0.15
TOTAL	**18.05**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Financial Statements

Note 17 TAX EXPENSE

(a) Income Tax Expense

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Current tax	
Current tax	2.80
Adjustments for current tax of prior periods	-
Total current tax expense	2.80
Deferred tax charge / (credit)	-
Deferred tax charge / (credit)	-
Decrease/ (increase) in deferred tax liabilities	-
Total deferred tax charge/ (credit)	-
TOTAL TAX EXPENSE	2.80

(b) A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section, the Company has not opted for the new rate for the purpose of computation of provision for income tax.

(c) On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Note 18 EARNING /(LOSS) PER SHARE

Particulars	For the period ended 31st March, 2023 Amount in Rs.
Nominal value of equity shares (₹ per share)	10
Profit /(loss) available to shareholders for calculation of basic and diluted earnings per share	42,48,920
Weighted average number of equity shares for calculation of basic earnings per share	10,000
Basic earnings / (loss) per share (in ₹)	424.89
Weighted average number of equity shares for calculation of diluted earnings per share	10,000
Diluted earnings/ (loss) per share (in ₹)	424.89

Note 19 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Contingent Liabilities	-
Commitments	-

Note : As at March 31, 2023, the Company has Rs. Nil capital commitments under contract to purchase fit outs and office equipment's.

Note 20 AUDITOR'S REMUNERATIONS

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
As Auditors	
- for Statutory Audit	2.00
- for Tax Audit	0.75
TOTAL	2.75

Note 21 REALTED PARTIES DISCLOSURES

Nature of Relationship	Name of Parties
A. Holding Company	Khanna Paper Mills Limited (CIN: U74110HR1985PLC054735)
B. Fellow Subsidiaries	Khanna Paper Inc (Foreign Entity). Khanna Fiber Private Limited (CIN:U21000PB2022PTC057193) Grownd Crew Private Limited (CIN:U74999PB2022PTC057194)
C. Common director with significant influence *("Significant Influence" here shall mean Common Director either individually or together with other Common Directors' holds 50% or more Share Capital and the Voting Power in the Company.")*	Shore to Shore Logistics Private Limited (CIN:U60231HR2007PLC054693) SRN Recyling Private Limited (CIN:U37100DL2021PTC376731) Green Planet Hospitality Private Limited (CIN:U55101HR2014PTC053640)
D. Key Management Personnel	Brij Mohan Khanna (Director) (DIN:00062514) Saurabh Khanna (Manging Director) (DIN:00062737) Kumar Gaurav Batra (Director) (DIN:09810332)

E. Summary of Related Party Transection

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Non Current Borrowings	
Optionally Convertible Zero-Coupon Debentures	
Khanna Paper Mills Limited	6,500.00
TOTAL	**6,500.00**

Note 22 FINANCIAL INSTRUMENTS

Accounting Classification and Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Financial Assets Measured at Fair Value through Profit & Loss	
Investments in Equity Instruments	198.14
Investments in Other Than Equity Instruments	2,808.26
TOTAL	**3,006.40**
Financial Assets Measured at Amortised Cost	
Fixed Deposit in bank	2,213.08
Cash and Cash Equivalents	410.60
Advance for Fixed Assets	173.35
Other Advances	-
Other Current Assets	12.96
TOTAL	**2,809.99**
Financial Liabilities Measured at Amortised Cost	
Debentures	6,500.00
Other than Current Liabilities	4.15
TOTAL	**6,504.15**

The Management has assessed that fair value of all above financial assets and liabilities approximate their carrying amounts.

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

There have been no transfers among Level 1, Level 2 and Level 3 during the period. All the financial instruments are valued using level 3 valuation techniques.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has disclosed the fair value of Investment at financial instruments measured at Fair Value.

The Company has not disclosed the fair value of financial instruments measured at amortised cost as their carrying amounts are a reasonable approximation of fair value.

Note 23 FINANCIAL RISK MEASUREMENTS

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(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 receivables from customers, loans and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents (including bank balances and fixed deposits with banks)

Credit risk on cash and cash equivalent is limited as (including bank balances and fixed deposits with banks) the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(a) Trade receivables and other current financial assets

The Company's policy of exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses. In the absence of sufficient historical pattern, company has followed simplified approach of ECL method. However being the first year of incorporation, company is not having any Trade receivables as on March 31,2023.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	For the period ended 31 March, 2023 (Amount in Lakhs)	
Carrying Amount	**Gross Carrying Amount**	**Provisions**
Trade Receivables		
Upto 180 Days	-	-
More than 180 Days	-	-
TOTAL	-	-
	-	-

Reconciliation of Loss Allowance Provision:

Particulars	Amount in Lakhs
Loss allowance on November 1, 2022	-
Additional provision created during the year	-
Bad debts written off during the year	-
Loss allowance on March 31, 2023	-

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

i) Financing arrangement

The Company has not availed any term loan facility from bank during FY 2022-2023.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

As at March 31, 2023	Carrying Amount	Total	Within One Year	Later than One Year But not Later Than Five Years	Later Than Five Years
Non convertible debentures	6,500.00	6,500.00	-	6,500.00	-
Other financial liabilities	4.15	4.15	4.15	-	-
TOTAL	**6,504.15**	**6,504.15**	**4.15**	**6,500.00**	-

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company has not entered into foreign currency transactions for the period covered by these financial statements. Accordingly, the Company has no exposure to foreign exchange gain and losses on its consolidated financial position, performance and cash flows.

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised costs. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount not the future cash flows will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Variable rate borrowings	-
Fixed rate borrowings	0%
TOTAL BORROWINGS	0%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Statement of profit and loss (Pre tax)		Impact on Other equity	
	1% increase	1% decrease	1% increase	1% decrease
As on March 31,2023				
Variable Rate Borrowings	-	-	-	-

Note 24 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	For the period ended 31st March, 2023 (Amount in Lakhs)
Gross Debt*	6,500.00
Less: Cash and Cash Equivalents	(410.60)
Adjusted Net Debt (A)	6,089.40
Total Equity (B)	43.49
Debt Ratio (A/B)	140.02

* Gross debt includes non current borrowing and current borrowing.

Note 25 FOREIGN CURRENCY EXPOSURE

The Company does not have any unhedged foreign currency exposure as at March 31, 2023.

Note 26 DUES TO MICRO AND SMALL ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year	
– Principal	-
– Interest	-
The amount of interest paid by the buyer under MSMED Act	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-
The amount of interest due and payable for the period of delay in making payment	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-

Segment reporting

Segment reporting is not applicable to company during current year.

Information reported to the director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business providing a providing real estate service including construction services, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are same as the accounting policies disclosed in Note 1. The Company has operations only across India and not outside India.

No managerial remuneration is payable to directors during the year (March 31, 2023: Nil).

Expenditure on Corporate Social Responsibility activities

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year (March 31, 2023: Nil)

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

(i) Company has not granted any loan to promoters, directors, KMPs and the related parties, either severally or jointly

(ii) Company does not fall in any proceeding under benami property made under the Benami Transection (Prohibition) Act,1988.

(iii) Company has not borrowings from banks to financial institutions on the basis of security of current assets.

(iv) Company has not declared wilful defaulter by any bank and financial institution or other lander.

(iv) Company has not any relationship with struck off companies.

(iv) No charges or statsification yet to registered with ROC beyond the statutory period.

(v) Compliance with number of layers of companies are not applicable on company.

(vi) Compliance with approved Scheme(s) of arrangements are not applicable on company.

(viia) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
(viib) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Ratios

Ratio	Current ratio
Numerator	Current Assets
Denominator	Current Liabilities

Ratios / measures	**As at March 31, 2023**
Current Assets (A)	596.91
Current Liabilities (B)	6.95
Current ratio (C) = (A) / (B)	85.93
change from previous year	85.93

Ratio	Debt Equity Ratio
Numerator	Total Debt (represent current and non current borrowings and lease liabilities)
Denominator	Shareholder's Equity (represent total equity)

Ratios / measures	**As at March 31, 2023**
Term loan from bank including current maturities *	-
Non- Convertible Debentures	6,500.00
Intercorporate Deposit	-
Less : Cash and cash equivalent	(410.60)
Net Debt (A)	**6,089.40**
Shareholder's equity (B)	**43.49**
Debt equity ratio (C) = (A) / (B)	140.02
change from previous year	140.02

Ratio	Return on equity ratio
Numerator	Profit after tax
Denominator	Average shareholder's equity

Ratios / measures	**As at March 31, 2023**
Profit (loss) for the year (A)	42.49
Closing shareholder's equity (B)	43.49
Average shareholder's equity [(Opening + Closing)/2] C	43.49
Return on equity ratio (D) = (A) / (C)	0.98
change from previous year	0.98

Ratio	Net loss ratio
Numerator	Loss after tax
Denominator	Revenue from operations

Ratios / measures	**As at March 31, 2023**
Profit/ (loss) after tax (A)	42.49
Total Income (B)	63.34
Net loss ratio (C) = (A) / (B)	0.67
change from previous year	0.67

Ratio	Return on capital employed
Numerator	Earning before interest and taxes
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	**As at March 31, 2023**
Profit/ (loss) after tax (A)	42.49
Adjustments:-	
Add: Finance cost (B)	-
Earnings before interest and tax (C) = (A) + (B)	**42.49**
Total Assets	6,550.44
Less: current liability	6.95
Capital Employed (D)	**6,543.49**
Return on capital employed (J) = (D) / (I)	0.01
change from previous year	0.01

Note: Being first year of incorporation and no business carried on during the year hence Trade receivable ratio, Net capital turnover ration, Inventory turnover ratio, Trade payable turnover ratio , Debt Service Coverage Ratio and Return on investment are not applicable to the Company.

Covid impact assessment

Management further believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, investments, investment properties, liabilities and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the commercial real estate, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company has used internal and external information and having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Subsequent event

There have been no subsequent events of material importance which could affect the financial statements

Special Attention

In current year, compnay rasied fund throtugh debentures (Optionally Convertible Zero-Coupon Debentures) from parent company (Wholly Owned Holding Company) for opreation of company.Till March 31, 2023, Company's opreation are work in progess hence company have invested borrowed fund to mutual fund & others.

As per our report of even date attached
for Bedi Mishra & Associates
Chartered Accountants
ICAI Firm Registration Number : 027060N
ICAI UDIN : 23510555BGTPUO5540

Navin Bedi
Partner
Membership No. 510555

Place of Signature: Amritsar
Date : 07/08/2023

Bedi Mishra & Associates FRN 027060N AMRITSAR Chartered Accountants

for and on behalf of the Board of Directors of
GROWND REALTY PRIVATE LIMITED

Brij Mohan Khanna
Director
DIN: 00062514

Kumar Gaurav Batra
Director
DIN: 09810332

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Registered office: B-26, Infocity-I, Sector - 34,Gurgaon-122002

Provisional Standalone Balance Sheet as at 30-09-2023

(₹ in Lakhs)

Particulars	Note No	As at 30-09-2023
ASSETS		
Property, Plant and Equipment	3	45,194.14
Capital work-in-progress	4	5,012.22
Other Intangible assets	5	12.62
Financial Assets		-
Investments	6	11,630.54
Other financial assets	7	2,132.59
Deferred tax assets net	8	-
Other non-current assets	9	9,300.90
Total Non-current Assets		**73,283.01**
Current assets		
Inventories	10	22,967.71
Financial Assets		-
Investments	11	60.41
Trade receivables	12	24,110.92
Cash and cash equivalents	13	135.90
Bank balances other than cash and cash equivalents	14	3,056.81
Loans	15	8.61
Other financial assets	16	314.91
Current Tax Assets (Net)	17	40.02
Other current assets	18	14,495.98
Total Current Assets		**65,191.27**
Total Assets		**1,38,474.28**
EQUITY and LIABILITIES		
Equity Share Capital	19	2,653.79
Other Equity	20	71,706.83
Total Equity		**74,360.62**
Non-current liabilities		
Financial Liabilities		
Borrowings	21	8,876.97
Other financial liabilities	22	2,230.41
Provisions	23	800.69
Deferred tax liabilities net	24	786.97
Other non-current liabilities	25	443.59
Total Non-current liabilities		**13,138.63**
Current liabilities		
Financial Liabilities		-
Borrowings	26	33,028.72
Trade Payables	27	5,791.00
Other financial liabilities	28	7,690.76
Other current liabilities	29	4,390.46
Provisions	30	40.31
Current Tax Liabilities (Net)	31	33.79
Total Current liabilities		**50,975.04**
Total liabilities		**64,113.66**
Total Equity and Liabilities		**1,38,474.28**

The accompanying notes form an integral part of the Provisional Standalone financial statem -

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Registered office: B-26, Infocity-I, Sector - 34,Gurgaon-122002

Provisional Standalone Profit & Loss for the period ended on 30-09-2023

(₹ in Lakhs)

Particulars	Note No	For Year ended 30/09/2023
Income		
Revenue From Operations	32	1,17,659.23
Other Income	33	412.83
Total Income		**1,18,072.07**
Expenses		
Cost of materials consumed	34	92,141.73
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, Stock in Trade and work in	35	-
Employee benefits expense	36	3,922.15
Finance costs	37	1,431.01
Depreciation and amortization expense	38	2,936.16
Other expenses	39	8,690.84
Total Expenses		**1,09,121.89**
Profit/(loss) before tax		**8,950.18**
Tax expense	40	-
Current tax	41	-
Deferred tax		
Total Tax expense		
Profit/(loss) after tax for the period		
Other Comprehensive Income		-
OCI that will not be reclassified to P&L	41	-
Total Other Comprehensive Income		
Total Comprehensive Income for the period		

The accompanying notes form an integral part of the Provisional Standalone financial statements.

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Notes to Provisional Standalone Financial Statements

(All amounts are in INR in Lakhs)

Note Number	3

Particulars	**Total**
Land	4,268.04
Building	7,557.50
Plant & Machinery	30,587.93
Boiler	2,438.93
End User Devices	102.63
Vehicles	162.06
Furniture	43.61
Office Equipment	33.44
Grand Total	**45,194.14**

Note Number	4

Particulars	**Total**
Capital work in progress	5,012.22
Grand Total	**5,012.22**

Note Number	5

particulars	**Total**
Computer Software	12.62
Grand Total	**12.62**

Note Number	6

Particulars	**Total**
Investment in subsidiary carried at cost	11,548.00
Investment in subsidiary carried at fair value through OCI	82.54
Grand Total	**11,630.54**

Note Number	7

Particulars	**Total**
Bank deposits with more than 12 months maturity	1,110.91
Security deposits	1,021.68
Grand Total	**2,132.59**

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Notes to Provisional Standalone Financial Statements

(All amounts are in INR in Lakhs)

Note Number	9

Particulars	**Total**
Balances with government authorities	1,201.05
Capital advances	8,070.88
Prepaid expenses	28.97
Grand Total	**9,300.90**

Note Number	10

Particulars	**Total**
Coal & Fuel	73,491.99
Finished Goods	5,57,384.08
Packing Material	24,468.30
Raw Material	11,22,558.66
Stores & Spares	3,17,281.21
Work in Progress	61,407.83
Grand Total	**21,56,592.06**

Note Number	11

Particulars	**Total**
Investment in others carried at fair value through profit or loss	**60.41**
Mutual Funds	60.41
Grand Total	**60.41**

Note Number	12

Face Grouping	**Total**
Trade receivables - current	24,110.92
Grand Total	**24,110.92**

Note Number	13

Particulars	**Total**
Balances with Banks	131.74
Cash on hand	4.17

Grand Total	**135.90**

Note Number	14

Particulars	**Total**
Earmarked balances with bank	3,056.81
Grand Total	**3,056.81**

Note Number	15

Particulars	**Total**
Loans to employees	8.61
Grand Total	**8.61**

Note Number	16

Particulars	**Total**
Security deposits	**164.98**
(blank)	164.98
Specify Note Group	**149.93**
Insurance Claim Recoverable	149.93
Grand Total	**314.91**

Note Number	17

Particulars	**Total**
Income Tax Refund Receivable	40.02
Grand Total	**40.02**

Note Number	18

Particulars	**Total**
Advances to suppliers	11,092.36
Balances with government authorities	3,022.85
Prepaid expenses	344.74
Statutory dues payable	36.03
Grand Total	**14,495.98**

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Notes to Provisional Standalone Financial Statements

(All amounts are in INR in Lakhs)

Note Number	19

Particulars	**Total**
Paid up Equity Share Capital	2,653.79
Grand Total	**2,653.79**

Note Number	20

Particulars	**Total**
General Reserve	21,316.11
Other items of OCI	10.02
Retained earnings	41,430.52
Grand Total	**62,756.65**

Note Number	21

Particulars	**Total**
Secured Other loans	49.36
Secured Term loans from Bank	8,827.61
Grand Total	**8,876.97**

Note Number	22

Particulars	**Total**
Security Payable- Paper Dealers	2,202.41
Security Payable to Transporters	28.00
Grand Total	**2,230.41**

Note Number	23

Particulars	
Provision- Gratuity (Long Term)	686.39
Provision- Leave encashment (Long Term)	114.29
Grand Total	**800.69**

Note Number	24

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Notes to Provisional Standalone Financial Statements

(All amounts are in INR in Lakhs)

Particulars	Total
Deferred Tax Asset	-2,888.64
Deferred Tax Liability	3,675.61
Grand Total	**786.97**

Note Number	25

Particulars	Total
Deferred Income - Non Current	443.59
Grand Total	**443.59**

Note Number	26

Particulars	Total
Secured Current maturities of Long term borrowing	3,567.58
Secured Loans repayable on demand from Banks	29,361.25
Unsecured Loans from related parties	100.00
Unsecured Loans repayable on demand from Banks	-0.12
Grand Total	**33,028.72**

Note Number	27

Particulars	Total
Trade Payables - current	5,791.00
Grand Total	**5,791.00**

Note Number	28

Particulars	Total
Interest accrued	**128.07**
(blank)	128.07
Other payables	**2,694.52**
(blank)	2,694.52
Specify Note Group	**4,868.18**
Audit Fee Payable	15.25
Employee Related Payable	319.00
Expenses Payable	4,386.07
Payables on Purchase of Property, Plant and Equipment and Intangi	147.85
Grand Total	**7,690.76**

KHANNA PAPER MILLS LIMITED

CIN: U74110HR1985PLC054735

Notes to Provisional Standalone Financial Statements

(All amounts are in INR in Lakhs)

Note Number	29

Particulars	**Total**
Advance received from customers	2,090.61
Deferred revenue	108.77
Statutory dues payable	2,191.08
Grand Total	**4,390.46**

Note Number	30

Particulars	**Total**
Provision- Gratuity (Short Term)	31.34
Provision- Leave encashment (Short Term)	8.97
Grand Total	**40.31**

Note Number	31

Particulars	**Total**
Current Tax Liabilities, net	33.79
Grand Total	**33.79**

Note Number	32

Particulars	**Total**
Other operating revenues	474.27
Sale of products	1,14,620.34
Sale of services	2,564.62
Grand Total	**1,17,659.23**

Note Number	33

Particulars	**Total**
Interest income	**136.71**
On Bank Deposits	134.20
On other Financial Assets	2.50
Net gain on foreign currency translation	**57.64**
(blank)	57.64

Specify Note Group	**218.48**
Commission Received	46.14
Gain/Loss On Cancellation Of Hedging Contracts	108.25
Insurance Claims	61.39
Rental Income	2.70
Grand Total	**412.83**

Note Number	34

Particulars	**Total**
Cost of materials consumed	**92,141.73**
Coal & Fuel	12,484.24
Packing Material	2,180.47
Raw Material	74,907.40
Stores & Spares	2,569.62
Grand Total	**92,141.73**

Note Number	36

Particulars	**Total**
Contribution to provident and other fund	176.15
Salaries and wages	2,836.79
Staff welfare expenses	909.21
Grand Total	**3,922.15**

Note Number	37

Particulars	**Total**
Interest expenses	1,234.19
Other borrowing costs	196.82
Grand Total	**1,431.01**

Note Number	38

Face Grouping	**Total**
Depreciation and amortization expense	2,936.16
Grand Total	**2,936.16**

Note Number	39

Particulars	Total
Auditors' Remuneration	7.63
Commission	819.91
Freight outward	3,355.91
Insurance	261.43
Loss on sale of property, plant and equipement	33.51
Other Expenses	176.19
Power and fuel	2,157.86
Professional fees	225.24
Rates and taxes	298.93
Rent	173.96
Repairs others	338.01
Repairs to buildings	164.48
Repairs to machinery	387.95
Specify Note Group	73.51
Travelling Expenses	216.35
Grand Total	**8,690.84**

KHANNA PAPER MILLS LIMITED
CIN: U74110HR1985PLC054735
Registered Office: B-26, Infocity-I, Sector - 34, Gurgaon, Haryana, India - 122002
Corporate Office: Village Nangli, NH-3 Bye Pass Road, Opp. Metro Cash & Carry, Amritsar, Punjab – 143001
Phone No.: +91-124-4524000, +91-183-5067100
E-Mail: info@khannapaper.com
Website: www.khannapaper.com

KHANNA FIBER PRIVATE LIMITED
CIN-U21000PB2022PTC057193
Regd. Office: A-50, D.R. Enclave, Ajnala Road, Amritsar, Punjab-143001
Provisional Balance Sheet as at 30th September, 2023

Particulars	Note	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	2.75	-
(b) Other Intangible assets		-	-
(c) Goodwill		-	-
(d) Financial Assets			
(i) Investments	4	507.40	304.95
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Others	5	801.82	429.17
(e) Deferred Tax Assets (Net)		-	-
(f) Other Non Current Assets		-	-
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash and Cash Equivalents	6	16.23	95.05
(iv) Bank Balances other than (iii) above		-	-
(v) Short term loans & advances	7	16.65	-
(vi) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	8	7.18	0.29
TOTAL		**1,352.02**	**829.46**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	1.00	1.00
(b) Other Equity	10	44.54	5.35
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			-
(i) Long Term Borrowings	11	1,295.00	820.00
(ii) Lease Liabilities		-	-
(iii) Other Financial Liabilities		-	-
(b) Deferred Tax Liability (net)		-	-
Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings		-	-
(ia) Lease Liabilities		-	-
(ii) Trade payables		-	-
(A) total outstanding dues of micro enterprises and small enterprises	12	3.73	-
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions	13	0.06	0.06
(c) Other Current Liabilities	14	7.70	3.05
TOTAL		**1,352.02**	**829.46**

See accompanying notes 1 to 28 forming part of the financial statements

KHANNA FIBER PRIVATE LIMITED
CIN-U21000PB2022PTC057193
Regd. Office: A-50, D.R. Enclave, Ajnala Road, Amritsar, Punjab-143001
Provisional Statement of Profit and Loss Accounts for the Period 1st April 2023 to 30th September, 2023

	Particulars	Note	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
I	Revenue from operations (net)	15	129.64	-
II	Other Income	16	47.76	9.95
III	**Total Income (I+II)**		**177.40**	**9.95**
IV	**Expenses**			
	Cost of materials consumed		-	-
	Purchase of Traded Goods		-	-
	Changes in inventories of finished goods, by-products and work in progress		-	-
	Employee benefits expense	17	121.32	-
	Finance costs		-	-
	Depreciation and amortization expense		0.02	-
	Other expenses	18	16.87	4.54
	Total Expenses		**138.21**	**4.54**
V	**Profit/(Loss) Before Exceptional Items and Tax**		39.19	5.41
VI	**Profit/(Loss) Before Tax from Continuing Operations**		39.19	5.41
VII	**Tax Expense:**			
	(a) Current tax expense		-	0.06
	(b) Deferred tax		-	-
	(b) Income Tax (Reversal of Tax related to Previous Year)			
	(b) MAT Entitlement			
VIII	**Profit / (Loss) for the Continuing Operation**		**39.19**	**5.35**
IX	**Profit / (Loss) from discontinuing operations**		-	-
X	**Tax from discontinuing operations**		-	-
XI	**Profit/ (Loss) from discontinuing operations**		-	-
XII	**Profit / (Loss) for the period**		39.19	5.35
XIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	Remeasurement of the net defined benefit liability/asset			
	(ii) Income tax relating to items that will not be reclassified to P&L		-	-
	Total other comprehensive income, net of tax		-	-
XIV	**Total comprehensive income for the year**		**39.19**	**5.35**
XV	**Earning per equity share (Nominal value per share Rs. 10 /-)**			
	(1) Basic (Rs.)		391.90	53.49
	(2) Diluted (Rs.)		391.90	53.49
	Number of shares used in computing earning per share			
	(1) Basic (Nos.)		10,000	10,000
	(2) Diluted (Nos.)		10,000	10,000

See accompanying notes 1 to 28 forming part of the financial statements

KHANNA FIBER PRIVATE LIMITED
CIN-U21000PB2022PTC057193
Regd. Office: A-50, D.R. Enclave, Ajnala Road, Amritsar, Punjab-143001
Provisional Statement of cash flows for the year ended September 30, 2023

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Cash flow from operating activities		
Profit/ (loss) before tax	39.19	5.35
Adjustments for:		
-Depreciation expenses	0.02	-
- Provision for Income Tax	-	0.06
Operating cash flows before working capital changes	**39.21**	**5.41**
Working capital adjustments:		
Changes in other assets		-
(Increase)/ decrease in other non-current and current assets	-23.54	(0.29)
Increase/ (decrease) in other non current and current financial liabilities	8.37	3.05
Cash generated from/ (used in) operations	**24.04**	**8.17**
Income taxes paid, net of refund received	-	-
Net cash generated from /(used in) operating activities (A)	**24.04**	**8.17**
Cash flows from investing activities		
Purchase of property, plant and equipment (CWIP)		-
Investment in Mutual fund	(202.45)	(304.95)
Investment in fixed deposits	(372.65)	(429.17)
Net cash generated from investing activities (B)	**(575.10)**	**(734.12)**
Cash flow from financing activities		
Proceeds from issue of equity shares	(2.77)	1.00
Proceeds from issuance of non convertible debentures	475.00	820.00
Net cash generated from /(used in) financing activities (C)	**472.23**	**821.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(78.82)**	**95.05**
Cash and cash equivalents at the beginning of the year	95.05	-
Cash and cash equivalents at the end of the year (refer below)	**16.23**	**95.05**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:		
Balance with banks:		
In current accounts	16.23	95.05
	16.23	**95.05**

The notes referred to above form an integral part of the financial statements

1. The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS -7 "Statement of Cash Flows "

KHANNA FIBER PRIVATE LIMITED

Provisional Statement of Changes In Equity For The Period Ended 30th September, 2023

(A) Equity Share capital

(i) Current Reporting period

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
10,000	-	-	-	10,000

(i) Previous Reporting period

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
-	-	-	10,000	10,000

(B) Other Equity

(i)Current Reporting Period

(Amount in Lakhs)

Particulars	Reserves and Surplus		Items of Other Comprehensive Income			
	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive	Equity Instrument through Other Comprehensive	Other items of Other Comprehensive Income	Total
Balance as at 1st April, 2023	-	5.35	-	-	-	5.35
Changes in accounting policy or prior period	-	-	-	-	-	-
Restated balance as on 1st April, 2023	**-**	**5.35**	-	-	-	**5.35**
Profit for the year	-	39.19	-	-	-	39.19
Other Comprehensive Income (net of tax)	-		-	-	-	-
Total Comprehensive Income for the year	-	39.19	-	-	-	39.19
Transfer from retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Balance as at 30th September, 2023	**-**	**44.54**			**-**	**44.54**

(ii) Previous Reporting Period

(Amount in Lakhs)

	Reserves and Surplus		Items of Other Comprehensive Income			
	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Re- measurement of defined benefit plan	Total
Balance as at 1st November, 2022	-	-	-		-	-
Changes in accounting policy or prior period err	-	-	-	-	-	-
Restated balance as on 1st November, 2022	**-**	**-**	-	-	-	**-**
Profit for the year	-	5.35	-	-	-	5.35
Other Comprehensive Income (net of tax)	-		-	-	-	-
Total Comprehensive Income for the year	-	5.35	-	-	-	5.35
Transfer from retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Balance as at 31st March, 2023	**-**	**5.35**			**-**	**5.35**

KHANNA FIBER PRIVATE LIMITED

Notes Forming part of Provisional Financial Statements

Note No : 3

(Amount in Lakhs)

PROPERTY, PLANT AND EQUIPMENT												
Sl. No.	**Particulars**	**Rate Of Depreciation**	**GROSS BLOCK**				**DEPRECIATION**					**NET BLOCK**
			As at 1st November, 2023	**Additions During the year**	**Adjustment / Deduction during the year**	**As at 31sth March, 2023**	**Upto 1st February, 2023**	**During the year**	**Adjustmented with Retained Earnings during the year**	**Adjustment /Deduction During the year**	**Upto 31st March, 2023**	**As at 31st March 2023**
1	Computer & Software	63.16%	-	2.77	-	2.77	-	0.02	-	-	0.02	**2.75**
	Total		**-**	**2.77**	**-**	**2.77**	**-**	**0.02**	**-**	**-**	**0.02**	**2.75**
	Previous Year		-	-	-	-	-	-		-	-	-

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 4 NON CURRENT FINANCIAL ASSETS - INVESTMENT

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Investments in Quoted Mutual Funds Measured at FVTPL		
Other than Equity Instruments		
Investment in Mutual Funds	507.40	304.95
TOTAL	**507.40**	**304.95**

Note 5 NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Fixed deposit with Bank	798.40	429.17
Security Deposit	3.42	-
TOTAL	**801.82**	**429.17**

Note 6 CURRENT FINANCIAL ASSETS- CASH & CASH EQUIVALENT

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Cash In Hand	0.33	-
Balance With Banks	15.90	95.05
TOTAL	**16.23**	**95.05**

Note 7 CURRENT FINANCIAL ASSETS -SHORT TERM LOANS AND ADVANCES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Advance tax	3.00	-
Other Advance	13.65	-
TOTAL	**16.65**	**-**

Note 8 OTHER CURRENT ASSETS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Balance with revenue authorities	7.18	0.29
TOTAL	**7.18**	**0.29**

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 9 SHARE CAPITAL

Particulars	As at 30th September 2023		As on 31st March 2023	
	No of shares	Amount in Lakhs	No of shares	Amount in Lakhs
(a) Authorised 250000 Equity shares of Rs.10/- each	2,50,000	25.00	2,50,000	25.00
(b) Issued, Subscribed and Paid up 10000 Equity shares of Rs.10 each with voting rights	10,000	1.00	10,000	1.00
TOTAL	**10,000**	**1.00**	**10,000**	**1.00**

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at 30th September 2023		As on 31st March 2023	
	No of shares	Amount in Lakhs	No of shares	Amount in Lakhs
Number of shares at the beginning of the year	10,000	1.00	-	-
Add: Shares issued during the year	-	-	10,000	1.00
Number of shares at the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share (Rs.)	Total Value (Rs.)
Khanna Paper Mills Limited	9,999	99.99%	10	99,990
TOTAL	**9,999**	**99.99%**		**99,990**

Note 9A SHARES HELD BY PROMOTORS
Current Reporting Period

Promotor's Name	No of shares	% of total shares	% Change during the year
Khanna Paper Mills Limited	9,999	99.99%	-
Saurabh Khanna*	1	0.01%	-
TOTAL	**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

Previous Reporting Period

Promotor's Name	No of shares	% of total shares	% Change during the year
Promotor's Name	9,999	1	-
Saurabh Khanna*	1	0	-
TOTAL	**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 10 OTHER EQUITY

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
(A) General Reserve		
Opening balance	-	-
CLOSING BALANCE	**-**	-
(B) RETAINED EARNING		
Opening balance	5.35	-
Add: Profit / (Loss) for the year	39.19	5.35
Add:- Prior period Adjustments	-	-
CLOSING BALANCE	**44.54**	**5.35**
TOTAL	**44.54**	**5.35**

Note 11 FINANCIAL LIABILITIES- LONG TERM BORROWINGS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Debentures		
Optionally Convertible Zero-Coupon Debentures*	1,295.00	820.00
TOTAL	**1,295.00**	**820.00**

* Optionally Convertible Zero-Coupon Debentures issued at Rs.100 with 5 year redemption periods and 0% interest rate.

Note 12 TRADE PAYABLES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises	3.73	-
TOTAL	**3.73**	**-**

Figures For the Current Reporting Period **(Amount in Lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	3.73	-	-	-	3.73
Dispute dues-MSME	-	-	-	-	-
Dispute dues	-	-	-	-	-
TOTAL	**3.73**	**-**	**-**	**-**	**3.73**

Figures For Previous Reporting Period **(Amount in Lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	-	-	-	-	-
Dispute dues-MSME	-	-	-	-	-
Dispute dues	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	-

Note 13 PROVISIONS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Provision of Income tax	0.06	0.06
TOTAL	**0.06**	**0.06**

Note 14 OTHER CURRENT LIABILITIES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Audit Fees Payable	-	3.00
Other Payable	1.58	-
Statutory Liabilities (TDS, GST, etc.)	4.02	0.05
Salary & Wages Payable	2.09	-
TOTAL	**7.70**	**3.05**

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 15 REVENUE FROM OPERATIONS

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Sales of Services	129.64	-
TOTAL	**129.64**	**-**

Note 16 OTHER INCOME

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Interest on FDRs	23.53	3.00
Unrealized Gain on Mutual funds	14.44	5.07
Realized Gain on Mutual funds	1.43	1.87
Rembursement of Expenses	8.36	-
TOTAL	**47.76**	**9.95**

Note 17 EMPLOYEE BENEFIT EXPENSES

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Salaries & Wages (including ESI & PF Contribution)	121.32	-
TOTAL	**121.32**	**-**

Note 18 OTHER EXPENSES

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
ROC Fees	-	0.66
Audit Fees		
- Statutory Audit Fees	-	2.00
- Tax Audit Fees	-	1.00
Legal & Professional Charges	2.88	0.85
Postage & Courier Charges	0.15	-
Travel Expenses	8.67	-
Lease Expenses	0.79	-
Bank Charges	0.07	-
Charity And Welfare	0.41	-
Commission & Brokerage	0.57	-
Recuritment Expenses	0.80	-
Printing & Stationery Expenses	0.08	0.03
Software Expenses	1.47	-
Office Expenses	0.11	-
Exchange Loss	0.26	-
Misc. Expenses	0.20	-
Freight Expenses	0.43	-
TOTAL	**16.87**	**4.54**

KHANNA FIBER PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 19 TAX EXPENSE
(a) Income Tax Expense

Particulars	**For The Period Ended 30th September 2023 (Amount in Lakhs)**	**For The Period Ended 31st March 2023 (Amount in Lakhs)**
Current tax		
Current tax	-	0.06
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	0.06
Deferred tax charge / (credit)	-	-
Deferred tax charge / (credit)	-	-
Decrease/ (increase) in deferred tax liabilities	-	-
Total deferred tax charge/ (credit)	-	-
TOTAL TAX EXPENSE	**-**	**0.06**

(b) A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section, the Company has not opted for the new rate for the purpose of computation of provision for income tax.
(c) On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Note 20 EARNING /(LOSS) PER SHARE

Particulars	**For The Period Ended 30th September 2023 (Amount in Rs.)**	**For The Period Ended 31st March 2023 (Amount in Rs.)**
Nominal value of equity shares (₹ per share)	10	10
Profit /(loss) available to shareholders for calculation of basic and diluted earnings per share	39,18,969.85	5,34,901.00
Weighted average number of equity shares for calculation of basic earnings per share	10,000	10,000
Basic earnings / (loss) per share (in ₹)	391.90	53.49
Weighted average number of equity shares for calculation of diluted earnings per share	10,000	10,000
Diluted earnings/ (loss) per share (in ₹)	391.90	53.49

Note 21 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Contingent Liabilities	-	-
Commitments	-	-

Note : As at September 30, 2023, the Company has Rs. Nil capital commitments under contract to purchase fit outs and office equipment's.

Note 22 AUDITOR'S REMUNERATIONS

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
As Auditors		
- for Statutory Audit	-	2.00
- for Tax Audit	-	1.00
TOTAL	-	3.00

Note 23 REALTED PARTIES DISCLOSURES

Nature of Relationship	Name of Parties
A. Holding Company	Khanna Paper Mills Limited (CIN: U74110HR1985PLC054735)
B. Fellow Subsidiaries	Khanna Paper Inc (Foreign Entity). Grownd Realty Private Limited (CIN:U70109PB2022PTC057192) Grownd Crew Private Limited (CIN:U74999PB2022PTC057194)
C. Common director with significant influence *("Significant Influence" here shall mean Common Director either individually or together with other Common Directors' holds 50% or more Share Capital and the Voting Power in the Company.")*	Shore to Shore Logistics Private Limited (CIN:U60231HR2007PLC054693) SRN Recyling Private Limited (CIN:U37100DL2021PTC376731) Green Planet Hospitality Private Limited (CIN:U55101HR2014PTC053640)
C. Key Management Personnel	Brij Mohan Khanna (Director) (DIN:00062514) Saurabh Khanna (Manging Director) (DIN:00062737) Kumar Gaurav Batra (Director) (DIN:09810332)

D. Summary of Related Party Transection

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Non Current Borrowings		
Optionally Convertible Zero-Coupon Debentures		
Khanna Paper Mills Limited	1,295.00	820.00
TOTAL	**1,295.00**	**820.00**

Note 24 FINANCIAL INSTRUMENTS

Accounting Classification and Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Financial Assets Measured at Fair Value through Profit & Loss		
Investments in Other Than Equity Instruments	507.40	304.95
TOTAL	**507.40**	**304.95**
Financial Assets Measured at Amortised Cost		
Fixed Deposit in bank	798.40	429.17
Cash and Cash Equivalents	15.90	95.05
Advance for Fixed Assets	-	-
Other Advances	-	-
Other Current Assets	7.18	0.29
TOTAL	**821.47**	**524.51**
Financial Liabilities Measured at Amortised Cost		
Debentures	1,295.00	820.00
Other than Current Liabilities	7.70	3.05
TOTAL	**1,302.70**	**823.05**

The Management has assessed that fair value of all above financial assets and liabilities approximate their carrying amounts.

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.
There have been no transfers among Level 1, Level 2 and Level 3 during the period. All the financial instruments are valued using level 3 valuation techniques.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has disclosed the fair value of Investment at financial instruments measured at Fair Value.
The Company has not disclosed the fair value of financial instruments measured at amortised cost as their carrying amounts are a reasonable approximation of fair value.

Note 25 FINANCIAL RISK MEASUREMENTS

Risk Management Framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(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 receivables from customers, loans and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents (including bank balances and fixed deposits with banks)

Credit risk on cash and cash equivalent is limited as (including bank balances and fixed deposits with banks) the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(a) Trade receivables and other current financial assets

The Company's policy of exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses. In the absence of sufficient historical pattern, company has followed simplified approach of ECL method.

However company is not having any Trade receivables as on September 30,2023.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)		For The Period Ended 31st March 2023 (Amount in Lakhs)	
Carrying Amount	**Gross Carrying**	**Provisions**	**Gross Carrying Amount**	**Provisions**
Trade Receivables	-	-	-	-
Upto 180 Days	-	-	-	-
More than 180 Days	-	-	-	-
TOTAL	-	-	-	-

Reconciliation of Loss Allowance Provision:

Particulars	Amount in Lakhs
Loss allowance on April 1, 2023	-
Additional provision created during the year	-
Bad debts written off during the year	-
Loss allowance on September 30, 2023	-

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

i) Financing arrangement

The Company has not availed term loan facility from bank during from April 1, 2023 to September 30, 2023.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

As at 30th September 2023	Carrying Amount	Total	Within One Year	Later than One Year But not Later Than Five Years	Later Than Five Years
Non convertible debentures	1,295.00	1,295.00	-	1,295.00	-
Other financial liabilities	7.70	7.70	7.70	-	-
TOTAL	**1,302.70**	**1,302.70**	**7.70**	**1,295.00**	**1,295.00**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company has not entered into foreign currency transactions for the period covered by these financial statements. Accordingly, the Company has no exposure to foreign exchange gain and losses on its consolidated financial position, performance and cash flows.

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised costs. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount not the future cash flows will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Variable rate borrowings	-	-
Fixed rate borrowings	0%	0%
TOTAL BORROWINGS	0%	0%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Statement of profit and loss (Pre tax)		Impact on Other equity	
	1% increase	1% decrease	1% increase	1% decrease
As at 30th September 2023				
Variable Rate Borrowings	-	-	-	-

Note 26 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Gross Debt*	1,295.00	820.00
Less: Cash and Cash Equivalents	(15.90)	(95.05)
Adjusted Net Debt (A)	1,279.10	724.95
Total Equity (B)	45.54	6.35
Debt Ratio (A/B)	28.09	114.18

* Gross debt includes non current borrowing and current borrowing.

Note 27 FOREIGN CURRENCY EXPOSURE

The Company does not have any unhedged foreign currency exposure as at September 30, 2023.

Note 28 DUES TO MICRO AND SMALL ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 30th September 2023	As on 31st March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	-	-
– Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

Segment reporting

Segment reporting is not applicable to company during current year.

Information reported to the director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business providing trading of wastepaper, paper & other related products, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are same as the accounting policies disclosed in Note 1**.** The Company has operations only across India and not outside India.

No managerial remuneration is payable to directors during the year (September 30, 2023: Nil).

Expenditure on Corporate Social Responsibility activities

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year (September 30, 2023: Nil)

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24th March 2021

(i) Company does not held any immovable properties which are not in the name of the company.

(ii) Company does not held any investment property.

(iii) Company has not revalued any Property, plant & equipment's and intangible assets..

(iv) Company has not granted any loan to promoters, directors, KMPs and the related parties, either severally or jointly

(v) No Property, Plant & Equipment and Capital work in progress in company in current financial year.

(vi) Company does not fall in any proceeding under benami property made under the Benami Transection (Prohibition) Act,1988.

(vii) Company has not borrowings from banks to financial institutions on the basis of security of current assets.

(viii) Company has not declared wilful defaulter by any bank and financial institution or other lander.

(ix) Company has not any relationship with struck off companies.

(x) No charges or statisfication yet to registered with ROC beyond the statutory period.

(xi) Compliance with number of layers of companies are not applicable on company.

(xii) Compliance with approved Scheme(s) of arrangements are not applicable on company.

(xiiia) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
(xiiib) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Ratios

Ratio	Current ratio
Numerator	Current Assets
Denominator	Current Liabilities

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Current Assets (A)	40.05	95.34
Current Liabilities (B)	11.48	3.11
Current ratio (C) = (A) / (B)	3.49	30.63
change from previous year	(27.14)	30.63

Ratio	Debt Equity Ratio
Numerator	Total Debt (represent current and non current borrowings and lease liabilities)
Denominator	Shareholder's Equity (represent total equity)

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Term loan from bank including current maturities		-
Non- Convertible Debentures	1,295.00	820.00
Intercorporate Deposit	-	-
Less : Cash and cash equivalent	-16.23	-95.05
Net Debt (A)	**1,278.77**	**724.95**
Shareholder's equity (B)	**45.54**	**6.35**
Debt equity ratio (C) = (A) / (B)	28.08	114.18
change from previous year	(86.10)	114.18

Ratio	Return on equity ratio
Numerator	Profit after tax
Denominator	Average shareholder's equity

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) for the year (A)	39.19	5.35
Closing shareholder's equity (B)	45.54	6.35
Average shareholder's equity [(Opening + Closing)/2] C	25.94	6.35
Return on equity ratio (D) = (A) / (C)	1.51	0.84
change from previous year	0.67	0.84

Ratio	Net capital turnover ratio
Numerator	Revenue from operations
Denominator	Working capital (Current Assets - Current Liabilities)

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Revenue from operations (A)	129.64	-
Working Capital (B)	28.57	92.23
Net capital turnover ratio (C) = (A) / (B)	4.54	-
change from previous year	4.54	-

Decrease in Net capital turnover ratio is on account of decrease in revenue in the current year vis-à-vis previous year and decrease in cash and cash equivalents

Ratio	Net loss ratio
Numerator	Loss after tax
Denominator	Revenue from operations

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) after tax (A)	39.19	5.35
Total Income (B)	177.40	9.95
Net loss ratio (C) = (A) / (B)	0.22	0.54
change from previous year	-0.32	0.54

Ratio	Return on capital employed
Numerator	Earning before interest and taxes
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) after tax (A)	39.19	5.35
Adjustments:-		
Add: Finance cost (B)	-	-
Earnings before interest and tax (C) = (A) + (B)	**39.19**	**5.35**
Total Assets	1,352.02	829.46
Less: current liability	11.48	3.11
Capital Employed (D)	**1,340.54**	**826.35**
Return on capital employed (J) = (D) / (I)	0.03	0.01
change from previous year	0.02	0.01

Note: Being first year of incorporation and no business carried on during the year hence Trade receivable ratio, Net capital turnover ration, Inventory turnover ratio,Debt Service Coverage Ratio, Trade payable turnover ratio and Return on investment are not applicable to the Company.

Covid impact assessment

Further, World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March 2020. Consequent to this, Government of India declared lockdown on 23rd March 2020. Owing to COVID-19 pandemic, the Company's offices were under nationwide lockdown since 24th March 2020 till 10th May 20 as per the instructions issued by the Central and State Government. As per the government guidelines the Company resumed operations in a phased manner from 11th May 2020 onwards.

Management further believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, investments, investment properties, liabilities and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the commercial real estate, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company has used internal and external information and having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Subsequent event

There have been no subsequent events of material importance which could affect the financial statements.

Special Attention

In current year, compnay rasied fund throtugh debentures (Optionally Convertible Zero-Coupon Debentures) from parent company (Wholly Owned Holding Company) for opreation of company.Till September 30, 2023, Company's opreation are work in progess hence company have invested borrowed fund to mutual fund & others.

GROWND REALTY PRIVATE LIMITED
CIN: U70109PB2022PTC057192
Regd. Add. : A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
Provisional Balance Sheet as at 30th September, 2023

Particulars	Note	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital Work in progress	3	1,317.30	733.64
(c) Intangible Assets under Development	4	0.57	0.40
(d) Financial Assets			
(i) Investments	5	4,458.13	3,006.40
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Others	6	4,713.88	2,213.44
(e) Deferred Tax Assets (Net)		-	-
(f) Other Non Current Assets		-	-
2 Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash and Cash Equivalents	7	1.19	410.60
(iv) Bank Balances other than (iii) above		-	-
(v) loans and advances		-	-
(vi) Others	8	98.77	173.35
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	9	45.41	12.60
TOTAL		**10,635.23**	**6,550.44**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	10	1.00	1.00
(b) Other Equity	11	326.76	42.49
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	12	10,250.00	6,500.00
(ii) Lease Liabilities		-	-
(iii) Other Financial Liabilities		-	-
(b) Deferred Tax Liability (net)		-	-
3 Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	13	50.00	-
(ia) Lease Liabilities		-	-
(ii) Trade payables		-	-
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions	14	2.80	2.80
(c) Other Current Liabilities	15	4.67	4.15
TOTAL		**10,635.23**	**6,550.44**

See accompanying notes 1 to 27 forming part of the financial statements

GROWND REALTY PRIVATE LIMITED
CIN: U70109PB2022PTC057192
Regd. Add. : A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
Provisional Statement of Profit and Loss Accounts for the Period 1st April 2023 to 30th September, 2023

	Particulars	Note	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
I	Revenue from operations (net)		-	-
II	Other Income	16	297.09	63.34
III	**Total Revenue (I+II)**		**297.09**	**63.34**
IV	**Expenses**			
	Cost of materials consumed		-	-
	Purchase of Traded Goods		-	-
	Changes in inventories of finished goods, by-products and work in progress		-	-
	Employee benefits expense		-	-
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Other expenses	17	12.82	18.05
	Total Expenses		**12.82**	**18.05**
V	**Profit/(Loss) Before Exceptional Items and Tax**		284.28	45.29
VI	**Profit/(Loss) Before Tax from Continuing Operations**		284.28	45.29
VII	**Tax Expense:**			
	(a) Current tax expense		-	2.80
	(b) Deferred tax		-	-
VIII	**Profit / (Loss) for the Continuing Operation**		**284.28**	**42.49**
IX	**Profit / (Loss) from discontinuing operations**		-	-
X	**Tax from discontinuing operations**		-	-
XI	**Profit/ (Loss) from discontinuing operations**		-	-
XII	**Profit / (Loss) for the period**		**284.28**	**42.49**
XIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	Remeasurement of the net defined benefit liability/asset			
	(ii) Income tax relating to items that will not be reclassified to P&L		-	-
	Total other comprehensive income, net of tax		-	-
XIV	**Total comprehensive income for the year**		**284.28**	**42.49**
XV	**Earning per equity share (Nominal value per share Rs. 10 /-)**			
	(1) Basic (Rs.)		2,842.75	424.89
	(2) Diluted (Rs.)		2,842.75	424.89
	Number of shares used in computing earning per share			
	(1) Basic (Nos.)		10,000	10,000
	(2) Diluted (Nos.)		10,000	10,000

See accompanying notes 1 to 27 forming part of the financial statements

GROWND REALTY PRIVATE LIMITED
CIN: U70109PB2022PTC057192
Regd. Add. : A-50, DR Enclave, Ajnala Road, Amritsar, Punjab - 143001
Provisional Statement of cash flows for the year ended September 30, 2023

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Cash flow from operating activities		
Profit/ (loss) before tax	284.28	42.49
Adjustments for:		
-Depreciation expenses	-	-
- Provision for Income Tax	-	2.80
Operating cash flows before working capital changes	**284.28**	**45.29**
Working capital adjustments:		
Changes in other assets	-	-
(Increase)/ decrease in other non-current and current assets	41.78	(185.95)
Increase/ (decrease) in other non current and current financial liabilities	50.52	4.15
Cash generated from/ (used in) operations	**376.57**	**(136.52)**
Income taxes paid, net of refund received	-	-
Net cash generated from /(used in) operating activities (A)	**376.57**	**(136.52)**
Cash flows from investing activities		
Purchase of property, plant and equipment (CWIP)	-583.82	(734.04)
Investment in Mutual fund	-1,451.72	(3,006.40)
Investment in fixed deposits	-2,500.44	(2,213.44)
Net cash generated from investing activities (B)	**-4,535.99**	**(5,953.88)**
Cash flow from financing activities		
Proceeds from issue of equity shares	-	1.00
Proceeds from issuance of non convertible debentures	3,750.00	6,500.00
Net cash generated from /(used in) financing activities (C)	**3,750.00**	**6,501.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**-409.41**	**410.60**
Cash and cash equivalents at the beginning of the year	410.60	-
Cash and cash equivalents at the end of the year (refer below)	**1.19**	**410.60**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:		
Balance with banks:		
In current accounts	1.19	410.60
	1.19	**410.60**

The notes referred to above form an integral part of the financial statements

1. The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS -7 "Statement of Cash Flows "

GROWND REALTY PRIVATE LIMITED

Provisional Statement of Changes In Equity For The Period Ended 30th September, 2023

(a) Equity Share capital

Current Reporing Periods

Balance on the beginning of the year	Changes in Equity Share Capital due	Restated balance on the beginning of the reporting year	Changes in equity share capital during the year	Balance on the end of the year
10,000	-	-	-	10,000

Previous Reporing Periods

Balance on the beginning of the year	Changes in Equity Share Capital due	Restated balance on the beginning of the reporting year	Changes in equity share capital during the year	Balance on the end of the year
-	-	-	10,000	10,000

(b) Other Equity

Current Reporing Periods

(Amount in Lakhs)

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	
	General Reserve	Retained Earnings	Re- measurement of defined benefit plan	Total
Balance as on 1st April, 2023	**-**	42.49	**-**	42.49
Changes in accounting policy or prior period errors	-	-	-	-
Restoned balance as on 1st April, 2023	**-**	**42.49**	**-**	**42.49**
Profit for the year	-	-	-	-
Other Comprehensive Income (net of tax)	-	284.28	-	284.28
Total Comprehensive Income for the year	-	284.28	-	284.28
Transfer from retained earnings	-	-	-	-
Transfer to general reserve	-	-	-	-
Final Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Balance as on 30th September, 2023	**-**	**326.76**	**-**	**326.76**

Previous Reporing Periods

(Amount in Lakhs)

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	
	General Reserve	Retained Earnings	Re- measurement of defined benefit plan	Total
Balance as on 1st November, 2022	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
Restoned balance as on 1st November, 2022	**-**	**-**	**-**	**-**
Profit for the year	-	42.49	-	42.49
Other Comprehensive Income (net of tax)	-		-	-
Total Comprehensive Income for the year	-	42.49	-	42.49
Transfer from retained earnings	-	-	-	-
Transfer to general reserve	-	-	-	-
Final Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Balance as on 31st March, 2023	**-**	**42.49**	**-**	**42.49**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note No 3 CAPITAL WORK IN PROGRESS (CWIP)

(i) For Capital-work-in progress, following ageing schedule shall be given:

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 30th September 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Project	1,317.30	-	-	-	1,317.30
Projects temporarily Suspended	-	-	-	-	-

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 31st March 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Project	733.64	-	-	-	733.64
Projects temporarily Suspended	-	-	-	-	-

(ii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given

(Amount in Lakhs)

Particulars	To be completed in				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Note No 4 INTANGIBLE ASSETS UNDER DEVELOPMENT

(i) For Intangible Asset under Development, following ageing schedule shall be given:

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 30th September 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Website Development	0.57	-	-	-	0.57
Projects temporarily Suspended	-	-	-	-	-

(Amount in Lakhs)

Particulars	Amount in CWIP for a period of 31st March 2023				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Projects in Process					
- Website Development	0.40	-	-	-	0.40
Projects temporarily Suspended	-	-	-	-	-

(ii)For Intangible Asset Under Development, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given

(Amount in Lakhs)

Particulars	To be completed in				TOTAL
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	
Project 1	-	-	-	-	
Project 2	-	-	-	-	

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24th March 2021

(i) Company does not held any immovable properties which are not in the name of the company..

(ii) Company does not held any investment property.

(iii) Company has not revalued any Property, plant a& equipment's and intangible assets..

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 5 NON CURRENT FINANCIAL ASSETS - INVESTMENT

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Investments in Quoted Mutual Funds Measured at FVTPL		
Equity Instruments		
Investment in Equity Mutual Fund	345.87	198.14
Other than Equity Instruments		
Investment in other than Equity Mutual Fund	4,112.25	2,468.26
Investment in Mutual Fund (Still Pending to allotment)	-	340.00
TOTAL	**4,458.13**	**3,006.40**

Note 6 NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Fixed deposit with Bank	4,713.88	2,213.44
TOTAL	**4,713.88**	**2,213.44**

Note 7 CURRENT FINANCIAL ASSETS- CASH AND CASH EQUIVALENTS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Cash In Hand	-	-
Balance With Banks	1.19	410.60
TOTAL	**1.19**	**410.60**

Note 8 CURRENT FINANCIAL ASSETS -SHORT TERM LOANS AND ADVANCES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Advance for Fixed Assets	98.77	173.35
Other Advance	-	-
TOTAL	**98.77**	**173.35**

Note 9 OTHER CURRENT ASSETS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Advance Tax	15.00	1.00
Balance with Revenue Authorities	30.41	11.60
TOTAL	**45.41**	**12.60**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 10 SHARE CAPITAL

Particulars	As at 30th September 2023		As on 31st March 2023	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
(a) Authorised 250000 Equity shares of Rs.10/- each	2,50,000	25.00	2,50,000	25.00
(b) Issued, Subscribed and Paid up 10000 Equity shares of Rs.10 each with voting rights	10,000	1.00	10,000	1.00
TOTAL	**10,000**	**1.00**	**10,000**	**1.00**

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at 30th September 2023		As on 31st March 2023	
	No of shares	Amount in Lakhs	No of shares	Amount in Lakhs
Number of shares at the beginning of the year	10,000	1.00	-	-
Add: Shares issued during the year	-	-	10,000	1.00
Number of shares at the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share (Rs.)	Total Value
Khanna Paper Mills Limited	9,999	99.99%	10	99,990
TOTAL	**9,999**	**99.99%**		**99,990**

Note 10A SHARES HELD BY PROMOTORS

Current Reporting Period

Promotor's Name	No of shares	% of total shares	% Change during the year
Khanna Paper Mills Limited	9,999	99.99%	0%
Saurabh Khanna*	1	0.01%	0%
TOTAL	**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

Previous Reporting Period

Promotor's Name	No of shares	% of total shares	% Change during the year
Khanna Paper Mills Limited	9,999	99.99%	0%
Saurabh Khanna*	1	0.01%	0%
TOTAL	**10,000**	**100.00%**	

*Nominee shareholder on behalf of Khanna Papers Mills Limited

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 11 OTHER EQUITY

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
(A) General Reserve		
Opening balance	-	-
Closing balance	-	-
(B) RETAINED EARNING		
Opening balance	42.49	-
Add: Profit / (Loss) for the year	284.28	42.49
Add:- Prior period Adjustments	-	-
Closing balance	**326.76**	**42.49**
TOTAL	**326.76**	**42.49**

Note 12 FINANCIAL LIABILITIES- LONG TERM BORROWINGS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Debentures		
Optionally Convertible Zero-Coupon Debentures*	10,250.00	6,500.00
TOTAL	**10,250.00**	**6,500.00**

* Optionally Convertible Zero-Coupon Debentures issued at Rs.100 with 5 year redemption periods and 0% interest rate.

Note 13 OTHER CURRENT LIABILITIES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Short Term Borrowings	50.00	-
TOTAL	**50.00**	-

Note 14 PROVISIONS

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Provision for Income Tax	2.80	2.80
TOTAL	**2.80**	**2.80**

Note 15 OTHER CURRENT LIABILITIES

Particulars	As at 30th September 2023 (Amount in Lakhs)	As on 31st March 2023 (Amount in Lakhs)
Audit Fees Payable	-	2.75
Other Current Liabilities	4.67	0.54
Statutory remittances (TDS Payables, GST Payable etc.)	-	0.85
TOTAL	**4.67**	**4.15**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 16 OTHER INCOME

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Profit on Mutual Fund		
- Unrealized	145.93	34.73
- Realized	7.91	3.09
Interest on Fixed Deposit	140.18	25.12
Interest on Mutual Fund	3.08	0.40
TOTAL	**297.09**	**63.34**

Note 17 OTHER EXPENSES

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Bank Fees and Charges	0.01	0.00
Commission Expenses	7.87	8.29
IT and Internet Expenses	0.02	0.05
Legal Fees	-	3.60
Mobile Bills	-	0.06
Printing and Stationery	-	0.08
Audit Fees		
- Statutory Audit Fees	-	2.00
- Tax Audit Fees	-	0.75
Professional Fees	4.61	1.71
Repairs and Maintenance	0.03	0.04
Roc Fees	0.16	0.95
Travel Expense	-	0.35
Power & Fuel Expenses	0.04	0.15
Computer & Sowftware Expenses	0.08	-
TOTAL	**12.82**	**18.05**

GROWND REALTY PRIVATE LIMITED
Notes Forming part of Provisional Financial Statements

Note 18 TAX EXPENSE
(a) Income Tax Expense

Particulars	**For The Period Ended 30th September 2023 (Amount in Lakhs)**	**For The Period Ended 31st March 2023 (Amount in Lakhs)**
Current tax		
Current tax	-	2.80
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	2.80
Deferred tax charge / (credit)	-	-
Deferred tax charge / (credit)	-	-
Decrease/ (increase) in deferred tax liabilities	-	-
Total deferred tax charge/ (credit)	-	-
TOTAL TAX EXPENSE	-	2.80

(b) A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section, the Company has not opted for the new rate for the purpose of computation of provision for income tax.

(c) On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Note 19 EARNING /(LOSS) PER SHARE

Particulars	**For The Period Ended 30th September 2023 Amount in Rs.**	**For The Period Ended 31st March 2023 Amount in Rs.**
Nominal value of equity shares (₹ per share)	10	10
Profit /(loss) available to shareholders for calculation of basic and diluted earnings per share	2,84,27,528	42,48,920
Weighted average number of equity shares for calculation of basic earnings per share	10,000	10,000
Basic earnings / (loss) per share (in ₹)	2,842.75	424.89
Weighted average number of equity shares for calculation of diluted earnings per share	10,000	10,000
Diluted earnings/ (loss) per share (in ₹)	2,842.75	424.89

Note 20 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Contingent Liabilities	-	-
Commitments	-	-

Note : As at September 30, 2023, the Company has Rs. Nil capital commitments under contract to purchase fit outs and office equipment's.

Note 21 AUDITOR'S REMUNERATIONS

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
As Auditors		
- for Statutory Audit	-	2.00
- for Tax Audit	-	0.75
TOTAL	**-**	2.75

Note 22 REALTED PARTIES DISCLOSURES

Nature of Relationship	Name of Parties
A. Holding Company	Khanna Paper Mills Limited (CIN: U74110HR1985PLC05
B. Fellow Subsidiaries	Khanna Paper Inc (Foreign Entity). Khanna Fiber Private Limited (CIN:U21000PB2022PTC057193) Grownd Crew Private Limited (CIN:U74999PB2022PTC057194)
C. Common director with significant influence *("Significant Influence" here shall mean Common Director either individually or together with other Common Directors' holds 50% or more Share Capital and the Voting Power in the Company.")*	Shore to Shore Logistics Private Limited (CIN:U60231HR2007PLC054693) SRN Recyling Private Limited (CIN:U37100DL2021PTC376731) Green Planet Hospitality Private Limited (CIN:U55101HR2014PTC053640)
D. Key Management Personnel	Brij Mohan Khanna (Director) (DIN:00062514) Saurabh Khanna (Manging Director) (DIN:00062737) Kumar Gaurav Batra (Director) (DIN:09810332)

E. Summary of Related Party Transection

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Non Current Borrowings		
Optionally Convertible Zero-Coupon Debentures		
Khanna Paper Mills Limited	10,250.00	6,500.00
TOTAL	**10,250.00**	**6,500.00**

Note 23 FINANCIAL INSTRUMENTS

Accounting Classification and Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Financial Assets Measured at Fair Value through Profit & Loss		
Investments in Equity Instruments	345.87	198.14
Investments in Other Than Equity Instruments	4,112.25	2,808.26
TOTAL	**4,458.13**	**3,006.40**
Financial Assets Measured at Amortised Cost		
Fixed Deposit in bank	4,713.88	2,213.44
Cash and Cash Equivalents	1.19	410.60
Advance for Fixed Assets	98.77	173.35
Other Advances	-	-
Other Current Assets	45.41	12.60
TOTAL	**4,859.24**	**2,809.99**
Financial Liabilities Measured at Amortised Cost		
Debentures	10,250.00	6,500.00
Other than Current Liabilities	4.67	4.15
TOTAL	**10,254.67**	**6,504.15**

The Management has assessed that fair value of all above financial assets and liabilities approximate their carrying amounts.

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

There have been no transfers among Level 1, Level 2 and Level 3 during the period. All the financial instruments are valued using level 3 valuation techniques.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has disclosed the fair value of Investment at financial instruments measured at Fair Value.

The Company has not disclosed the fair value of financial instruments measured at amortised cost as their carrying amounts are a reasonable approximation of fair value.

Note 24 FINANCIAL RISK MEASUREMENTS

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(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 receivables from customers, loans and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents (including bank balances and fixed deposits with banks)

Credit risk on cash and cash equivalent is limited as (including bank balances and fixed deposits with banks) the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(a) Trade receivables and other current financial assets

The Company's policy of exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses. In the absence of sufficient historical pattern, company has followed simplified approach of ECL method.
However company is not having any Trade receivables as on September 30,2023.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	**For The Period Ended 30th September 2023 (Amount in Lakhs)**		**For The Period Ended 31st March 2023 (Amount in Lakhs)**	
Carrying Amount	**Gross Carrying Amount**	**Provisions**	**Gross Carrying Amount**	**Provisions**
Trade Receivables	-	-	-	-
Upto 180 Days	-	-	-	-
More than 180 Days	-	-	-	-
TOTAL	-	-	-	-

Reconciliation of Loss Allowance Provision:

Particulars	Amount in Lakhs
Loss allowance on April 1, 2023	-
Additional provision created during the year	-
Bad debts written off during the year	-
Loss allowance on September 30, 2023	-

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

i) Financing arrangement

The Company has not availed any term loan facility from bank during April 1, 2023 to September 30, 2023.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

As at September 30, 2023	Carrying Amount	Total	Within One Year	Later than One Year But not Later Than Five Years	Later Than Five Years
Non convertible debentures	10,250.00	10,250.00	-	10,250.00	-
Other financial liabilities	4.67	4.67	4.67	-	-
TOTAL	**10,254.67**	**10,254.67**	**4.67**	**10,250.00**	**-**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company has not entered into foreign currency transactions for the period covered by these financial statements. Accordingly, the Company has no exposure to foreign exchange gain and losses on its consolidated financial position, performance and cash flows.

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised costs. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount not the future cash flows will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Variable rate borrowings	-	-
Fixed rate borrowings	0%	0%
TOTAL BORROWINGS	0%	0%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Statement of profit and loss (Pre tax)		Impact on Other equity	
	1% increase	1% decrease	1% increase	1% decrease
As at September 30, 2023				
Variable Rate Borrowings	-	-	-	-

Note 25 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	For The Period Ended 30th September 2023 (Amount in Lakhs)	For The Period Ended 31st March 2023 (Amount in Lakhs)
Gross Debt*	10,250.00	6,500.00
Less: Cash and Cash Equivalents	(1.19)	(410.60)
Adjusted Net Debt (A)	10,248.81	6,089.40
Total Equity (B)	327.76	43.49
Debt Ratio (A/B)	31.27	140.02

* Gross debt includes non current borrowing and current borrowing.

Note 26 FOREIGN CURRENCY EXPOSURE

The Company does not have any unhedged foreign currency exposure as at September 30, 2023.

Note 27 DUES TO MICRO AND SMALL ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 30th September 2023	As on 31st March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	-	-
– Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

Segment reporting

Segment reporting is not applicable to company during current year.

Information reported to the director for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business providing a providing real estate service including construction services, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are same as the accounting policies disclosed in Note 1**.** The Company has operations only across India and not outside India.

No managerial remuneration is payable to directors during the year (September 30, 2023: Nil).

Expenditure on Corporate Social Responsibility activities

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year (September 30, 2023: Nil)

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

(i) Company has not granted any loan to promoters, directors, KMPs and the related parties, either severally or jointly

(ii) Company does not fall in any proceeding under benami property made under the Benami Transection (Prohibition) Act,1988.

(iii) Company has not borrowings from banks to financial institutions on the basis of security of current assets.

(iv) Company has not declared wilful defaulter by any bank and financial institution or other lander.

(iv) Company has not any relationship with struck off companies.

(iv) No charges or statsification yet to registered with ROC beyond the statutory period.

(v) Compliance with number of layers of companies are not applicable on company.

(vi) Compliance with approved Scheme(s) of arrangements are not applicable on company.

(viia) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(viib) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Ratios

Ratio	Current ratio
Numerator	Current Assets
Denominator	Current Liabilities

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Current Assets (A)	145.36	596.55
Current Liabilities (B)	57.47	6.95
Current ratio (C) = (A) / (B)	2.53	85.88
change from previous year	(83.35)	85.88

Ratio	Debt Equity Ratio
Numerator	Total Debt (represent current and non current borrowings and lease liabilities)
Denominator	Shareholder's Equity (represent total equity)

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Term loan from bank including current maturities	-	-
Non- Convertible Debentures	10,250.00	6,500.00
Intercorporate Deposit	-	-
Less : Cash and cash equivalent	(1.19)	(410.60)
Net Debt (A)	**10,248.81**	**6,089.40**
Shareholder's equity (B)	**327.76**	**43.49**
Debt equity ratio (C) = (A) / (B)	31.27	140.02
change from previous year	**-**108.75	140.02

Ratio	Return on equity ratio
Numerator	Profit after tax
Denominator	Average shareholder's equity

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) for the year (A)	284.28	42.49
Closing shareholder's equity (B)	327.76	43.49
Average shareholder's equity [(Opening + Closing)/2] C	185.63	43.49
Return on equity ratio (D) = (A) / (C)	1.53	0.98
change from previous year	0.55	0.98

Ratio	Net loss ratio
Numerator	Loss after tax
Denominator	Revenue from operations

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) after tax (A)	284.28	42.49
Total Income (B)	297.09	63.34
Net loss ratio (C) = (A) / (B)	0.96	0.67
change from previous year	0.29	0.67

Ratio	Return on capital employed
Numerator	Earning before interest and taxes
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	**As at 30th September 2023**	**As on 31st March 2023**
Profit/ (loss) after tax (A)	284.28	42.49
Adjustments:-		
Add: Finance cost (B)	**-**	**-**
Earnings before interest and tax (C) = (A) + (B)	**284.28**	**42.49**

Total Assets	10,635.23	6,550.44
Less: current liability	57.47	6.95
Capital Employed (D)	**10,577.76**	**6,543.49**
Return on capital employed (J) = (D) / (I)	0.03	0.01
change from previous year	0.02	0.01

Note: Being first year of incorporation and no business carried on during the year hence Trade receivable ratio, Net capital turnover ration, Inventory turnover ratio, Trade payable turnover ratio , Debt Service Coverage Ratio and Return on investment are not applicable to the Company.

Covid impact assessment

Management further believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, investments, investment properties, liabilities and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the commercial real estate, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company has used internal and external information and having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Subsequent event

There have been no subsequent events of material importance which could affect the financial statements

Special Attention

In current year, compnay rasied fund throtugh debentures (Optionally Convertible Zero-Coupon Debentures) from parent company (Wholly Owned Holding Company) for opreation of company.Till September 30, 2023, Company's opreation are work in progess hence company have invested borrowed fund to mutual fund & others.