

N. M. NAGRI & CO.

CHARTERED ACCOUNTANTS

'A' Block, 5th Floor, A-1 & A-2, Safal Profitaire, Opp. Prahlad Nagar Garden, Near Hotel Ramada, Prahlad Nagar, Ahmedabad-380 015 Tele:(079) 40064694, 40064695, 40061203 ♦E-mail: nmnagri@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the Partners of
PACKART PACKAGING LLP

Opinion

We have audited the Ind AS financial statements of **PACKART PACKAGING LLP** (the "LLP"), which comprise the Balance Sheet at 31st March, 2019, the Statement of Profit & Loss (including Other Comprehensive Income) and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Limited Liability Partnership Act, 2008 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 (financial position) of the LLP as at 31st March 2019, and profit (financial performance including other comprehensive income) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the LLP 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 financial statements under the provisions of the Limited Liability Partnership Act, 2008 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Indian Accounting Standards and Limited Liability Partnership Act, 2008, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the LLP'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- 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 LLP'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 financial statements or, if



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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 LLP to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other Matters

The LLP with effect from 24th June 2016 has become the partially owned subsidiary of Cera Sanitaryware Ltd., whose Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, by adopting all the relevant Ind AS.

As per paragraph 19 of the Ind AS – 110 "Consolidated Financial Statements" a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, the standalone financial statements of the LLP for the year have been prepared in accordance with Ind AS, as applicable to its parent.

For the period up to and including the year ended 31st March 2017, the LLP prepared its standalone financial statements in accordance with Indian Accounting Principles generally accepted in India (Indian GAAP).

FOR N. M. NAGRI & CO.
Chartered Accountants
Firm Regn. No 106792W



N. M. NAGRI
PROPRIETOR
Membership No. 016992



Place: Ahmedabad
Date: 4th May, 2019

Packcart Packaging LLP

Balance Sheet as at 31st March, 2019

(Amt. in Rs.)

Particulars	Note No.	As at	
		31st March, 2019	31st March, 2018
ASSETS			
(1) Non- Current Assets			
(a) Property, Plant and Equipment	4	1,71,34,316	1,84,27,434
(b) Capital Work-In-Progress	4	-	-
(c) Financial Assets	5	8,24,809	8,83,358
(d) Deferred Tax Assets	6	5,95,518	7,88,232
(e) Other Non-Current Assets	7	1,66,470	1,90,693
(2) Current Assets			
(a) Inventories	8	59,85,451	1,23,07,474
(b) Financial Assets			
(I) Trade Receivables	9	47,15,118	55,63,551
(II) Cash and Cash Equivalents	10	21,52,066	26,57,697
(III) Other Financial Assets	11	5,24,852	11,75,692
(c) Other Current Assets	12	43,232	7,84,678
Total Assets		3,21,41,832	4,27,78,809
CONTRIBUTIONS AND LIABILITIES			
PARTNERS' FUNDS			
(a) Contributions	13	1,78,00,000	1,78,00,000
(b) Other Equity	14	(14,41,165)	(21,65,187)
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	15	46,66,667	81,66,667
(b) Provisions	16	3,46,385	2,40,899
(c) Other Non-Current Liabilities	17	15,54,389	17,03,229
(2) Current Liabilities			
(a) Financial Liabilities			
(I) Trade Payables	18		
-total outstanding dues of micro and small enterprises		7,54,203	6,13,092
-total outstanding dues of creditors other than micro and small enterprises		34,91,185	1,15,44,867
Total Trade Payables		42,45,388	1,21,57,959
(II) Other Financial Liabilities	19	41,74,810	43,95,614
(b) Other Current Liabilities	20	5,23,319	3,22,911
(c) Provisions	21	2,72,039	1,56,717
Total Contribution and Liabilities		3,21,41,832	4,27,78,809

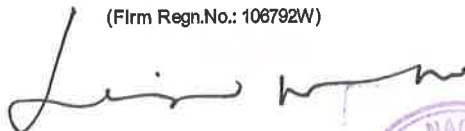
The accompanying Notes 1 to 37 are Integral part of these Financial Statements.

As per our report of even date attached.

For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)



[N.M. NAGRI]
Proprietor
Membership No. 016992

PLACE : Ahmedabad
DATE : 4th May, 2019



For and on behalf of Packcart Packaging LLP,



Mrs. Kinjal Bhatt



Mr. Prem-Chand Surana
Nominee of
CERA SANITRYWARE LTD.

PLACE : Ahmedabad
DATE : 4th May, 2019



Packcart Packaging LLP

Statement of Profit and Loss for the year ended 31st March, 2019

(Amt. in Rs.)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
I	Revenue from Operations	22	8,92,89,838	9,28,56,443
II	Other Income	23	9,97,639	21,68,825
III	Total Income		9,02,87,477	9,50,25,268
IV	Expenses			
	Cost of Materials Consumed	24	6,05,69,934	6,34,91,508
	Changes in Inventories of Finished goods and Work -in- Progress	25	7,73,094	7,068
	Excise Duty on Sales		-	14,81,227
	Employee Benefits Expense	26	1,05,10,278	95,60,713
	Finance Costs	27	9,53,818	12,53,588
	Depreciation and Amortisation Expense	4	16,39,460	15,13,641
	Other Expenses	28	1,50,29,436	1,57,86,967
	Total Expenses		8,94,76,020	9,30,94,712
V	Profit / (Loss) before Tax		8,11,457	19,30,556
VI	Tax Expense :	29		
	(1) Current Tax		-	-
	(2) Deferred Tax		1,59,867	6,12,130
VII	Profit / (Loss) for the year		6,51,590	13,18,426
VIII	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plan		1,05,279	-
	B Income tax relating to items that will not be reclassified to profit or loss		(32,847)	-
	Total Other Comprehensive Income for the year (Net of Tax)		72,432	-
IX	Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		7,24,022	13,18,426

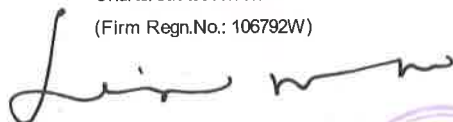
The accompanying Notes 1 to 37 are integral part of these Financial Statements.

As per our report of even date attached.

For **N.M. NAGRI & CO.**

Chartered Accountants

(Firm Regn.No.: 106792W)



[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 4th May, 2019



For and on behalf of Packcart Packaging LLP,



Mrs. Kinjal Bhatt



Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 4th May, 2019



Packcart Packaging LLP

Cash Flow Statement for the year ended 31st March, 2019

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash Flow from Operating Activities			
	Net Profit Before Tax	8,11,457	19,30,556
	Adjusted for:		
	Depreciation	16,39,460	15,13,641
	Interest on Term Loan	9,53,818	12,33,432
	Amortisation of Prepaid Rentals (non Cash)	24,223	24,223
	Deferred Income on Capital Subsidy	(1,48,840)	(2,47,931)
	Interest Subsidy Receivable	(4,61,082)	(11,18,218)
	Interest Income	(1,41,613)	(1,52,806)
	Sub Total	18,65,966	12,52,341
	Operating Profit before Working Capital Change	26,77,423	31,82,897
Adjustment for Change in Working Capital			
	Inventories	63,22,023	(25,54,538)
	Trade and Other Receivables	20,74,844	38,89,745
	Other Assets	7,41,446	8,69,457
	Trade and Other Liabilities	(97,85,036)	(54,45,014)
	Remeasurement of Defined Benefit Plan	1,05,279	-
	Provisions	2,20,808	(3,98,904)
	Sub Total	(3,20,636)	(36,39,254)
	Cash Generation from Operations	23,56,787	(4,56,357)
	Less: Direct Taxes Paid	-	-
	Net Cash from Operating Activities	23,56,787	(4,56,357)
B. Cash Flow From Investing Activities			
	Purchase of Fixed Assets	(3,46,342)	(16,69,764)
	Interest Received	85,673	92,951
	Capital Subsidy on Fixed Assets	18,52,069	21,00,000
	Net Cash Used in Investing Activities	15,91,400	5,23,187
C. Cash Flow from Financing Activities			
	Proceed from Borrowing / Repayment of Loan	(35,00,000)	(23,33,333)
	Interest Paid on Term Loan	(9,53,818)	(12,33,432)
	Net Cash Used in Financing Activities	(44,53,818)	(35,66,765)
	Changes in Cash	(5,05,631)	(34,99,935)
	Opening Balance Cash and Cash Equivalents	26,57,697	61,57,632
	Closing Balance Cash and Cash Equivalents	21,52,066	26,57,697

Notes to cash flow statement

1 Components of cash and cash equivalents			
	Balances with banks	21,40,995	1,51,257
	Cash on hand	11,071	2,125
	Fixed Deposit with Bank	-	25,04,315
	Cash and cash equivalents considered in Cash Flow Statement	21,52,066	26,57,697

2 The above Cash Flow Statement has been prepared using the 'Indirect Method' as set out in Indian Accounting Standard - 7 "Statement of Cash Flows".

3 Reconciliation of liabilities arising from financing activities:

Particulars	Outstanding as at 1st April, 2018	Cash Flow	Non-cash charges	Outstanding as at 31st March, 2019
Borrowings				
Term Loans from YES Bank	1,16,66,667	(35,00,000)	-	81,66,667
Total liabilities arising from financing activities:	1,16,66,667	(35,00,000)	-	81,66,667

As per our report of even date attached,


For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)

For and on behalf of Packcart Packaging LLP.


Mrs. Kirjal Bhatt


Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD.

[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 4th May, 2019



PLACE : Ahmedabad

DATE : 4th May, 2019



PACKCART PACKAGING LLP

Significant Accounting Policies & Practices

(Annexed to and forming part of Financial Statements for the year ended 31st March 2019)

1) LLP Profile:

(a) **Packcart Packaging LLP** (hereinafter referred to as the LLP) (LLP Identification No. AAG-1067) was incorporated under the Limited Liability Partnership Act, 2008 by obtaining the Certificate of Incorporation dated 1st April 2016 issued by the Ministry of Corporate Affairs, Registrar, Ahmedabad. The Registered Office of the LLP is situated at Survey No.226, Kadi-Chhatral Road, Budasan, Kadi-382715, Dist. Mehsana, Gujarat. The LLP is engaged in the business of manufacturing of Corrugated Boxes and other packaging material. The LLP commenced its commercial production on and from 1st August, 2016.

(b) The LLP Agreement U/s 23(4) of LLP Act, 2008 was executed at Ahmedabad on 7th April 2016 and Addendum to the said agreement was executed at Ahmedabad on 24th June 2016 whereby Cera Sanitaryware Limited (CSL) became a partner of the LLP on 24th June 2016 having 51% share in capital contribution and profit/loss sharing ratio. Thus the LLP became the subsidiary of CSL w.e.f. 24th June 2016. Shri P.C. Surana has been nominated by Cera Sanitaryware Limited as its nominee as designated partner in the LLP with effect from 24th June 2016. The LLP also entered into Joint Venture Agreement executed at Ahmedabad on 20th May 2016 with Cera Sanitaryware Limited (CERA) where both the LLP and CERA have agreed to put up a manufacturing plant to manufacture corrugated boxes and other packaging boxes having installed capacity of 300 MT p.m. which will be used as packaging material by Cera Sanitaryware Limited.

2) Basis of Preparation of Financial Statements:

2.1 Statement of Compliance with Ind AS:

The LLP w.e.f 24th June 2016 has become the partially owned subsidiary of Cera Sanitaryware Ltd., whose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards)



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Rules, 2015 and the subsequent amendments from time to time, notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

As per paragraph 19 of the Ind AS – 110 “Consolidated Financial Statements” a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, these standalone financial statements of the LLP have been prepared in accordance with Ind AS, as applicable to its parent.

2.2. Basis of Measurement:

These standalone financial statements have been prepared on accrual basis of accounting, on a going concern, under the historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3) Significant Accounting Policies:

3.1 Property, Plant and Equipment

[a] Tangible Assets

[i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.



Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 “Revenue from Contracts with Customers”.

[ii] **Subsequent Expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the LLP.

[iii] **Derecognition**

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

[iv] **Depreciation/ Amortization**

Depreciation is calculated on cost of items of property plant and equipment (other than properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 as followed by parent company. The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (up to) the date on which asset is ready for use (disposed of).

[b] **Capital work-in-progress**

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

[c] **Impairment of Non Financial Assets**

The LLP’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.



An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the LLP reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.2 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

3.3 Operating Cycle

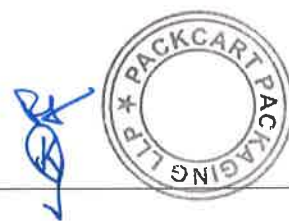
Based on the nature of products/activities of the LLP and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the LLP has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.4 Current versus Non Current Classification

The LLP presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset/ liability is treated as current when it is:-

- *Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- *Held primarily for the purpose of trading.
- * Expected to be realised/ settled within twelve months after the reporting period, or



* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3.5 **Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, general stores and spares and finished goods are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

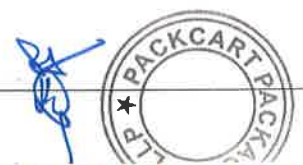
Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

3.6 **Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

3.7 **Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future



operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the LLP are segregated.

3.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

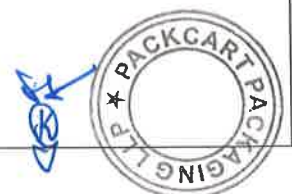
- * a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- * a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

3.9 Revenue from Contracts with Customers

Effective April 1, 2018 the LLP has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the financial results.

As per this new Standard, the LLP recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the LLP expects to be entitled in exchange for those goods or services. Further, the LLP evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.



Revenue from Sale of Goods

The LLP's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The LLP recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

No amount of the transaction price allocated to the performance obligations are unsatisfied as of the end of the reporting period.

Interest and Other Income

Interest income and expenses are reported on an accrual basis using the effective interest method. Other income is recognised on accrual basis except where the receipt of income is uncertain.

3.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

LLP as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the LLP is classified as a finance lease.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss.



A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the LLP will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

LLP as a lessor:

Leases in which the LLP does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.11 Employee Benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

Defined Contribution Plans

The LLP's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The LLP has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined Benefit Plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date.

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 salaries, wages, 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 such 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.



Long-term Employee Benefits

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

3.12 Taxes on Income

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss.

[i] Current Tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

[ii] Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that



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have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity/ other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.13 Significant Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standards.

3.14 Government Grants

Government Grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the LLP will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of assets.
- In case of grants that compensate the LLP for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

3.15 Financial Instruments

I. Financial Assets

(a) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the



acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

(b) Subsequent Measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

(iii) Financial assets at fair value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

(c) Impairment of Financial Assets

The LLP assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) Derecognition of Financial Assets

A financial asset is derecognised when:

- *The LLP has transferred the right to receive cash flows from the financial assets or
- *Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.



Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the LLP has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the LLP has not retained control of the financial assets. Where the LLP retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial Liabilities

(a) Initial Recognition and Subsequent Measurement

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Property, Plant and Equipment

(Amt. in Rs.)

Sr. No.	Particulars	Buildings	Plant and Equipments	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Lab Equipments	Total
1	Deemed Cost of Assets									
	As at 1st April, 2017	9,80,494	1,56,45,192	22,61,376	81,595	-	61,465	1,18,793	11,767	1,91,60,682
	Addition	1,35,759	4,54,469	2,20,073	43,700	4,23,793	49,350	-	3,42,620	16,69,764
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2018	11,16,253	1,60,99,661	24,81,449	1,25,295	4,23,793	1,10,815	1,18,793	3,54,387	2,08,30,446
	Addition	-	2,71,900	-	19,500	-	54,942	-	-	3,46,342
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2019	11,16,253	1,63,71,561	24,81,449	1,44,795	4,23,793	1,65,757	1,18,793	3,54,387	2,11,76,788
2	Depreciation / Amortisation									
	As at 1st April, 2017	62,013	6,08,917	1,43,024	14,064	-	10,852	49,517	984	8,89,371
	Charge for the year	97,635	10,03,635	2,36,697	18,694	51,886	37,996	43,748	23,350	15,13,641
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2018	1,59,648	16,12,552	3,79,721	32,758	51,886	48,848	93,265	24,334	24,03,012
	Charge for the year	90,877	10,29,423	2,35,738	27,398	1,16,221	38,230	16,122	85,451	16,39,460
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2019	2,50,525	26,41,975	6,15,459	60,156	1,68,107	87,078	1,09,387	1,09,785	40,42,472
3	Net Block									
	As at 31st March, 2018	9,56,605	1,44,87,109	21,01,728	92,537	3,71,907	61,967	25,528	3,30,053	1,84,27,434
	As at 31st March, 2019	8,65,728	1,37,29,586	18,65,990	84,639	2,55,686	78,679	9,406	2,44,602	1,71,34,316
	Capital work-in-progress									
	As at 31st March, 2018									-
	As at 31st March, 2019									-

All items of Property, Plant & Equipment except Building situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat are hypothecated with YES Bank Ltd. against term loan availed.



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Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 5. FINANCIAL ASSETS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Security Deposits - Unsecured Considered Good	8,24,809	8,83,358
	Total	8,24,809	8,83,358



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 6. DEFERRED TAX ASSETS (NET)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Deferred Tax Assets		
	(Arising on account of timing difference)		
(a)	Provision for Leave Encashment	19,101	8,653
(b)	Provision for Gratuity	90,461	67,154
(c)	Deferred Govt. Grant	5,31,407	5,77,846
(d)	Carry forward loss in Income tax	7,40,330	7,70,685
(e)	Unabsorbed Depreciation in Income tax	8,36,599	8,62,029
	Total Deferred Tax Assets (A)	22,17,898	22,86,367
2	Deferred Tax Liabilities		
	(Arising on account of timing difference)		
(a)	Assets: Impact of difference between carrying value and tax base of Depreciable assets	16,22,380	14,98,135
	Total Deferred Tax Liabilities (B)	16,22,380	14,98,135
	Total (A - B)	5,95,518	7,88,232

Reconciliation of Deferred Tax Assets (Net):

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	7,88,232	14,00,362
Tax Income/(Expense) during the period recognised in Profit or Loss	(1,59,867)	(6,12,130)
Tax Income/(Expense) during the period recognised in Other Comprehensive Income	(32,847)	-
Tax Income/(Expense) during the period recognised directly in Other Equity	-	-
Closing balance	5,95,518	7,88,232

Movements in DTA:

Particulars	Leave Encashment	Gratuity	Deferred Govt. Grant	Carry forward Loss	Unabsorbed Dep.
At 31st March, 2017	-	-	-	11,25,546	8,81,037
(Charged)/Credited:					
to Profit or Loss	8,653	67,154	5,77,846	(3,54,861)	(19,008)
to Other Comprehensive Income	-	-	-	-	-
At 31st March, 2018	8,653	67,154	5,77,846	7,70,685	8,62,029
(Charged)/Credited:					
to Profit or Loss	12,607	53,995	(46,439)	(30,355)	(25,430)
to Other Comprehensive Income	(2,159)	(30,688)	-	-	-
At 31st March, 2019	19,101	90,461	5,31,407	7,40,330	8,36,599

Movements in DTL:

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting
At 31st March, 2017	6,06,221
(Charged)/Credited:	
to Profit or Loss	8,91,914
to Other Comprehensive Income directly to Equity	-
At 31st March, 2018	14,98,135
(Charged)/Credited:	
to Profit or Loss	1,24,245
to Other Comprehensive Income directly to Equity	-
At 31st March, 2019	16,22,380



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Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 7. OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a. Advance Rentals - Security Deposits	1,46,470	1,70,693
	b. Other Security Deposits	20,000	20,000
	Total	1,66,470	1,90,693

Note - 8. INVENTORIES

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	As taken, valued & certified by the Management At Lower of Cost and Net Realisable Value		
1	Raw Materials	28,19,391	70,92,160
2	Work-in-Progress	12,65,907	17,83,832
3	Finished Goods	13,74,903	16,30,072
4	Stores and Spares	5,25,250	18,01,410
	Total	59,85,451	1,23,07,474

Inventories lying at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat are hypothecated with YES Bank Ltd. against term loan availed.

Note - 9. TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Trade Receivables considered good - Secured	-	-
2	Trade Receivables considered good - Unsecured *	47,15,118	55,63,551
3	Trade Receivables which have significant increase in credit risk	-	-
4	Trade Receivables - credit impaired	-	-
	Sub total	47,15,118	55,63,551
	Less: Allowance for expected credit losses	-	-
	Total	47,15,118	55,63,551

*Debts due by Cera Sanitaryware Ltd. Rs. 41,76,917/- (31.03.2018: Rs. 38,34,379/-)

The LLP is treated as subsidiary of Cera Sanitaryware Ltd.

Trade Receivables are hypothecated with YES Bank Ltd. against term loan availed.

Note - 10. CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Balances with banks in current accounts	21,40,995	1,51,257
2	Cash on hand	11,071	2,125
3	Fixed Deposit with Bank (including interest accrued there on)	-	25,04,315
	Total	21,52,066	26,57,697



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Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 11. OTHER FINANCIAL ASSETS: CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Interest receivable on Security Deposits	37,489	43,043
2	Other Advances		
	(i) TDS and TCS Receivable	26,281	14,431
	(ii) Government Grant Receivable (Interest Subsidy)	4,61,082	11,18,218
	Total	5,24,852	11,75,692

Note - 12. OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Advances other than Capital Advances		
	(i) Prepaid Expenses	19,009	24,113
	(ii) Balances with Tax Authorities	-	7,36,342
	(iii) Advance Lease Rentals	24,223	24,223
	Total	43,232	7,84,678

Note - 13. CONTRIBUTIONS

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Contributions from Partners:		
1	Cera Sanitaryware Ltd. (Nominee Shri P.C.Surana is a Designated Partner) (Share in Profit / Loss 51%)		
	Opening Balance	90,78,000	90,78,000
	Additions During the Year	-	-
	Total	90,78,000	90,78,000
2	Mrs. Kinjal Bhatt (Designated Partner) (Share in Profit / Loss 49%)		
	Opening Balance	87,22,000	87,22,000
	Additions During the Year	-	-
	Total	87,22,000	87,22,000
	Total	1,78,00,000	1,78,00,000



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Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 14. OTHER EQUITY

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Retained Earnings		
	Balance as per last financial year	(21,65,187)	(34,83,613)
	Add: Profit / (Loss) for the year	6,51,590	13,18,426
		(15,13,597)	(21,65,187)
2	Other Comprehensive Income		
	(a) Remeasurements of Defined Benefit Plans		
	Balance as per last financial year	-	-
	Adjustments during the year		
	Add: Actuarial Gain on remeasurement of defined benefit plans	1,05,279	-
	Less: Deferred Tax on Remeasurement of Defined Benefit Plans	(32,847)	-
		72,432	-
	Total	(14,41,165)	(21,65,187)

Note - 15. BORROWINGS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Non-Current Borrowings		
	Term Loans (Secured)		
	From YES Bank Ltd.	46,66,667	81,66,667
	Total	46,66,667	81,66,667

Term Loans from Yes Bank Ltd. are secured by hypothecation of movable fixed assets and current assets situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat repayable in 48 monthly installments of Rs. 291,667 each starting from July, 2017 to June, 2021.

Note - 16. PROVISIONS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Non-Current Provisions		
	Provision for Employee Benefits		
	(a) Provision for Leave Encashment	57,283	26,307
	(b) Provision for Gratuity	2,89,102	2,14,592
	Total	3,46,385	2,40,899

Note - 17 OTHER NON - CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Deferred Govt. Grant (Capital Subsidy)	15,54,389	17,03,229
	Total	15,54,389	17,03,229



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2019

(Amt. in Rs.)

Note - 18. TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Dues of Micro & Small Enterprises	7,54,203	6,13,092
2	Dues of Other than Micro & Small Enterprises	34,91,185	1,15,44,867
	(Refer to Note No. 32)		
	Total	42,45,388	1,21,57,959

Note - 19. OTHER FINANCIAL LIABILITIES: CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Other Current Financial Liabilities		
1	Current maturity of Long Term Debt	35,00,000	35,00,000
2	Salary Payable to staff	5,62,427	5,79,173
3	Expenses Payable	1,12,383	3,16,441
	Total	41,74,810	43,95,614

Note - 20. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Other		
	(a) Statutory dues	3,74,479	1,74,071
	(b) Deferred Govt. Grant (Capital Subsidy)	1,48,840	1,48,840
	Total	5,23,319	3,22,911

Note - 21. PROVISIONS: CURRENT

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Provision for Employee Benefits		
(a)	Provision for Exgratia	1,55,884	-
(b)	Provision for Leave Encashment	3,937	1,428
(c)	Provision for Provident Fund Payable	76,201	1,15,447
(d)	Provision for ESIC	35,180	39,196
(e)	Provision for Gratuity	837	646
	Total	2,72,039	1,56,717



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Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2019

(Amt. in Rs.)

Note - 22. REVENUE FROM OPERATIONS

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Revenue from Operations		
(a)	Sale of products		
(i)	Domestic Sales	8,92,89,838	9,28,56,443 *
	Total	8,92,89,838	9,28,56,443

*22.1 Domestic Sales include excise duty of Rs. 14,81,227 for first 3 months of 2017-18. Domestic Sales net of exciseduty is Rs. 9,13,75,216 for F.Y. 2017-18.

22.2 Disaggregation of Revenue

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data:

Particulars	Year ended 31st March, 2019
Product Type	
Goods	8,92,89,838
Total	8,92,89,838
Contract Counterparties	
Business to Business	8,92,89,838
Total	8,92,89,838
Timing of Transfer of Goods and Services	
Point in time	8,92,89,838
Total	8,92,89,838

22.3 The impairment loss recognised on receivables arising from the Company's contracts with customers is NIL.

22.4 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

22.5 The impact of application of Ind AS 115 "Revenue from Contracts with Customers" on the financial statements of the LLP for the reporting period is insignificant.

Note - 23. OTHER INCOME

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a)	Interest Income	1,41,613	1,52,806
(b)	Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	2,554	2,39,864
(c)	Interest Subsidy	7,04,632	15,28,054
(d)	Deferred Income on Capital Subsidy	1,48,840	2,47,931
(e)	Interest on Income Tax Refund	-	170
	Total	9,97,639	21,68,825



Packcart Packaging LLP

Notes to Financial Statements

for the year ended 31st March, 2019
(Amt. in Rs.)

Note - 24. COST OF MATERIALS CONSUMED

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Opening Stock	70,92,160	48,74,404
Add:	Purchases	5,62,97,165	6,57,09,264
Less:	Closing Stock	28,19,391	70,92,160
	Total	6,05,69,934	6,34,91,508

Note - 25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Work in Progress		
	Opening Stock	17,83,832	17,41,775
Less:	Closing Stock	12,65,907	17,83,832
	Total	5,17,925	(42,057)
	Finished Goods		
	Opening Stock	16,30,072	17,79,949
	Less: Excise Duty on Stock		1,00,752
	Sub total	16,30,072	16,79,197
Less:	Closing Stock	13,74,903	16,30,072
	Total	2,55,169	49,125
	Total	7,73,094	7,068

Note - 26. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Salaries and Wages	95,10,449	82,71,613
2	Contribution to Provident and other Funds * (Net of Employer's Contribution to PF under PMRPY and PMPRPY Scheme of Central Govt. of India)	9,50,883	12,25,967
3	Staff Welfare Expenses	48,946	63,133
	Total	1,05,10,278	95,60,713

* The Central Govt. of India has introduced Pradhan Mantri Rojgar Protsahan Yojna (PMRPY) to incentivize eligible employees, under which the Govt. will pay the full employer's contribution (both EPF and EPS) effective from 01-04-2018 for a period of three years. Accordingly, the LLP has less paid Rs. 3,24,049/- (PY Rs. NIL) during the year towards Employer's Contribution to PF.

Note - 27. FINANCE COSTS

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Interest Costs		
(a)	Interest on Term Loans	9,53,818	12,33,432
(b)	Interest on TDS	-	20,156
	Total	9,53,818	12,53,588



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2019

(Amt. in Rs.)

Note - 28. OTHER EXPENSES

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Consumption of Stores		
	Opening Stock	18,01,410	13,56,808
	Add: Purchases	37,44,894	47,88,210
	sub total	55,46,304	61,45,018
	Less : Closing Stock	5,25,250	18,01,410
		50,21,054	43,43,608
	Power and Fuel	19,82,653	21,02,035
	Repairs and Maintenance		
	- To Buildings	1,23,898	17,320
	- To Plant and Machineries	4,24,033	7,36,881
	- To Other Assets	3,710	7,405
	Rent Expenses	31,31,452	27,82,400
	Cleaning Charges	17,129	2,800
	Central Excise Duty and CVD	-	3,029
	Insurance Premium Expenses	60,522	48,512
	Printing and Lamination Expenses	14,08,994	21,82,598
	Freight Outward, Coolies and Cartages	9,59,600	9,53,550
	VAT Expenses	-	2,677
	Rates and Taxes	4,800	2,400
	Payments to Auditors		
	- Statutory Audit fees	50,000	45,000
	- Tax Audit Fees	15,000	10,000
	- For Other Services	23,500	15,000
	Legal and Professional Consultancy Fees	86,707	3,32,250
	Retainership Expense	8,00,000	-
	Management fees to a Partner	4,00,000	12,00,000
	Bank Commission Charges	472	530
	Printing and Stationery Expenses	20,841	22,018
	Computer Expenses	3,250	3,990
	Vehicle Repairs and Maintenance	26,049	35,201
	Vehicle Expenses (Petrol and Diesel)	46,680	1,02,850
	Conveyance Expenses	29,422	14,990
	Subscription and Membership Fees	-	27,140
	License Fees	4,500	6,000
	Filing Fees	-	75,182
	Office Expenses	6,711	82,289
	Service Tax Expenses	-	2,15,127
	Garden Expenses	40,370	34,800
	Amortisation of Prepaid Rentals	24,223	24,223
	Brokerage on Rent	-	49,500
	General / Miscellaneous Expenses	3,13,866	3,05,662
	Total	1,50,29,436	1,57,86,967



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Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2019

Note - 29. CURRENT TAX

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Current Tax	-	-
	Total	-	-

Reconciliation of the Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax rate of the LLP is as follows.

(Amt. in Rs.)

Particulars	31st March, 2019	31st March, 2018
Accounting Profit before Income Tax	8,11,457	19,30,556
India's Statutory Income Tax Rate @ 31.2%	2,53,175	5,96,542
Non-Deductible Expenses for Tax purposes	5,89,356	5,71,155
Deductible Expenses for Tax purposes	(6,77,632)	(6,96,324)
Income not chargeable for Tax purpose	(52,195)	(81,806)
Utilisation of Tax Losses	(1,12,704)	(3,89,567)
Others	1,59,867	6,12,130
Income Tax expense reported in the Statement of Profit and Loss	1,59,867	6,12,130



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Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2019

Note - 30. RELATED PARTY DISCLOSURES

30.1 List of Related Parties

(A) Key Management Personnel:

Sr. No.	Name	Designation
1	Shri P.C.Surana Nominee of Cera Sanitaryware Ltd	Designated Partner
2	Mrs. Kinjal Bhatt	Designated Partner

(B) Other Related Parties:

Sr. No.	Name	Nature of Relationship
1	Race Polymer Arts LLP	Significant influence exercised by KMP

30.2 Disclosures of Transactions with KMP and Parent Company:

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Parent Company		Other Related Party	
		Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Revenue from Operations	-	-	8,84,94,224	9,17,00,234	71,202	-
2	Purchase of Goods	-	-	12,686	79,169	-	-
3	Management fees to a Partner	4,00,000	12,00,000	-	-	-	-
	GRAND TOTAL	4,00,000	12,00,000	8,85,06,910	9,17,79,403	71,202	-

30.3 The details of amounts due to or due from related parties are as follows:

(Amt. in Rs.)

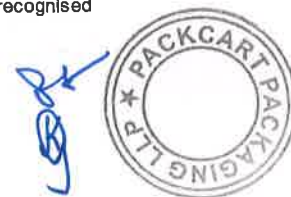
Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Trade Receivables		
	Cera Sanitaryware Ltd. (Parent Company)	41,76,917	38,34,379
	Race Polymer Arts LLP (Other Related Party)	79,746	-
	Total	42,56,663	38,34,379
2	Trade Payables		
	From Key Management Personal		
	Mrs. Kinjal Bhatt	-	(20,000)
	Total	-	(20,000)

30.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Revenue from Operations	Cera Sanitaryware Ltd.	8,84,94,224	9,17,00,234
2	Management fees to a Partner	Kinjal Bhatt	4,00,000	12,00,000

30.5 All transactions during the year with related parties are at arm's length and unsecured. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2019

Note-31.

Disclosure of Movement in Provisions during the year as per Ind AS- 37,
'Provisions, Contingent Liabilities and Contingent Assets :

(Amt. in Rs.)

Particulars	Balance as on 01/04/18	Provided during the year	Paid/Adjusted During the year	Balance as on 31/03/19
Non-current provisions				
Accumulated leaves	26,307	32,621	1,645	57,283
Gratuity	2,14,592	74,510	-	2,89,102
Total	2,40,899	1,07,131	1,645	3,46,385
Current provisions				
Accumulated leaves	1,428	2,509	-	3,937
Gratuity	646	191	-	837
Income Tax	-	-	-	-
Total	2,074	2,700	-	4,774
Grand total	2,42,973	1,09,831	1,645	3,51,159

Note-32. DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the LLP is given below:

(Amt. in Rs.)

Particulars	31 March,2019	31 March,2018
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	28,258
Interest due on above	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006".	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) 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 section 23 of the MSMED Act 2006	-	-

Note-33. COMMITMENTS AND CONTINGENCIES

Leases

Operating lease commitments

The LLP has obtained a premises on operating leases which is long term and is non-cancelable. Further, there is an escalation clause in the lease agreement.

Lease payments of Rs. 31,31,452 (previous year – Rs. 27,82,400) have been recognized as an expense in the statement of profit and loss during the year.

Future minimum rentals payable under non-cancellable operating leases as at 31st March 19 are as follows:

(Amt. in Rs.)

Particulars	31st March,2019	31st March,2018
Not later than one year	31,50,000	31,42,917
Later than one year but not later than five years	1,35,20,819	1,32,22,626
Later than five years	75,75,452	1,09,29,893



Note-34.

The LLP has received Interest Subsidy of Rs. 13,61,768/- during the year under the State Government Scheme for MSME comprises of Rs. 11,18,218/- against Subsidy receivable of FY 2017-18 and Rs. 2,43,550/- against subsidy pertaining to the current year. The LLP has also accounted for Interest Subsidy receivable of Rs. 4,61,082/- for the year. The LLP has followed the accounting treatment in respect of Government Grants in accordance with Ind AS – 20 “Accounting for Government Grants and Disclosure of Government Assistance”.

Note-35.

Balances of certain debtors, creditors, loans & advances and deposits are subject to confirmation. Due adjustments will be made on receipt thereof, if necessary.

Note-36.

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

Note-37.

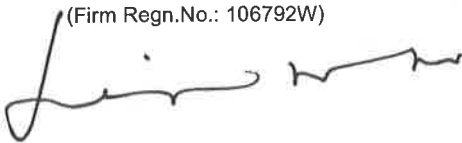
Previous period figures have been regrouped / re-classified / re-arranged wherever necessary to confirm to the current year’s figures.

As per our report of even date attached.

For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)



[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 4th May, 2019



For and on behalf of Packcart Packaging LLP,



Mrs. Kinjal Bhatt



Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 4th May, 2019

