

PACKCART PACKAGING LLP

ANNUAL REPORT 2019-20

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, 2020, the Statement of Profit & Loss (including Other Comprehensive Income) and the 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.

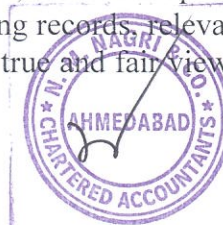
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Limited Liability Partnership Act, 2008 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the LLP as at 31st March, 2020, 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 of the LLP 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, that give a true and fair view of the financial position, financial performance (including other comprehensive income), and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the accounting standards applicable to the LLP. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Limited Liability Partnership Act, 2008 for safeguarding of the assets of the LLP 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 financial statements that give a true and fair view and 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 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.



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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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



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

[N. M. NAGRI]
PROPRIETOR

Membership No. 016992

Place: Ahmedabad
Date: 25th June, 2020
UDIN: 20016992AAAAAE9525

Packcart Packaging LLP

Balance Sheet as at 31st March, 2020

(Amt. in Rs.)

Particulars	Note No.	As at 31st March, 2020			As at 31st March, 2019		
		As per IGAAP	Ind As Effect	As per Ind As	As per IGAAP	Ind As Effect	As per Ind As
ASSETS							
(1) Non- Current Assets							
(a) Property, Plant and Equipment	4	1,57,60,220	-	1,57,60,220	1,71,34,316	-	1,71,34,316
(b) Right of Use Assets	4	-	1,18,03,335	1,18,03,335	-	-	-
(c) Capital Work-in-Progress	4	-	-	-	-	-	-
(d) Financial Assets							
(i) Other Financial Assets	5	10,17,114	(1,72,055)	8,45,059	10,17,114	(1,92,305)	8,24,809
(e) Deferred Tax Assets	6	(5,14,739)	20,75,804	15,61,065	5,95,518	-	5,95,518
(f) Other Non-Current Assets	7	20,000	1,22,247	1,42,247	20,000	1,46,470	1,66,470
(2) Current Assets							
(a) Inventories	8	96,36,131	-	96,36,131	59,85,451	-	59,85,451
(b) Financial Assets							
(i) Trade Receivables	9	86,80,457	-	86,80,457	47,15,118	-	47,15,118
(ii) Cash and Cash Equivalents	10	13,89,366	-	13,89,366	21,52,066	-	21,52,066
(iii) Other Financial Assets	11	6,43,511	-	6,43,511	5,24,852	-	5,24,852
(c) Other Current Assets	12	2,84,684	24,223	3,08,907	19,009	24,223	43,232
Total Assets		3,69,16,744	1,38,53,554	5,07,70,298	3,21,63,444	(21,612)	3,21,41,832
CONTRIBUTIONS AND LIABILITIES							
PARTNERS' FUNDS							
(a) Contributions	13	1,78,00,000	-	1,78,00,000	1,78,00,000	-	1,78,00,000
(b) Other Equity	14	11,32,735	(14,86,914)	(3,54,179)	(14,19,553)	(21,612)	(14,41,165)
LIABILITIES							
(1) Non-Current Liabilities							
(a) Financial Liabilities							
(i) Lease Liabilities	34	-	1,35,48,139	1,35,48,139	-	-	-
(ii) Borrowings	15	11,66,667	-	11,66,667	46,66,667	-	46,66,667
(b) Provisions	16	5,94,653	-	5,94,653	3,46,385	-	3,46,385
(c) Other Non-Current Liabilities	17	14,05,549	-	14,05,549	15,54,389	-	15,54,389
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Trade Payables	18						
-total outstanding dues of micro enterprises and small enterprises		9,96,748	-	9,96,748	7,54,203	-	7,54,203
-total outstanding dues of creditors other than micro enterprises and small enterprises		94,20,474	-	94,20,474	34,91,185	-	34,91,185
Total Trade Payables		1,04,17,222	-	1,04,17,222	42,45,388	-	42,45,388
(ii) Lease Liabilities	34	-	17,92,329	17,92,329	-	-	-
(iii) Other Financial Liabilities	19	37,18,790	-	37,18,790	41,74,810	-	41,74,810
(b) Other Current Liabilities	20	2,31,024	-	2,31,024	5,23,319	-	5,23,319
(c) Provisions	21	4,50,104	-	4,50,104	2,72,039	-	2,72,039
Total Contribution and Liabilities		3,69,16,744	1,38,53,554	5,07,70,298	3,21,63,444	(21,612)	3,21,41,832

The accompanying Notes 1 to 38 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)

For and on behalf of Packcart Packaging LLP,

Kinjal Bhatt
Mrs. Kinjal Bhatt

Prem Chand Surana

Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 25th June, 2020



PLACE : Ahmedabad

DATE : 25th June, 2020



Packcart Packaging LLP

Statement of Profit and Loss for the year ended 31st March, 2020

(Amt. in Rs.)

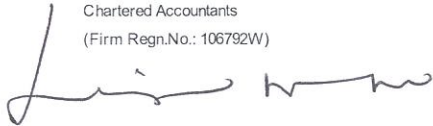
Sr. No.	Particulars	Note No.	Year ended 31st March, 2020			Year ended 31st March, 2019		
			As per IGAAP	Ind As Effect	As per Ind As	As per IGAAP	Ind As Effect	As per Ind As
I	Revenue from Operations	22	9,43,24,859	-	9,43,24,859	8,92,89,838	-	8,92,89,838
II	Other Income	23	6,76,568	20,250	6,96,818	9,79,188	18,451	9,97,639
III	Total Income		9,50,01,427	20,250	9,50,21,677	9,02,69,026	18,451	9,02,87,477
IV	Expenses							
	Cost of Materials Consumed	24	5,53,07,190	-	5,53,07,190	6,05,69,934	-	6,05,69,934
	Purchase of Stock in Trade	25	36,26,001	-	36,26,001	-	-	-
	Changes in Inventories of Finished goods, Stock in Trade and Work -in- Progress	26	2,62,463	-	2,62,463	7,73,094	-	7,73,094
	Employee Benefits Expense	27	1,12,79,863	(31,389)	1,12,48,474	1,04,04,999	1,05,279	1,05,10,278
	Finance Costs	28	6,42,260	16,42,661	22,84,921	9,53,818	-	9,53,818
	Depreciation and Amortisation Expense	4	15,27,312	19,28,387	34,55,699	16,39,460	-	16,39,460
	Other Expenses	29	1,87,56,572	(31,25,777)	1,56,30,795	1,50,05,213	24,223	1,50,29,436
	Total Expenses		9,14,01,661	4,13,882	9,18,15,543	8,93,46,518	1,29,502	8,94,76,020
V	Profit / (Loss) before Tax		35,99,766	(3,93,632)	32,06,134	9,22,508	(1,11,051)	8,11,457
VI	Tax Expense :							
	(1) Current Tax	30	-	-	-	-	-	-
	(2) Deferred Tax	6	10,90,670	(10,93,792)	(3,122)	1,92,714	(32,847)	1,59,867
VII	Profit / (Loss) for the year		25,09,096	7,00,160	32,09,256	7,29,794	(78,204)	6,51,590
VIII	Other Comprehensive Income							
	A Items that will not be reclassified to profit or loss							
	Remeasurements of the defined benefit plan		-	31,389	31,389	-	1,05,279	1,05,279
	B Income tax relating to items that will not be reclassified to profit or loss		-	(9,793)	(9,793)	-	(32,847)	(32,847)
	Total Other Comprehensive Income for the year (Net of Tax)		-	21,596	21,596	-	72,432	72,432
IX	Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		25,09,096	7,21,756	32,30,852	7,29,794	(5,772)	7,24,022

The accompanying Notes 1 to 38 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 : 25th June, 2020



For and on behalf of Packcart Packaging LLP,


Mrs. Kinjal Bhatt



Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD.

PLACE : Ahmedabad
DATE : 25th June, 2020



Packcart Packaging LLP

Cash Flow Statement for the year ended 31st March, 2020

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash Flow from Operating Activities			
	Net Profit Before Tax	32,06,134	8,11,457
	Adjusted for:		
	Depreciation	34,55,699	16,39,460
	Finance Cost	22,84,921	9,53,818
	Amortisation of Prepaid Rentals (non Cash)	24,223	24,223
	Deferred Income on Capital Subsidy	(1,48,840)	(1,48,840)
	Interest Subsidy Receivable	(5,77,118)	(4,61,082)
	Interest Income	(60,362)	(1,41,613)
	Sub Total	49,78,523	18,65,966
	Operating Profit before Working Capital Change	81,84,657	26,77,423
Adjustment for Change in Working Capital			
	Inventories	(36,50,680)	63,22,023
	Trade and Other Receivables	(34,70,779)	20,74,844
	Other Assets	(2,61,664)	7,41,446
	Trade and Other Liabilities	37,20,291	(96,69,724)
	Remeasurement of Defined Benefit Plan	31,389	1,05,279
	Provisions	4,26,333	2,20,808
	Sub Total	(32,05,110)	(2,05,324)
	Cash Generation from Operations	49,79,547	24,72,099
	Less: Direct Taxes Paid	-	-
	Net Cash from Operating Activities	49,79,547	24,72,099
B. Cash Flow From Investing Activities			
	Purchase of Fixed Assets	(1,53,216)	(3,46,342)
	Interest Received	-	85,673
	Capital Subsidy on Fixed Assets	17,03,229	18,52,069
	Net Cash Used in Investing Activities	15,50,013	15,91,400
C. Cash Flow from Financing Activities			
	Repayment of Long Term Borrowing	(35,00,000)	(35,00,000)
	Interest Paid on Term Loan	(6,42,260)	(9,53,818)
	Lease Rentals	(31,50,000)	-
	Net Cash Used in Financing Activities	(72,92,260)	(44,53,818)
Changes in Cash			
	Opening Balance Cash and Cash Equivalents	(7,62,700)	(3,90,319)
	Opening Balance Cash and Cash Equivalents	21,52,066	25,42,385
	Closing Balance Cash and Cash Equivalents	13,89,366	21,52,066

Notes to cash flow statement

1	Components of cash and cash equivalents		
	Balances with banks	13,50,908	21,40,995
	Cash on hand	38,458	11,071
	Cash and cash equivalents considered in Cash Flow Statement	13,89,366	21,52,066
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, 2019	Cash Flow	Non-cash changes	Outstanding as at 31st March, 2020
Borrowings				
Term Loans from YES Bank	81,66,667	(35,00,000)	-	46,66,667
Lease Liability	1,68,47,807	(31,50,000)	16,42,661	1,53,40,468
Total liabilities arising from financing activities:	2,50,14,474	(66,50,000)	16,42,661	2,00,07,135

As per our report of even date attached.

For and on behalf of Packcart Packaging LLP,

For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)

[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 25th June, 2020



Mrs. Kirjal Bhatt

Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 25th June, 2020



PACKCART PACKAGING LLP

Significant Accounting Policies & Practices

(Annexed to and forming part of Financial Statements for the year ended 31st March 2020)

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) 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 (indirect cost excluded) 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.

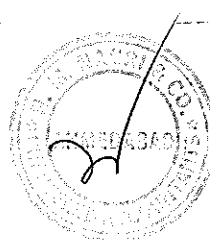
[iv] **Depreciation/ Amortization**

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.

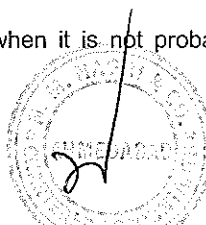
3.8 Provisions, Contingent Liabilities and Contingent Assets

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 LLP's lease asset classes primarily consist of lease for building. The LLP evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. 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. 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. 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.

Effective 1st April, 2019, the LLP adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.



LLP as a lessee

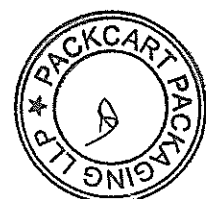
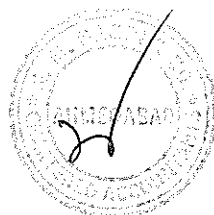
The LLP assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the LLP assesses whether: (i) the contract involves the use of an identified asset (ii) the LLP has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the LLP has the right to direct the use of the asset. The LLP uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. 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. 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.

At the date of commencement of the lease, the LLP 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 LLP recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use 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. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. 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 LLP changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer Note No. 34, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

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. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the LLP to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the LLP's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



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.

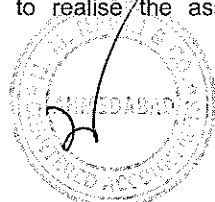
3.12 Taxes on Income

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 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.

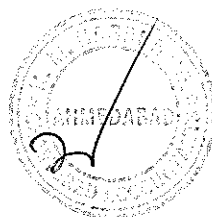
3.13 Significant Judgments, Estimates and Assumptions

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.

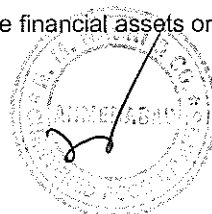
(c) Impairment of Financial Assets

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.

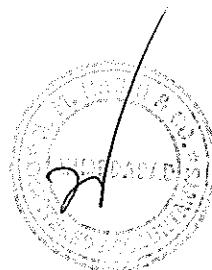
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised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

3.16 New Standards and Interpretations

The Government notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

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

(a) Property, Plant and Equipment

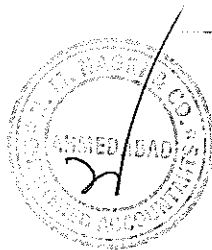
(Amt. in Rs.)

Sr. No.	Particulars	Own 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, 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
	Addition	-	1,49,036	-	-	-	4,180	-	-	1,53,216
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2020	11,16,253	1,65,20,597	24,81,449	1,44,795	4,23,793	1,69,937	1,18,793	3,54,387	2,13,30,004
2	Depreciation / Amortisation									
	As at 1st April, 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
	Charge for the year	82,245	10,40,841	2,35,738	21,914	79,902	37,242	3,467	25,963	15,27,312
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2020	3,32,770	36,82,816	8,51,197	82,070	2,48,009	1,24,320	1,12,854	1,35,748	55,69,784
3	Net Block									
	As at 1st April, 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
	As at 31st March, 2020	7,83,483	1,28,37,781	16,30,252	62,725	1,75,784	45,617	5,939	2,18,639	1,57,60,220
(b)	Capital work-in-progress									
	As at 31st March, 2019									-
	As at 31st March, 2020									-

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.

Right of Use Assets:

Right of Use of Lease Assets	1,37,31,722
Depreciation on right of use of Lease Assets	19,28,387
Closing Value of right of use of Lease Assets	1,18,03,335



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

Note - 5. FINANCIAL ASSETS: NON - CURRENT

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Security Deposits - Unsecured, Considered Good	8,45,059	8,24,809
	Total	8,45,059	8,24,809



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 6. DEFERRED TAX ASSETS / LIABILITIES (NET)

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Deferred Tax Assets		
	(Arising on account of timing difference)		
(a)	Provision for Leave Encashment	37,863	19,101
(b)	Provision for Gratuity	1,50,268	90,461
(c)	Deferred Govt. Grant	4,84,969	5,31,407
(d)	Carry forward loss in Income tax	-	7,40,330
(e)	Unabsorbed Depreciation in Income tax	5,16,610	8,36,599
(f)	Lease Liabilities	47,86,226	-
(g)	Tax on Transition impact of Ind AS 116	9,72,218	-
	Total Deferred Tax Assets (A)	69,48,154	22,17,898
2	Deferred Tax Liabilities		
	(Arising on account of timing difference)		
(a)	Assets: Impact of difference between carrying value and tax base of Depreciable assets	53,87,089	16,22,380
	Total Deferred Tax Liabilities (B)	53,87,089	16,22,380
	Total (A - B)	15,61,065	5,95,518

Reconciliation of Deferred Tax Assets / Liabilities (Net):

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	5,95,518	7,88,232
Tax Income/(Expense) during the period recognised in Profit or Loss	3,122	(1,59,867)
Tax Income/(Expense) during the period recognised in Other Comprehensive Income	(9,793)	(32,847)
Tax Income/(Expense) during the period recognised directly in Other Equity	9,72,218	-
Closing balance	15,61,065	5,95,518

Movements in DTA:

Particulars	Leave Encashment	Gratuity	Deferred Govt. Grant	Carry forward Loss	Unabsorbed Dep.	Lease Liabilities	Transition impact of Ind AS 116	Total
At 1st April, 2018	8,653	67,154	5,77,846	7,70,685	8,62,029	-	-	22,86,367
(Charged)/Credited:								
to Profit or Loss	12,607	53,995	(46,439)	(30,355)	(25,430)	-	-	(35,622)
to Other Comprehensive Income	(2,159)	(30,688)	-	-	-	-	-	(32,847)
At 31st March, 2019	19,101	90,461	5,31,407	7,40,330	8,36,599	-	-	22,17,898
(Charged)/Credited:								
to Profit or Loss	20,622	67,740	(46,438)	(7,40,330)	(3,19,989)	47,86,226	-	37,67,831
to Retained Earning	-	-	-	-	-	-	9,72,218	9,72,218
to Other Comprehensive Income	(1,860)	(7,933)	-	-	-	-	-	(9,793)
At 31st March, 2020	37,863	1,50,268	4,84,969	-	5,16,610	47,86,226	9,72,218	69,48,154

Movements in DTL:

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting
At 1st April, 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
(Charged)/Credited:	
to Profit or Loss	37,64,709
to Other Comprehensive Income	-
directly to Equity	-
At 31st March, 2020	53,87,089



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

Note - 7. OTHER NON-CURRENT ASSETS

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a. Advance Rentals - Security Deposits	1,22,247	1,46,470
	b. Other Security Deposits	20,000	20,000
	Total	1,42,247	1,66,470

Note - 8. INVENTORIES

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	As taken, valued & certified by the Management At Lower of Cost and Net Realisable Value		
1	Raw Materials	62,58,982	28,19,391
2	Work-in-Progress	9,45,749	12,65,907
3	Finished Goods	13,74,748	13,74,903
4	Stock-in-trade	57,850	-
5	Stores and Spares	9,98,802	5,25,250
	Total	96,36,131	59,85,451

- 8.1 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 - CURRENT

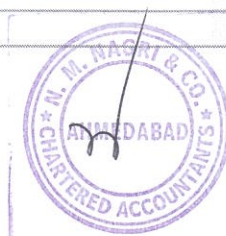
Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Trade Receivables considered good - Secured	-	-
2	Trade Receivables considered good - Unsecured *	86,80,457	47,15,118
3	Trade Receivables which have significant increase in credit risk	-	-
4	Trade Receivables - credit impaired	-	-
	Sub total	86,80,457	47,15,118
	Less: Allowance for expected credit losses	-	-
	Total	86,80,457	47,15,118

- 9.1 Debts due from Cera Sanitaryware Ltd. Rs. 69,11,443/- (31.03.2019: Rs. 41,76,917/-)
The LLP is treated as subsidiary of Cera Sanitaryware Ltd.
- 9.2 Trade Receivables are hypothecated with YES Bank Ltd. against term loan availed.
- 9.3 Refer to Note no. 31 for dues from Related Parties.



Note - 10. CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Balances with banks in current accounts	13,50,908	21,40,995
2	Cash on hand	38,458	11,071
	Total	13,89,366	21,52,066



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

Note - 11. OTHER FINANCIAL ASSETS: CURRENT

(Amt. in Rs.)

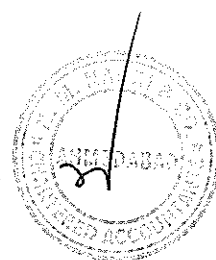
Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Interest receivable on Security Deposits	36,101	37,489
2	Other Advances		
	(i) TDS and TCS Receivable	30,292	26,281
	(ii) Government Grant Receivable (Interest Subsidy)	5,77,118	4,61,082
	Total	6,43,511	5,24,852

Note - 12. OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Advances other than Capital Advances		
	(i) Prepaid Expenses	13,020	19,009
	(ii) Balances with Tax Authorities (GST)	2,71,664	-
	(iii) Advance Lease Rentals	24,223	24,223
	Total	3,08,907	43,232

Note - 13. CONTRIBUTIONS

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	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



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

Note - 14. OTHER EQUITY

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Retained Earnings		
	Balance as per last financial year	(15,13,597)	(21,65,187)
	Transition impact of Ind AS 116 (net of Tax)	(21,43,866)	-
	Add: Profit / (Loss) for the year	32,09,256	6,51,590
		(4,48,207)	(15,13,597)
2	Other Comprehensive Income		
(a)	Remeasurements of Defined Benefit Plans		
	Balance as per last financial year	72,432	-
	Adjustments during the year		
	Add: Actuarial Gain on remeasurement of defined benefit plans	31,389	1,05,279
	Less: Deferred Tax on Remeasurement of Defined Benefit Plans	(9,793)	(32,847)
		94,028	72,432
	Total	(3,54,179)	(14,41,165)

Note - 15. BORROWINGS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Non-Current Borrowings		
	Term Loans (Secured)		
	From YES Bank Ltd.	11,66,667	46,66,667
	Total	11,66,667	46,66,667

15.1 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.

15.2 Rate of interest @ 9.75% p.a.

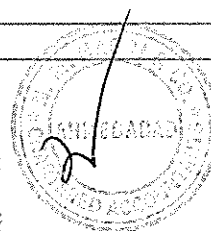


Note - 16. PROVISIONS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Non-Current Provisions		
	Provision for Employee Benefits		
(a)	Provision for Leave Encashment	1,14,243	57,283
(b)	Provision for Gratuity	4,80,410	2,89,102
	Total	5,94,653	3,46,385

Note - 17 OTHER NON - CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Deferred Govt. Grant (Capital Subsidy)	14,05,549	15,54,389
	Total	14,05,549	15,54,389



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2020

Note - 18. TRADE PAYABLES

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Dues of Micro Enterprises & Small Enterprises	9,96,748	7,54,203
2	Dues of Creditors Other than Micro Enterprises & Small Enterprises (Refer to Note No. 33)	94,20,474	34,91,185
Total		1,04,17,222	42,45,388

Note - 19. OTHER FINANCIAL LIABILITIES: CURRENT

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Current Financial Liabilities			
1	Current maturity of Long Term Debt	35,00,000	35,00,000
2	Salary Payable to staff	21,627	5,62,427
3	Expenses Payable	1,97,163	1,12,383
Total		37,18,790	41,74,810

Note - 20. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
Other			
	(a) Statutory dues	82,184	3,74,479
	(b) Deferred Govt. Grant (Capital Subsidy)	1,48,840	1,48,840
Total		2,31,024	5,23,319

Note - 21. PROVISIONS: CURRENT

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits			
(a)	Provision for Exgratia	3,16,723	1,55,884
(b)	Provision for Leave Encashment	7,113	3,937
(c)	Provision for Provident Fund Payable	1,04,107	76,201
(d)	Provision for ESIC	20,944	35,180
(e)	Provision for Gratuity	1,217	837
Total		4,50,104	2,72,039



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 22. REVENUE FROM OPERATIONS

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
	Revenue from Operations		
(a)	Sale of products		
(i)	Domestic Sales	9,43,24,859	8,92,89,838
	Total	9,43,24,859	8,92,89,838

22.1 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,2020	Year ended 31st March,2019
Product Type		
Goods (Corrugated Boxes)	9,43,24,859	8,92,89,838
Total	9,43,24,859	8,92,89,838

Contract Counterparties

Particulars	Year ended 31st March,2020	Year ended 31st March,2019
Business to Business	9,43,24,859	8,92,89,838
Total	9,43,24,859	8,92,89,838

Timing of Transfer of Goods and Services

Particulars	Year ended 31st March,2020	Year ended 31st March,2019
Point in time	9,43,24,859	8,92,89,838
Total	9,43,24,859	8,92,89,838

22.2 The impairment loss recognised on receivables arising from the Company's contracts with customers is NIL (P.Y. NIL).

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

22.4 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

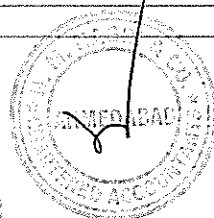
Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
(a)	Interest Income	60,362	1,41,613
(b)	Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	13,501	2,554
(c)	Interest Subsidy	4,74,115	7,04,632
(d)	Deferred Income on Capital Subsidy	1,48,840	1,48,840
	Total	6,96,818	9,97,639

Note - 24. COST OF MATERIALS CONSUMED

Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
	Opening Stock	28,19,391	70,92,160
Add:	Purchases	5,87,46,781	5,62,97,165
Less:	Closing Stock	62,58,982	28,19,391
	Total	5,53,07,190	6,05,69,934

Note - 25. Purchase of Stock in Trade

Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
	Purchases	36,26,001	-
	Total	36,26,001	-



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE (Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Inventories at the end of the year:			
	Finished Goods	13,74,748	13,74,903
	Work in Progress	9,45,749	12,65,907
	Stock in Trade	57,850	-
	Total	23,78,347	26,40,810
Inventories at the beginning of the year:			
	Finished Goods	13,74,903	16,30,072
	Work in Progress	12,65,907	17,83,832
	Stock in Trade	-	-
	Total	26,40,810	34,13,904
	Total	2,62,463	7,73,094

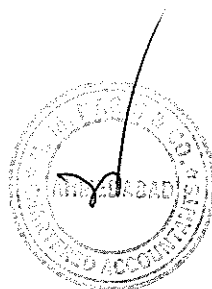
Note - 27. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
1	Salaries and Wages	1,02,69,151	95,10,449
2	Contribution to Provident and other Funds * (Net of Employer's Contribution to PF under PMRPY and PMRPY Scheme of Central Govt. of India)	8,62,733	9,50,883
3	Staff Welfare Expenses	1,16,590	48,946
	Total	1,12,48,474	1,05,10,278

* 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. 2,17,891/- (PY Rs. 3,24,049/-) during the year towards Employer's Contribution to PF.

Note - 28. FINANCE COSTS

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Costs			
(a)	Interest on Term Loans	6,42,260	9,53,818
(b)	Interest on Lease	16,42,661	-
	Total	22,84,921	9,53,818



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 29. OTHER EXPENSES

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
	Consumption of Stores		
	Opening Stock	5,25,250	18,01,410
	Add: Purchases	63,91,574	37,44,894
	sub total	69,16,824	55,46,304
	Less : Closing Stock	9,98,802	5,25,250
		59,18,022	50,21,054
	Power and Fuel (Net)	16,44,040	19,82,653
	Repairs and Maintenance		
	- To Buildings	43,083	1,23,898
	- To Plant and Machineries	3,85,123	4,24,033
	- To Other Assets	27,172	3,710
	Rent Expenses	-	31,31,452
	Cleaning Charges	26,918	17,129
	Insurance Premium Expenses	59,949	60,522
	Printing and Lamination Expenses	47,80,121	14,08,994
	Freight Outward, Coolies and Cartages	9,34,200	9,59,600
	Rates and Taxes	2,400	4,800
	Payments to Auditors		
	- Statutory Audit fees	55,000	50,000
	- Tax Audit Fees	16,500	15,000
	- For Other Services	19,750	23,500
	Legal and Professional Consultancy Fees	82,092	86,707
	Retainership Expense	12,00,000	8,00,000
	Management fees to a Partner	-	4,00,000
	Bank Charges	295	472
	Printing and Stationery Expenses	23,150	20,841
	Computer Expenses	3,890	3,250
	Vehicle Repairs and Maintenance	12,350	26,049
	Vehicle Expenses (Petrol and Diesel)	70,020	46,680
	Conveyance Expenses	20,431	29,422
	License Fees	-	4,500
	Office Expenses	6,041	6,711
	Garden Expenses	35,538	40,370
	Amortisation of Prepaid Rentals	24,223	24,223
	Miscellaneous Expenses	2,40,487	3,13,866
	Total	1,56,30,795	1,50,29,436



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 30. CURRENT TAX

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2020	Year ended 31st March,2019
	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.

Particulars	Year ended 31st March,2020	Year ended 31st March,2019
Accounting Profit before Income Tax	32,06,134	8,11,457
India's Statutory Income Tax Rate @ 31.2%	10,00,314	2,53,175
Non-Deductible Expenses for Tax purposes	16,86,998	5,89,356
Deductible Expenses for Tax purposes	(15,41,391)	(6,77,632)
Income not chargeable for Tax purpose	(52,756)	(52,195)
Utilisation of Tax Losses	(10,93,165)	(1,12,704)
Others	(3,122)	1,59,867
Income Tax expense reported in the Statement of Profit and Loss	(3,122)	1,59,867



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note - 31. RELATED PARTY DISCLOSURES

31.1 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

31.2 Disclosures of Transactions with KMP, Parent Company and Other Related Party:

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Parent Company		Other Related Party	
		Year ended 31st March, 2020	Period ended 31st March, 2019	Year ended 31st March, 2020	Period ended 31st March, 2019	Year ended 31st March, 2020	Period ended 31st March, 2019
		1	Revenue from Operations	-	-	7,88,16,427	8,84,94,224
2	Purchase of Goods	-	-	13,236	12,686	-	-
3	Management fees to a Partner	-	4,00,000	-	-	-	-
GRAND TOTAL		-	4,00,000	7,88,29,663	8,85,06,910	1,45,83,023	71,202

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

(Amt. in Rs.)

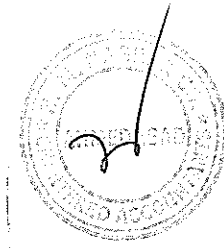
Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Trade Receivables		
	Cera Sanitaryware Ltd. (Parent Company)	69,11,443	41,76,917
	Race Polymer Arts LLP	11,39,789	79,746
	Total	80,51,232	42,56,663

31.4 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, 2020	Year ended 31st March, 2019
1	Revenue from Operations	Cera Sanitaryware Ltd.	7,88,16,427	8,84,94,224
2	Revenue from Operations	Race Polymer Arts LLP	1,45,83,023	71,202
3	Management fees to a Partner	Mrs. Kinjal Bhatt	-	4,00,000

31.5 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, 2020

Note-32.

Disclosure of Movement in Provisions during the year as per Ind AS- 37,

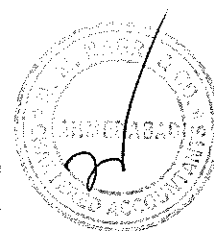
*Provisions, Contingent Liabilities and Contingent Assets :

(Amt. in Rs.)				
Particulars	Balance as on 01/04/19	Provided during the year	Paid/Adjusted During the year	Balance as on 31/03/20
Non-current provisions				
Accumulated leaves	57,283	56,960	-	1,14,243
Gratuity	2,89,102	1,91,308	-	4,80,410
Total	3,46,385	2,48,268	-	5,94,653
Current provisions				
Accumulated leaves	3,937	3,176	-	7,113
Gratuity	837	380	-	1,217
Exgratia	1,55,884	4,25,471	2,64,632	3,16,723
Income Tax	-	-	-	-
Total	1,60,658	4,29,027	2,64,632	3,25,053
Grand total	5,07,043	6,77,295	2,64,632	9,19,706

Note-33. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

The dues to Micro Enterprises 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,2020	31 March,2019
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 enterprises and small enterprises	9,96,748	7,54,203
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	-	-



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2020

Note-34. COMMITMENTS AND CONTINGENCIES

(a) Leases

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The LLP has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard to its leases, using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1st April, 2019). Accordingly, the LLP has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 1,37,31,722 and a lease liability of Rs. 1,68,47,807. The cumulative effect of applying this standard resulted in Rs. 21,43,866 being debited to retained earnings (net of taxes). Refer note 3.10 – Significant accounting policies – Leases in the Annual report of the LLP for the year ended 31st March, 2019, for the policy as per Ind AS 17.

Following are the changes in the carrying value of right-of-use assets for the year ended 31st March, 2020 (Amt. in Rs.)

Particulars	Buildings
Balance as at 1st April, 2019	1,37,31,722
Depreciation	(19,28,387)
Closing Balance as at 31st March, 2020	1,18,03,335

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended 31st March, 2020 (Amt. in Rs.)

Particulars	Buildings
Balance as at 1st April, 2019	1,68,47,807
Finance cost accrued during the year	16,42,661
Payment of lease liabilities	(31,50,000)
Closing Balance as at 31st March, 2020	1,53,40,468

The following is the break-up of current and non-current lease liabilities as at 31st March, 2020 (Amt. in Rs.)

Particulars	Buildings
Non-current lease liabilities	1,35,48,139
Current lease liabilities	17,92,329
Total	1,53,40,468

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020 on discounted basis (Amt. in Rs.)

Particulars	31st March, 2020
Not later than one year	17,92,329
Later than one year but not later than five years	98,59,349
Later than five years	36,88,790
Total	1,53,40,468

(c) Contingent Liabilities

Particulars	31st March, 2020	31st March, 2019
Claims against the LLP not acknowledged as debt	48,000	-



Note-35.

The LLP has received Interest Subsidy of Rs. 3,58,079/- (Previous Year Rs. 13,61,768/-) during the year under the State Government Scheme for MSME against Subsidy receivable of Rs. 4,61,082/- for FY 2018-19. The LLP has also accounted for Interest Subsidy receivable of Rs. 4,74,115/- for FY 2019-20. 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-36.

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

Note-37.

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-38.

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 : 25th June, 2020



For and on behalf of Packcart Packaging LLP,


Mrs. Kinjal Bhatt
Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 25th June, 2020

