

PACKCART PACKAGING LLP

ANNUAL REPORT

F.Y. 2020-21

N. M. NAGRI & CO.

CHARTERED ACCOUNTANTS

'A' Block, 5th Floor, A-1 & A-2, SafalProfitaire, 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
PACKCART PACKAGING LLP

Opinion

We have audited the accompanying Ind AS financial statements of **PACKCART PACKAGING LLP** (the "LLP"), which comprise the Balance Sheet at 31st March, 2021, 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 Indian Accounting Standards as amended from time to time and other accounting principles generally accepted in India, of the state of affairs (financial position) of the LLP as at 31st March, 2021, 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

UDIN: 21016992AAAAAX1635

Place: Ahmedabad

Date: 28th May, 2021

Packcart Packaging LLP

Balance Sheet as at 31st March, 2021

(Amt. in Rs.)

Particulars	Note No.	As at 31st March, 2021			As at 31st March, 2020		
		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	1,43,36,422	-	1,43,36,422	1,57,60,220	-	1,57,60,220
(b) Capital Work-in-Progress	4	-	-	-	-	-	-
(c) Right of Use Assets	4	-	87,23,376	87,23,376	-	1,18,03,335	1,18,03,335
(d) Financial Assets							
(i) Other Financial Assets	5	10,17,114	(1,15,701)	9,01,413	10,17,114	(1,72,055)	8,45,059
(e) Deferred Tax Assets (Net)	6	-	-	-	(5,14,739)	20,75,804	15,61,065
(f) Other Non-Current Assets	7	20,000	81,016	1,01,016	20,000	1,22,247	1,42,247
(2) Current Assets							
(a) Inventories	8	1,19,56,105	-	1,19,56,105	96,36,131	-	96,36,131
(b) Financial Assets							
(i) Trade Receivables	9	1,56,16,428	-	1,56,16,428	86,80,457	-	86,80,457
(ii) Cash and Cash Equivalents	10	23,17,339	-	23,17,339	13,89,366	-	13,89,366
(iii) Other Financial Assets	11	1,62,310	-	1,62,310	6,43,511	-	6,43,511
(c) Other Current Assets	12	27,23,650	29,758	27,53,408	2,84,684	24,223	3,08,907
Total Assets		4,81,49,368	87,18,449	5,68,67,817	3,69,16,744	1,38,53,554	5,07,70,298
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	36,46,534	(5,32,343)	31,14,191	11,32,735	(14,86,914)	(3,54,179)
LIABILITIES							
(1) Non-Current Liabilities							
(a) Financial Liabilities							
(i) Lease Liabilities	35	-	73,28,242	73,28,242	-	1,35,48,139	1,35,48,139
(ii) Borrowings	15	-	-	-	11,66,667	-	11,66,667
(b) Provisions	16	7,02,079	-	7,02,079	5,94,653	-	5,94,653
(c) Deferred Tax Liabilities (Net)	6	10,60,818	(2,39,178)	8,21,640	-	-	-
(d) Other Non-Current Liabilities	17	12,56,709	-	12,56,709	14,05,549	-	14,05,549
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Trade Payables	18	-	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises		28,48,232	-	28,48,232	9,96,748	-	9,96,748
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,77,15,601	-	1,77,15,601	94,20,474	-	94,20,474
Total Trade Payables		2,05,63,833	-	2,05,63,833	1,04,17,222	-	1,04,17,222
(ii) Lease Liabilities	35	-	21,61,728	21,61,728	-	17,92,329	17,92,329
(iii) Other Financial Liabilities	19	15,95,974	-	15,95,974	38,43,841	-	38,43,841
(b) Other Current Liabilities	20	2,18,041	-	2,18,041	2,31,024	-	2,31,024
(c) Provisions	21	2,87,289	-	2,87,289	3,25,053	-	3,25,053
(d) Current Tax Liabilities	22	10,18,091	-	10,18,091	-	-	-
Total Contribution and Liabilities		4,81,49,368	87,18,449	5,68,67,817	3,69,16,744	1,38,53,554	5,07,70,298

The accompanying Notes 1 to 38 are integral part of these Financial Statements.

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 : 28th May, 2021




Mrs. Kinjal Bhatt



Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 28th May, 2021



Packcart Packaging LLP

Statement of Profit and Loss for the year ended 31st March, 2021

(Amt. in Rs.)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2021			Year ended 31st March, 2020		
			As per IGAAP	Ind As Effect	As per Ind As	As per IGAAP	Ind As Effect	As per Ind As
I	Revenue from Operations	23	9,98,40,069	-	9,98,40,069	9,43,24,859	-	9,43,24,859
II	Other Income	24	6,10,755	35,62,390	41,73,145	6,76,568	20,250	6,96,818
III	Total Income		10,04,50,824	35,62,390	10,40,13,214	9,50,01,427	20,250	9,50,21,677
IV	Expenses							
	Cost of Materials Consumed	25	6,16,21,104	-	6,16,21,104	5,53,07,190	-	5,53,07,190
	Purchase of Stock in Trade	26	9,11,504	-	9,11,504	36,26,001	-	36,26,001
	Changes in Inventories of Finished goods, Stock in Trade and Work -in- Progress	27	(6,22,337)	-	(6,22,337)	2,62,463	-	2,62,463
	Employee Benefits Expense	28	1,06,27,125	1,51,144	1,07,78,269	1,12,79,863	(31,389)	1,12,48,474
	Finance Costs	29	3,50,523	10,82,492	14,33,015	6,42,260	16,42,661	22,84,921
	Depreciation and Amortisation Expense	4	14,75,726	23,79,102	38,54,828	15,27,312	19,28,387	34,55,699
	Other Expenses	30	2,09,78,435	(26,90,401)	1,82,88,034	1,87,56,572	(31,25,777)	1,56,30,795
	Total Expenses		9,53,42,080	9,22,337	9,62,64,417	9,14,01,661	4,13,882	9,18,15,543
V	Profit / (Loss) before Tax		51,08,744	26,40,053	77,48,797	35,99,766	(3,93,632)	32,06,134
VI	Tax Expense							
	(1) Current Tax	31	10,48,866	-	10,48,866	-	-	-
	(2) Deferred Tax	6	4,51,765	18,83,783	23,35,548	10,90,670	(10,93,792)	(3,122)
VII	Profit / (Loss) for the year		36,08,113	7,56,270	43,64,383	25,09,096	7,00,160	32,09,256
VIII	Other Comprehensive Income							
	A Items that will not be reclassified to profit or loss							
	Remeasurements of the defined benefit plan		-	1,51,144	1,51,144	-	31,389	31,389
	B Income tax relating to items that will not be reclassified to profit or loss		-	(47,157)	(47,157)	-	(9,793)	(9,793)
	Total Other Comprehensive Income for the year (Net of Tax)		-	1,03,987	1,03,987	-	21,596	21,596
IX	Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		36,08,113	8,60,257	44,68,370	25,09,096	7,21,756	32,30,852

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 : 28th May, 2021

For and on behalf of Packcart Packaging LLP.



Mrs. Kinjal Bhatt

Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 28th May, 2021



Packcart Packaging LLP

Cash Flow Statement for the year ended 31st March, 2021

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Cash Flow from Operatlong Activities			
	Net Profit Before Tax	77,48,797	32,06,134
	Adjusted for:		
	Depreciation	38,54,828	34,55,699
	Finance Cost	14,33,015	22,84,921
	Amortisation of Prepaid Rentals (non Cash)	4,599	24,223
	Deferred Income on Capital Subsidy (non Cash)	(1,48,840)	(1,48,840)
	Interest Subsidy Receivable (non Cash)	(1,17,634)	(5,77,118)
	Gain on Termination of Lease (non Cash)	(35,37,133)	-
	Interest Income On Security Deposit (non Cash)	(53,953)	(60,362)
	Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	(1,96,442)	(13,501)
	Provision for Gratuity	1,98,951	2,17,116
	Sub Total	14,37,391	51,82,138
	Operating Profit before Working Capital Change	91,86,188	83,88,272
Adjustment for Change in Working Capital			
	(Inc) / Dec in Inventories	(23,19,974)	(36,50,680)
	(Inc) / Dec in Trade Receivables	(69,35,971)	(39,65,339)
	(Inc) / Dec in Other Financial Assets	6,27,531	4,98,571
	(Inc) / Dec in Other Assets	(24,38,966)	(2,65,675)
	Inc/(Dec) in Trade Payable	1,01,46,611	61,71,834
	Inc/(Dec) in Other Financial Liabilities	12,52,133	(4,42,349)
	Inc/(Dec) in Provisions	21,855	2,26,936
	inc/(Dec) in Other Current Liabilities	1,83,459	(2,78,794)
	Sub Total	5,36,678	(17,05,496)
	Cash Generation from Operations	97,22,866	66,82,776
	Less: Direct Taxes Paid	(30,775)	-
	Net Cash from Operating Activities	96,92,091	66,82,776
B Cash Flow From Investing Activities			
	Purchase Of Property, Plant, Equipment	(51,928)	(1,53,216)
	Net Cash Used in Investing Activities	(51,928)	(1,53,216)
C Cash Flow from Financing Activities			
	Repayment of Long Term Borrowing	(46,66,667)	(35,00,000)
	Finance Cost (Except Interst On Lease)	(3,50,523)	(6,42,260)
	Rent Paid (Lease)	(26,95,000)	(31,50,000)
	Share Profit Paid to Partners	(10,00,000)	-
	Net Cash Used In Financing Activities	(87,12,190)	(72,92,260)
	Changes In Cash	9,27,973	(7,62,700)
	Opening Balance Cash and Cash Equivalents	13,89,366	21,52,066
	Closing Balance Cash and Cash Equivalents	23,17,339	13,89,366

Notes to cash flow statement

- Components of cash and cash equivalents

Balances with banks	22,66,562	13,50,908
Cash on hand	50,777	38,458
Fixed Deposit with Bank		
Cash and cash equivalents considered in Cash Flow Statement	23,17,339	13,89,366
- The above Cash Flow Statement has been prepared using the "Indirect Method" as set out in Indian Accounting Standard - 7 "Statement of Cash Flows".
- Reconciliation of liabilities arising from financing activities:

Particulars	Outstanding as at 1st April, 2020	Cash Flow	Non-cash changes	Outstanding as at 31st March, 2021
Borrowings				
Term Loans from YES Bank	46,66,667	(46,66,667)	-	-
Lease Liability	1,53,40,468	(26,95,000)	(31,55,498)	94,89,970
Total liabilities arising from financing activities	2,00,07,135	(73,61,667)	(31,55,498)	94,89,970

As per our report of even date attached

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

[Signature]

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

PLACE : Ahmedabad
DATE : 28th May, 2021



For and on behalf of Packcart Packaging LLP.

[Signature]
Mrs. Kinjal Bhatt

Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD

PLACE : Ahmedabad
DATE : 28th May, 2021



PACKCART PACKAGING LLP

Significant Accounting Policies & Practices

(Annexed to and forming part of Financial Statements for the year ended 31st March 2021)

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

As per Ind AS 115 "Revenue from Contracts with Customers", 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. Further, refer Note No. 35, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

The LLP has accounted for Lease Modification on termination of lease due to change in lease term and consideration upon termination of lease, closing balance of lease liability at the date of termination is adjusted against Right of Use Assets and gain/ loss is recognized/ (charged) to statement of Profit and Loss.

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. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

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 be applicable from 1st April, 2021.



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2021

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, 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
	Addition	-	51,928	-	-	-	-	-	-	51,928
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2021	11,16,253	1,65,72,525	24,81,449	1,44,795	4,23,793	1,69,937	1,18,793	3,54,387	2,13,81,932
2	Depreciation / Amortisation									
	As at 1st April, 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	1,35,749	55,69,784
	Charge for the year	74,430	10,47,899	2,35,738	16,239	54,897	20,561	-	25,962	14,75,726
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	As at 31st March, 2021	4,07,200	47,30,715	10,86,935	98,309	3,02,906	1,44,881	1,12,854	1,61,710	70,45,510
3	Net Block									
	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
	As at 31st March, 2021	7,09,053	1,18,41,810	13,94,514	46,486	1,20,887	25,056	5,939	1,92,677	1,43,36,422
(b)	Capital work-in-progress									
	As at 31st March, 2020									-
	As at 31st March, 2021									-

Notes:

- All items of Property, Plant & Equipment except Building situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat were hypothecated with YES Bank Ltd. against term loan availed which was pre paid in full on 27th March, 2021.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant and Equipment is Nil as on 31st March, 2021 and Nil as on 31st March, 2020.

Right of Use Assets:

As at 1st April, 2019	1,37,31,722
Depreciation on right of use of Lease Assets	19,28,387
As at 31st March, 2020	1,18,03,335
Less: Effect on account of Lease Modification	1,18,03,335
Addition of Lease Assets	1,11,02,478
Depreciation on right of use of Lease Assets	23,79,102
As at 31st March 2021	87,23,376



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2021

Note - 5. FINANCIAL ASSETS: NON - CURRENT

(Amt. in Rs.)

Sr. No.	Particulars	As at	
		31st March, 2021	31st March, 2020
	Security Deposits - Unsecured, Considered Good	9,01,413	8,45,059
	Total	9,01,413	8,45,059



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2021

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

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Deferred Tax Assets		
	(Arising on account of timing difference)		
(a)	Provision for Leave Encashment	49,031	37,863
(b)	Provision for Gratuity	1,73,209	1,50,268
(c)	Deferred Govt. Grant	4,38,531	4,84,969
(d)	Unabsorbed Depreciation in Income tax	-	5,16,610
(e)	Others	2,39,178	20,75,804
	Total Deferred Tax Assets (A)	8,99,949	32,65,514
2	Deferred Tax Liabilities		
	(Arising on account of timing difference)		
	Assets: Impact of difference between carrying value and tax base of Depreciable assets	17,21,589	17,04,449
	Total Deferred Tax Liabilities (B)	17,21,589	17,04,449
	Total (A - B)	(8,21,640)	15,61,065

Reconciliation of Deferred Tax Assets / Liabilities (Net):

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	15,61,065	5,95,518
Tax Income/(Expense) during the period recognised in Profit or Loss	(23,35,548)	3,122
Tax Income/(Expense) during the period recognised in Other Comprehensive Income	(47,157)	(9,793)
Tax Income/(Expense) during the period recognised directly in Other Equity	-	9,72,218
Closing balance	(8,21,640)	15,61,065

Movements in DTA:

Particulars	Leave Encashment	Gratuity	Deferred Govt. Grant	Carry forward Loss	Unabsorbed Dep.	Others*	Total
At 1st April, 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)	11,03,586	85,191
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	20,75,804	32,65,514
(Charged)/Credited:							
to Profit or Loss	19,193	62,073	(46,438)	-	(5,16,610)	(18,36,626)	(23,18,408)
to Retained Earning	-	-	-	-	-	-	-
to Other Comprehensive Income	(8,025)	(39,132)	-	-	-	-	(47,157)
At 31st March, 2021	49,031	1,73,209	4,38,531	-	-	2,39,178	8,99,949

* Includes effect of Ind AS 116

Movements in DTL:

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting
At 1st April, 2019	16,22,380
(Charged)/Credited:	
to Profit or Loss	(82,069)
to Other Comprehensive Income directly to Equity	-
At 31st March, 2020	17,04,449
(Charged)/Credited:	
to Profit or Loss	(17,140)
to Other Comprehensive Income directly to Equity	-
At 31st March, 2021	17,21,589



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2021

Note - 7. OTHER NON-CURRENT ASSETS

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a. Advance Rentals - Security Deposits	81,016	1,22,247
	b. Other Security Deposits	20,000	20,000
	Total	1,01,016	1,42,247

Note - 8. INVENTORIES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	As taken, valued & certified by the Management At Lower of Cost and Net Realisable Value		
1	Raw Materials	85,53,881	62,58,982
2	Work-in-Progress	16,69,690	9,45,749
3	Finished Goods	12,73,144	13,74,748
4	Stock-in-trade	57,850	57,850
5	Stores and Spares	4,01,540	9,98,802
	Total	1,19,56,105	96,36,131

8.1 Inventories lying at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat were hypothecated with YES Bank Ltd. against term loan availed which was pre paid in full on 27th March, 2021

Note - 9. TRADE RECEIVABLES - CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Trade Receivables considered good - Secured	-	-
2	Trade Receivables considered good - Unsecured *	1,56,16,428	86,80,457
3	Trade Receivables which have significant increase in credit risk	-	-
4	Trade Receivables - credit impaired	-	-
	Sub total	1,56,16,428	86,80,457
	Less: Allowance for expected credit losses	-	-
	Total	1,56,16,428	86,80,457

9.1 Debts due from Cera Sanitaryware Ltd. Rs. 78,80,168/- (31.03.2020: Rs. 69,11,443/-)

The LLP is a subsidiary of Cera Sanitaryware Ltd.

9.2 Trade Receivables were hypothecated with YES Bank Ltd. against term loan availed which was pre paid in full on 27th March, 2021.

9.3 Refer to Note No. 32 for dues from Related Parties.



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Notes to Financial Statements as at 31st March, 2021

Note - 10. CASH & CASH EQUIVALENTS

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Balances with banks in current accounts	22,66,562	13,50,908
2	Cash on hand	50,777	38,458
	Total	23,17,339	13,89,366

Note - 11. OTHER FINANCIAL ASSETS: CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Interest receivable on Security Deposits	26,544	36,101
2	Other Advances		
	(i) TDS and TCS Receivable	18,132	30,292
	(ii) Government Grant Receivable (Interest Subsidy)	1,17,634	5,77,118
	Total	1,62,310	6,43,511

Note - 12. OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Advances other than Capital Advances		
	(i) Prepaid Expenses	20,159	13,020
	(ii) Balances with Tax Authorities (GST)	27,03,491	2,71,664
	(iii) Advance Lease Rentals	29,758	24,223
	Total	27,53,408	3,08,907

Note - 13. CONTRIBUTIONS

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	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, 2021

Note - 14. OTHER EQUITY

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Retained Earnings		
	Balance as per last financial year	(4,48,207)	(15,13,597)
	Transition impact of Ind AS 116 (net of Tax)	-	(21,43,866)
	Add: Profit / (Loss) for the year	43,64,383	32,09,256
	Less: Distribution of Profit to Partners	(10,00,000)	-
		29,16,176	(4,48,207)
2	Other Comprehensive Income		
(a)	Remeasurements of Defined Benefit Plans		
	Balance as per last financial year	94,028	72,432
	Adjustments during the year		
	Add: Actuarial Gain on Remeasurement of Defined Benefit Plans	1,51,144	31,389
	Less: Deferred Tax on Remeasurement of Defined Benefit Plans	(47,157)	(9,793)
		1,98,015	94,028
	Total	31,14,191	(3,54,179)

Note - 15. BORROWINGS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Non-Current Borrowings		
	Term Loans (Secured)		
	From YES Bank Ltd.	-	11,66,667
	Total	-	11,66,667

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.
Rate of interest @ 9.75% p.a.
Term Loan is pre paid in full on 27th March, 2021.

Note - 16. PROVISIONS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Non-Current Provisions		
	Provision for Employee Benefits		
(a)	Provision for Leave Encashment	1,48,220	1,14,243
(b)	Provision for Gratuity	5,53,859	4,80,410
	Total	7,02,079	5,94,653



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Notes to Financial Statements as at 31st March, 2021

Note - 17 OTHER NON - CURRENT LIABILITIES

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Deferred Govt. Grant (Capital Subsidy)	12,56,709	14,05,549
	Total	12,56,709	14,05,549

Note - 18. TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Dues of Micro Enterprises & Small Enterprises (Refer to Note No. 34)	28,48,232	9,96,748
2	Dues of Creditors Other than Micro Enterprises & Small Enterprises	1,77,15,601	94,20,474
	Total	2,05,63,833	1,04,17,222

Note - 19. OTHER FINANCIAL LIABILITIES: CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Other Current Financial Liabilities		
1	Current maturity of Long Term Debt	-	35,00,000
2	Salary Payable to staff	5,13,529	21,627
3	Provision for Provident Fund Payable	91,855	1,04,107
4	Provision for ESIC	17,334	20,944
3	Expenses Payable	9,73,256	1,97,163
	Total	15,95,974	38,43,841

Note - 20. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Other		
	(a) Statutory dues	69,201	82,184
	(b) Deferred Govt. Grant (Capital Subsidy)	1,48,840	1,48,840
	Total	2,18,041	2,31,024



Packcart Packaging LLP

Notes to Financial Statements as at 31st March, 2021

Note - 21. PROVISIONS: CURRENT

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Provision for Employee Benefits		
(a)	Provision for Exgratia	2,77,062	3,16,723
(b)	Provision for Leave Encashment	8,930	7,113
(c)	Provision for Gratuity	1,297	1,217
	Total	2,87,289	3,25,053

Note - 22. CURRENT TAX LIABILITIES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Provision for Current Tax		
	Provision for tax (Net of Advance tax & TDS of Rs.30,775/-)	10,18,091	-
	Total	10,18,091	-



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2021

Note - 23. REVENUE FROM OPERATIONS

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
	Revenue from Operations		
	(a) Sale of products		
	(i) Domestic Sales	9,98,40,069	9,43,24,859
	Total	9,98,40,069	9,43,24,859

23.1 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,2021	Year ended 31st March,2020
Product Type		
Goods (Corrugated Boxes)	9,98,40,069	9,43,24,859
Total	9,98,40,069	9,43,24,859
Contract Counterparties		
Business to Business	9,98,40,069	9,43,24,859
Total	9,98,40,069	9,43,24,859
Timing of Transfer of Goods and Services		
Point in time	9,98,40,069	9,43,24,859
Total	9,98,40,069	9,43,24,859

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

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

Note - 24. OTHER INCOME

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
(a) Interest Income:			
	(i) Interest Income On Security Deposit-Ind As	25,257	20,250
	(ii) Interest Income On Security Deposit	28,696	40,112
	(iii) Interest Income On IT Refund	480	-
(b) Other Non-Operating Income:			
	(i) Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	1,96,442	13,501
	(ii) Interest Subsidy	2,36,297	4,74,115
	(iii) Deferred Income on Capital Subsidy	1,48,840	1,48,840
	(iv) Gain on Termination of Lease	35,37,133	-
	Total	41,73,145	6,96,818

Note - 25. COST OF MATERIALS CONSUMED

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
	Opening Stock	62,58,982	28,19,391
Add:	Purchases	6,39,16,003	5,87,46,781
Less:	Closing Stock	85,53,881	62,58,982
	Total	6,16,21,104	5,53,07,190



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2021

Note - 26. Purchase of Stock in Trade (Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
	Purchases	9,11,504	36,26,001
	Total	9,11,504	36,26,001

Note - 27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
Inventories at the end of the year:			
	Finished Goods	12,73,144	13,74,748
	Work in Progress	16,69,690	9,45,749
	Stock in Trade	57,850	57,850
	Total	30,00,684	23,78,347
Inventories at the beginning 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
	Total	(6,22,337)	2,62,463

Note - 28. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
1	Salaries and Wages	1,01,69,264	1,02,69,151
2	Contribution to Provident and other Funds * (Net of Employer's Contribution to PF under PMRPY and PMGKY Scheme of Central Govt. of India)	5,48,808	8,62,733
3	Staff Welfare Expenses	60,197	1,16,590
	Total	1,07,78,269	1,12,48,474

* 1) 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.46,868/- (PY Rs. 2,17,891/-) during the year towards Employer's Contribution to PF.

2) The Central Govt. of India has introduced Pradhan Mantri Garib Kalyan Yojna (PMGKY) to incentivize eligible employees, under which the Govt. will pay the full employer's contribution (both EPF and EPS) effective from 01-04-2020 for a period of five months. Accordingly, the LLP has less paid Rs.2,26,891/- during the year.

Note - 29. FINANCE COSTS

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
Interest Costs			
(a)	Interest on Term Loans	2,86,632	6,42,260
(b)	Interest on TDS / Income Tax	63,891	-
(c)	Interest on Lease	10,82,492	16,42,661
	Total	14,33,015	22,84,921



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2021

Note - 30. OTHER EXPENSES

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
	Consumption of Stores		
	Opening Stock	9,98,802	5,25,250
	Add: Purchases	45,95,975	63,91,574
	sub total	55,94,777	69,16,824
	Less : Closing Stock	4,01,540	9,98,802
		51,93,237	59,18,022
	Power and Fuel (Net)	15,61,135	16,44,040
	Repairs and Maintenance		
	- To Buildings	3,160	43,083
	- To Plant and Machineries	6,44,790	3,85,123
	- To Other Assets	3,460	27,172
	Cleaning Charges	27,828	26,918
	Insurance Premium Expenses	76,187	59,949
	Printing and Lamination Expenses	83,21,366	47,80,121
	Freight Outward, Coolies and Cartages	4,82,901	9,34,200
	Rates and Taxes	2,400	2,400
	Payments to Auditors		
	- Statutory Audit fees	55,000	55,000
	- Tax Audit Fees	16,500	16,500
	- For Other Services	19,750	19,750
	Legal and Professional Consultancy Fees	87,785	82,092
	Retainership Expense	12,13,000	12,00,000
	Bank Charges	184	295
	Printing and Stationery Expenses	22,242	23,150
	Computer Expenses	3,540	3,890
	Vehicle Repairs and Maintenance	18,764	12,350
	Vehicle Expenses (Petrol and Diesel)	81,500	70,020
	Conveyance Expenses	21,240	20,431
	License Fees	12,600	-
	Office Expenses	2,060	6,041
	Garden Expenses	32,400	35,538
	Amortisation of Prepaid Rentals	4,599	24,223
	Miscellaneous Expenses	3,80,406	2,40,487
	Total	1,82,88,034	1,56,30,795



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 20:

Note - 31. CURRENT TAX

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
	Current Tax	10,48,866	-
	Total	10,48,866	-

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,2021	Year ended 31st March,2020
Accounting Profit before Income Tax	77,48,797	32,06,134
India's Statutory Income Tax Rate @ 31.2%	24,17,625	10,00,314
Non-Deductible Expenses for Tax purposes	16,43,749	16,86,998
Deductible Expenses for Tax purposes	(13,18,408)	(15,41,391)
Income not chargeable for Tax purpose	(11,57,904)	(52,756)
Utilisation of Tax Losses	(5,36,196)	(10,93,165)
Others	23,35,548	(3,122)
Income Tax expense reported in the Statement of Profit and Loss	33,84,414	(3,122)



Packcart Packaging LLP

Notes to Financial Statements for the year ended 31st March, 2021

Note - 32. RELATED PARTY DISCLOSURES

32.1 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
2	Goodluck Carriers LLP	Significant influence exercised by KMP

32.2 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, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
		1	Revenue from Operations	-	-	6,81,90,257	7,88,16,427
2	Purchase of Goods	-	-	12,781	13,236	-	-
3	Share of Profit Paid	4,90,000	-	5,10,000	-	-	-
	GRAND TOTAL	4,90,000	-	6,87,13,038	7,88,29,663	2,65,88,975	1,45,83,023

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

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Trade Receivables		
	Cera Sanitaryware Ltd. (Parent Company)	78,80,168	69,11,443
	Race Polymer Arts LLP	62,41,570	11,39,789
	Total	1,41,21,738	80,51,232

32.4 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, 2021	Year ended 31st March, 2020
1	Revenue from Operations	Cera Sanitaryware Ltd.	6,81,90,257	7,88,16,427
2	Revenue from Operations	Race Polymer Arts LLP	2,65,88,975	1,45,83,023

32.5 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, 2021

Note-33.

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 01-04-2020	Provided during the year	Paid/Adjusted During the year	Balance as on 31-03-2021
Non-current provisions				
Accumulated leaves	1,14,243	33,977	-	1,48,220
Gratuity	4,80,410	73,449	-	5,53,859
Total	5,94,653	1,07,426	-	7,02,079
Current provisions				
Accumulated leaves	7,113	1,817	-	8,930
Gratuity	1,217	80	-	1,297
Exgratia	3,16,723	2,83,062	3,22,723	2,77,062
Total	3,25,053	2,84,959	3,22,723	2,87,289
Grand total	9,19,706	3,92,385	3,22,723	9,89,368

Note-34. 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,2021	31 March,2020
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	28,48,232	9,96,748
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, 2021

Note-35. COMMITMENTS AND CONTINGENCIES

(a) Leases

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).

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.

Changes in the carrying value of right-of-use assets.		(Amt. in Rs.)
Particulars	Buildings	
Balance as at 1st April, 2019	1,37,31,722	
Depreciation	(19,28,387)	
Balance as at 1st April, 2020	1,18,03,335	
Additions during the year	1,11,02,478	
Terminations during the year	(1,18,03,335)	
Depreciation	(23,79,102)	
Closing Balance as at 31st March, 2021	87,23,376	

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

Movement in Lease Liabilities			(Amt. in Rs.)
Particulars	Buildings		
	2020-21	2019-20	
Opening Balance	1,53,40,468	1,68,47,807	
Finance cost accrued during the year	10,82,492	16,42,661	
Additions during the year	1,11,02,478	-	
Terminations during the year	(1,53,40,468)	-	
Payment of lease liabilities	(26,95,000)	(31,50,000)	
Closing Balance as at 31st March, 2021	94,89,970	1,53,40,468	

Break-up of current and non-current lease liabilities.			(Amt. in Rs.)
Particulars	Buildings		
	2020-21	2019-20	
Non-current lease liabilities	73,28,242	1,35,48,139	
Current lease liabilities	21,61,728	17,92,329	
Total	94,89,970	1,53,40,468	

Contractual maturities of lease liabilities on discounted basis.

Contractual maturities of lease liabilities on discounted basis.			(Amt. in Rs.)
Particulars	31st March, 2021	31st March, 2020	
Not later than one year	21,61,728	17,92,329	
Later than one year but not later than five years	73,28,242	98,59,349	
Later than five years	-	36,88,790	
Total	94,89,970	1,53,40,468	

Contingent Liabilities			(Amt. in Rs.)
Particulars	31st March, 2021	31st March, 2020	
Claims against the LLP not acknowledged as debt	48,000	48,000	



Note-36.

During the year LLP has received Interest Subsidy of Rs. 6,95,781/- (Previous Year Rs. 3,58,079/-) against subsidy receivable as at 31.03.2020 of Rs. 5,77,117/- and Rs 1,18,663/- in respect of FY 2020-21 under the State Government Scheme for MSME. The LLP has also accounted for Interest Subsidy receivable of Rs. 1,17,634/- for FY 2020-21. 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-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 : 28th May,2021



For and on behalf of Packcart Packaging LLP,



Mrs. Kinjal Bhatt



Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 28th May,2021

