

RACE POLYMER ARTS LLP

**ANNUAL REPORT
F.Y. 2020-21**

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
RACE POLYMER ARTS LLP

Opinion

We have audited the accompanying Ind AS financial statements of **RACE POLYMER ARTS 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



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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.

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 9th May, 2018 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: 21016992AAAAAW5273

Place: Ahmedabad

Date: 28th May, 2021

Race Polymer Arts 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	13,13,09,239	-	13,13,09,239	11,74,11,840	-	11,74,11,840
(b) Capital Work-in-Progress	4	73,44,765	-	73,44,765	-	-	-
(c) Financial Assets							
(i) Other Financial Assets	5	16,38,587	-	16,38,587	16,38,587	-	16,38,587
(d) Other Non-Current Assets	6	43,59,661	-	43,59,661	30,54,457	-	30,54,457
(2) Current Assets							
(a) Inventories	7	4,48,75,194	-	4,48,75,194	2,65,61,135	-	2,65,61,135
(b) Financial Assets							
(i) Trade Receivables	8	5,78,97,024	-	5,78,97,024	4,43,98,051	-	4,43,98,051
(ii) Cash and Cash Equivalents	9	2,87,086	-	2,87,086	1,74,696	-	1,74,696
(iii) Other Financial Assets	10	1,08,875	-	1,08,875	9,69,992	-	9,69,992
(c) Other Current Assets	11	25,26,173	-	25,26,173	89,72,212	-	89,72,212
Total Assets		25,03,46,604	-	25,03,46,604	20,31,80,970	-	20,31,80,970
CONTRIBUTIONS AND LIABILITIES							
PARTNERS' FUNDS							
(a) Contributions	12	7,24,48,980	-	7,24,48,980	7,24,48,980	-	7,24,48,980
(b) Other Equity	13	3,16,06,124	-	3,16,06,124	53,93,967	-	53,93,967
LIABILITIES							
(1) Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	7,00,74,186	-	7,00,74,186	8,14,37,353	-	8,14,37,353
(ii) Other Financial Liabilities	15	1,40,51,020	-	1,40,51,020	1,40,51,020	-	1,40,51,020
(b) Provisions	16	1,12,926	-	1,12,926	98,217	-	98,217
(c) Deferred Tax Liabilities (Net)	17	95,96,931	-	95,96,931	24,84,666	-	24,84,666
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Borrowing	18	-	-	-	23,77,595	-	23,77,595
(ii) Trade Payables	19	-	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises		1,71,86,329	-	1,71,86,329	39,55,320	-	39,55,320
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,19,74,172	-	1,19,74,172	46,47,196	-	46,47,196
		2,91,60,501	-	2,91,60,501	86,02,516	-	86,02,516
(iii) Other Financial Liabilities	20	1,55,14,068	-	1,55,14,068	1,61,72,716	-	1,61,72,716
(b) Other Current Liabilities	21	1,43,321	-	1,43,321	51,698	-	51,698
(c) Provisions	22	74,016	-	74,016	62,242	-	62,242
(d) Current Tax Liabilities (Net)	23	75,64,531	-	75,64,531	-	-	-
Total Contribution and Liabilities		25,03,46,604	-	25,03,46,604	20,31,80,970	-	20,31,80,970

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)

[Signature]

[N.M. NAGRI]

Proprietor

Membership No. 016992

PLACE : Ahmedabad

DATE : 28th May, 2021



For and on behalf of Race Polymer Arts LLP,

[Signature]

Mr. Ashish Sharadkumar Nemani.

Nominee of

SHREEYAM CERAMICS LLP

(Formerly known as Nemani Mould Plast LLP)

[Signature]

Mr. Prem Chand Surana

Nominee of

CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 28th May, 2021



Race Polymer Arts 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	24	26,30,37,203	-	26,30,37,203	15,40,85,720	-	15,40,85,720
II	Other Income	25	68,88,722	-	68,88,722	1,91,018	-	1,91,018
III	Total Income		26,99,25,925	-	26,99,25,925	15,42,76,738	-	15,42,76,738
IV	Expenses							
	Cost of Materials Consumed	26	15,54,04,438	-	15,54,04,438	11,30,81,047	-	11,30,81,047
	Changes in Inventories of Finished goods and Work -in- Progress	27	(11,52,265)	-	(11,52,265)	(1,85,00,352)	-	(1,85,00,352)
	Employee Benefits Expense	28	1,20,12,320	-	1,20,12,320	92,90,842	-	92,90,842
	Finance Costs	29	1,13,82,135	-	1,13,82,135	98,12,052	-	98,12,052
	Depreciation and Amortisation Expense	4	1,22,36,225	-	1,22,36,225	78,16,474	-	78,16,474
	Other Expenses	30	3,90,68,721	-	3,90,68,721	2,46,35,779	-	2,46,35,779
	Total Expenses		22,89,51,574	-	22,89,51,574	14,61,35,842	-	14,61,35,842
V	Profit / (Loss) before Tax		4,09,74,351	-	4,09,74,351	81,40,896	-	81,40,896
VI	Tax Expense :							
	(1) Current Tax	31	76,49,929	-	76,49,929	-	-	-
	(2) Deferred Tax	17	71,12,265	-	71,12,265	25,60,742	-	25,60,742
VII	Profit / (Loss) for the period		2,62,12,157	-	2,62,12,157	55,80,154	-	55,80,154
VIII	Other Comprehensive Income							
	(i) Items that will not be reclassified to profit or loss		-	-	-	-	-	-
	Remeasurements of the defined benefit plan		-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-	-	-
	Total Other Comprehensive Income for the period (Net of Tax)		-	-	-	-	-	-
IX	Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		2,62,12,157	-	2,62,12,157	55,80,154	-	55,80,154

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 Race Polymer Arts LLP,

Mr. Ashish Bharadkumar Nemani.
Nominee of
SHREEYAM CERAMICS LLP
(Formerly known as
Nemani Mould Plast LLP)

PLACE : Ahmedabad
DATE : 28th May, 2021



Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD.



Race Polymer Arts LLP

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

Sr. No.	Particulars	(Amt. in Rs.)	
		Year ended 31st March, 2021	Year ended 31st March, 2020
A.	Cash Flow from Operating Activities		
	Net Profit Before Tax	4,09,74,351	81,40,896
	Adjusted for:		
	Depreciation	1,22,36,225	78,16,474
	Finance Cost	1,13,82,135	98,12,052
	Power Subsidy Receivable	-	(8,63,484)
	Profit on Sale of Fixed Asset	(14,463)	-
	Provision for Gratuity	29,410	37,212
	Petty Balance Written off	(1,957)	-
	Interest Income	(1,09,138)	(1,06,508)
	Sub Total	2,35,22,212	1,66,95,746
	Operating Profit before Working Capital Change	6,44,96,563	2,48,36,642
	Adjustment for Change in Working Capital		
	(Increase)/Decrease in Inventories	(1,83,14,059)	(2,32,16,288)
	(Increase)/Decrease in Trade Receivables	(1,34,98,973)	(4,43,98,051)
	(Increase)/Decrease in Other Financial Assets	9,70,255	1,14,333
	(Increase)/Decrease in Other Assets	51,40,835	(24,85,405)
	Increase/(Decrease) in Trade Payable	2,05,57,985	(1,02,90,310)
	Increase/(Decrease) in Other Financial Liabilities	17,18,455	30,058
	Increase/(Decrease) in Provisions	(2,927)	1,13,248
	Increase/(Decrease) in Other Current Liabilities	91,623	(78,00,774)
	Sub Total	(33,36,806)	(8,79,33,189)
	Cash Generation from Operations	6,11,59,757	(6,30,96,547)
	Less: Direct Taxes Paid	85,398	-
	Net Cash from Operating Activities (Total A)	6,10,74,359	(6,30,96,547)
B	Cash Flow From Investing Activities		
	Payment for purchase of Property, Plant and equipments	(3,39,33,694)	(2,88,11,381)
	Proceeds from sale of Property, Plant and equipments	4,69,768	-
	Net Cash Used in Investing Activities (Total B)	(3,34,63,926)	(2,88,11,381)
C	Cash Flow from Financing Activities		
	Payments for Long Term Borrowing	(1,37,38,313)	9,74,37,353
	Payments for Short Term Borrowing	(23,77,595)	23,77,595
	Finance Cost	(1,13,82,135)	(98,12,052)
	Net Cash Used in Financing Activities (Total C)	(2,74,98,043)	9,00,02,896
	Changes in Cash & cash equivalents (A+B+C)	1,12,390	(19,05,032)
	Opening Balance Cash and Cash Equivalents	1,74,696	20,79,728
	Closing Balance Cash and Cash Equivalents	2,87,086	1,74,696

Notes to Cash Flow Statement

- Components of cash and cash equivalents
Balances with banks 2,74,229 1,56,807
Cash on hand 12,857 17,889
Cash and cash equivalents considered in Cash Flow Statement 2,87,086 1,74,696
- 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 changes		Non-cash changes	Outstanding as at 31st March, 2021
		Receipts	Payments		
Term Loan from Union Bank of India	9,74,37,353	-	(9,74,37,353)	-	-
Term Loan from HDFC Bank	-	8,58,76,906	(21,77,866)	-	8,36,99,040
Cash Credit from Union Bank of India	23,77,595	-	(23,77,595)	-	-
Total liabilities arising from financing activities:	9,98,14,948	8,58,76,906	(10,19,92,814)	-	8,36,99,040

As per our report of even date attached.

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

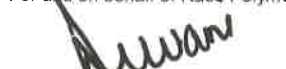


[N.M. NAGRI]
Proprietor
Membership No. 016992


PLACE : Ahmedabad
DATE : 28th May, 2021



For and on behalf of Race Polymer Arts LLP,


Mr. Ashish Sharadkumar Nemani
Nominee of
SHREEYAM CERAMICS LLP
(Formerly known as
Nemani Mould Plast LLP)

PLACE : Ahmedabad
DATE : 28th May, 2021


Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD.



RACE POLYMER ARTS LLP

Significant Accounting Policies & Practices

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

1) LLP Profile:

(a) **RACE POLYMER ARTS LLP** (hereinafter referred to as the LLP) (LLP Identification No. AAM-5483) was incorporated under the Limited Liability Partnership Act, 2008 by obtaining the Certificate of Incorporation dated 3rd May 2018 issued by the Ministry of Corporate Affairs, Registrar, Ahmedabad. The Registered Office of the LLP is situated at Survey no. 949, 77, 81 Village – Mitha Gamanpura, Palaj Road, Mehsana – Bhecharaji Highway, Dist. – Mehsana, Gujarat, 384410, India. The LLP is engaged in the business of manufacturing of plastic products and / or other products related to the business activities of seat-cover, cistern, fitting etc. The LLP commenced its commercial production on and from 30th April, 2019.

(b) The LLP Agreement U/s 23(4) of LLP Act, 2008 was executed at Balol, District Mehsana on 09th May 2018 between **Cera Sanitaryware Limited** (represented through its nominee Mr. Prem Chand Surana) and **Nemani Mould Plast LLP** (now known as Shreeyam Ceramics LLP) (represented through its nominee Mr. Ashish Sharadkumar Nemani) whereby Cera Sanitaryware Limited (CSL) became a partner of the LLP on 09th May 2018 having 51% share in capital contribution and profit/loss sharing ratio. Thus the LLP became the subsidiary of CSL w.e.f. 09th May 2018. Both the nominees are designated partners of the LLP.

Subsequently, the partners executed Addendum to the LLP Agreement on 13th November, 2018 for increasing the capital contributions of partners from Rs. 1 Lakh to Rs. 10 Crore in order to fulfil the funds requirements of the LLP. Further, the partners also executed Addendum to the LLP Agreement on 15th January, 2020 to give effect of the change of name of Nemani Mould Plast LLP to Shreeyam Ceramics LLP with effect from 27th November, 2019.

2) Basis of Preparation of Financial Statements:

2.1 Statement of Compliance with Ind AS:

The LLP w.e.f. 09th May 2018 has become the partially owned subsidiary of Cera Sanitaryware Ltd., whose financial statements are prepared in accordance with the 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 certain financial assets and liabilities which are 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, except freehold land which is carried at historical cost.

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 freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery, electric plant and installation and Dies and moulds 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 except Dies and Moulds where useful life has been taken based on external/internal technical evaluation as under:

Particulars	Useful Life
Dies and Moulds	3 years

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.

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 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 the subsequent periods. So 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.

3.11 Taxes on Income

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

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.

Deferred Tax

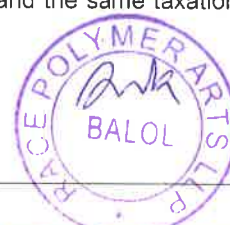
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.



3.12 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.

3.13 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.

3.14 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

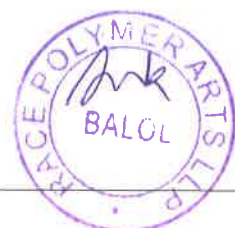
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal 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.

3.15 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.



Race Polymer Arts 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	Freehold Land	Buildings	Plant and Equipments	Electrical Installations	Dies and Moulds	Lab Equipments	Furniture and Fixtures	Office Equipments	Computers	Vehicle	Total
1	Cost of Assets											
	As at 1st April, 2019	1,35,44,386	-	-	-	-	-	-	-	-	-	1,35,44,386
	Addition/ Transfers	2,58,055	4,07,16,814	4,63,68,246	89,89,237	1,41,90,800	1,04,439	3,03,682	53,829	86,826	6,12,000	11,16,83,928
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-	-
	As at 31st March, 2020	1,38,02,441	4,07,16,814	4,63,68,246	89,89,237	1,41,90,800	1,04,439	3,03,682	53,829	86,826	6,12,000	12,52,28,314
	Addition/ Transfers	-	-	1,86,91,150	6,000	78,52,500	19,999	10,030	-	9,250	-	2,65,88,929
	Disposal / Adjustments	-	-	4,80,733	-	-	-	-	-	-	-	4,80,733
	As at 31st March, 2021	1,38,02,441	4,07,16,814	6,45,78,663	89,95,237	2,20,43,300	1,24,438	3,13,712	53,829	96,076	6,12,000	15,13,36,510
2	Depreciation / Amortisation											
	As at 1st April, 2019	-	-	-	-	-	-	-	-	-	-	-
	Charge for the year	-	32,60,592	14,07,687	7,83,455	20,88,215	5,999	65,672	22,338	50,398	1,32,118	78,16,474
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-	-
	As at 31st March, 2020	-	32,60,592	14,07,687	7,83,455	20,88,215	5,999	65,672	22,338	50,398	1,32,118	78,16,474
	Charge for the year	-	35,58,340	19,09,950	8,54,086	56,50,571	10,902	62,267	14,193	26,049	1,49,867	1,22,36,225
	Disposal / Adjustments	-	-	25,428	-	-	-	-	-	-	-	25,428
	As at 31st March, 2021	-	68,18,932	32,92,209	16,37,541	77,38,786	16,901	1,27,939	36,531	76,447	2,81,985	2,00,27,271
3	Net Block											
	As at 31st March, 2020	1,38,02,441	3,74,56,222	4,49,60,559	82,05,782	1,21,02,585	98,440	2,38,010	31,491	36,428	4,79,882	11,74,11,840
	As at 31st March, 2021	1,38,02,441	3,38,97,882	6,12,86,454	73,57,696	1,43,04,514	1,07,537	1,85,773	17,298	19,629	5,30,015	13,13,09,239

(b) Capital work-in-progress

As at 1st April, 2019	-	3,56,19,534	3,58,05,042	87,03,006	23,63,800	42,580	2,52,510	39,329	46,746	-	8,28,72,547
Addition for the year	-	-	-	-	-	-	-	-	-	-	-
Transfer to Fixed Assets/Adjustment	-	3,56,19,534	3,58,05,042	87,03,006	23,63,800	42,580	2,52,510	39,329	46,746	-	8,28,72,547
As at 31st March, 2020	-	-	-	-	-	-	-	-	-	-	-
Addition for the year	-	73,44,765	-	-	-	-	-	-	-	-	73,44,765
Transfer to Fixed Assets/Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2021	-	73,44,765	-	-	-	-	-	-	-	-	73,44,765

Notes:

- Factory Land & Building at Survey no. 949, 77 and 81, Mauje Gamanpura & Mitha, Village - Balol, Mehsana- Becharaji Road, Dist. Mehsana - 384410 Gujarat is mortgaged (EM) with HDFC Bank Ltd. (Previous year Union Bank of India) against term loan availed.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant and Equipment is Rs.1,07,99,439/- as on 31st March, 2021 and Rs.41,09,393/- as on 31st March, 2020.



Race Polymer Arts LLP

Notes to Financial Statements As at 31st March, 2021

Note - 5. OTHER FINANCIAL ASSETS: NON - CURRENT

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Security Deposits (UGVCL) - Unsecured, Considered Good	16,38,587	16,38,587
	Total	16,38,587	16,38,587

Note -6 OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Capital Advances	43,59,661	30,54,457
	Total	43,59,661	30,54,457

Note - 7. 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	2,15,61,431	64,73,743
2	Work-in-Progress	70,66,964	33,14,146
3	Finished Goods	1,25,85,653	1,51,86,206
4	Stores and Spares	36,61,146	15,87,040
	Total	4,48,75,194	2,65,61,135

7.1 Inventories are hypothecated to secure working capital and term loan facilities from HDFC Bank Ltd. (previous year Union Bank of India for working capital facility)

Note -8 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 *	5,78,97,024	4,43,98,051
3	Trade Receivables which have significant increase in credit risk	-	-
4	Trade Receivables - credit impaired	-	-
	Sub total	5,78,97,024	4,43,98,051
	Less: Allowance for expected credit losses	-	-
	Total	5,78,97,024	4,43,98,051

8.1 *Debts due by Cera Sanitaryware Ltd. Rs. 5,64,29,471/- (31.03.2020: Rs. 4,14,18,502/-)
The LLP is treated as subsidiary of Cera Sanitaryware Ltd.

8.2 Trade Receivables are hypothecated to secure working capital and term loan facilities from HDFC Bank Ltd. (previous year Union Bank of India for working capital facility)

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

Note - 9. CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Balances with banks in current accounts	2,74,229	1,56,807
2	Cash on hand	12,857	17,889
	Total	2,87,086	1,74,696

Note - 10 OTHER FINANCIAL ASSETS: CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Interest receivable on Security Deposits	98,224	95,857
2	Other Advances		
	(i) TDS and TCS Receivable	10,651	10,651
	(ii) Government Grant Receivable (Power Subsidy)	-	8,63,484
	Total	1,08,875	9,69,992

Note - 11 OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Advances other than Capital Advances		
	(i) Prepaid Expenses	72,670	36,991
	(ii) Balances with Tax Authorities (GST)	24,53,503	89,35,221
	Total	25,26,173	89,72,212



Race Polymer Arts LLP

Notes to Financial Statements As at 31st March, 2021

Note - 12. CONTRIBUTIONS

(Amt. in Rs.)

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 Additions During the year Total	 3,69,48,980 - 3,69,48,980	 3,69,48,980 - 3,69,48,980
2	Shreeyam Ceramics LLP (Formerly known as Nemani Mould Plast LLP) (Nominee Shri Ashish Sharadkumar Nemani is a Designated Partner) (Share in Profit / Loss 49%) Opening Balance Additions During the year Total	 3,55,00,000 - 3,55,00,000	 3,55,00,000 - 3,55,00,000
	Total	7,24,48,980	7,24,48,980

Note - 13. OTHER EQUITY

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Retained Earnings Opening Balance Profit / (Loss) for the period Total	 53,93,967 2,62,12,157 3,16,06,124	 (1,86,187) 55,80,154 53,93,967
2	Other Comprehensive Income Total	 3,16,06,124	 53,93,967

Note - 14. BORROWINGS - NON - CURRENT

Sr.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Non-Current Borrowings		
	Term Loans (Secured)		
	From Union Bank of India	-	8,14,37,353
	From HDFC Bank Ltd.	7,00,74,186	-
	Total	7,00,74,186	8,14,37,353

- 14.1 Term loans from Union Bank of India have been transferred to HDFC Bank Limited on 13-January-2021. Term loans are secured by equitable mortgage (EM) of lands at revenue survey no. 949, 77 and 81 together with factory buildings constructed thereon at Mauje Gamanpura & Miha, Village - Balol, Mehsana- Becharaji Road, Dist. Mehasana - 384410 Gujarat and also secured by hypothecation of Inventories and Book Debts. Also Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP), Shri Ashish Sharadkumar Nemani have given personal / corporate gurantee in favour of HDFC Bank Ltd.
- 14.2 Term loans are repayable in 65 equal monthly installments of Rs. 15.97 Lakhs (Principle and Interest) beginning from February,2021 to June,2026.
- 14.3 Rate of interest @ 7.15% p.a. (Floating Rate)

Note - 15. OTHER FINANCIAL LIABILITIES - NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Advance Contribution from Cera Sanitaryware Ltd. (Holding Company)	1,40,51,020	1,40,51,020
	Total	1,40,51,020	1,40,51,020

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	46,614	61,005
	(b) Provision for Gratuity	66,312	37,212
	Total	1,12,926	98,217



Race Polymer Arts LLP

Notes to Financial Statements As at 31st March, 2021

Note - 17 DEFERRED TAX LIABILITIES (NET)

		(Aml. in Rs.)	
Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Deferred Tax Liabilities (Arising on account of timing difference)		
	(a) Assets: Impact of difference between carrying value and tax base of Depreciable assets	96,62,255	60,33,009
	Total Deferred Tax Liabilities (A)	96,62,255	60,33,009
2	Deferred Tax Assets (Arising on account of timing difference)		
	(a) Provision for Leave Encashment	25,148	19,034
	(b) Provision for Gratuity	23,280	11,610
	(c) Provision for Bonus	16,896	-
	(d) Carry forward loss in Income tax	-	73,864
	(e) Unabsorbed Depreciation in Income tax	-	34,43,835
	Total Deferred Tax Assets (B)	65,324	35,48,343
	Total (A - B)	95,96,931	24,84,666

Reconciliation of Deferred Tax Assets / Liabilities (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	24,84,666	(76,076)
Tax Income/(Expense) during the period recognised in Profit or Loss	71,12,265	25,60,742
Tax Income/(Expense) during the period recognised in Other Comprehensive Income	-	-
Tax Income/(Expense) during the period recognised directly in Other Equity	-	-
Closing balance	95,96,931	24,84,666

Movements in DTA:

Particulars	Leave Encashment	Gratuity	Carry forward Loss	Bonus	Unabsorbed Dep.	Total
At 1st April, 2019	-	-	76,076	-	-	76,076
(Charged)/Credited: to Profit or Loss	19,034	11,610	(2,212)	-	34,43,835	34,72,267
to Other Comprehensive Income	-	-	-	-	-	-
At 31st March, 2020	19,034	11,610	73,864	-	34,43,835	35,48,343
(Charged)/Credited: to Profit or Loss	6,114	11,670	(73,864)	16,896	(34,43,835)	(34,83,019)
to Other Comprehensive Income	-	-	-	-	-	-
At 31st March, 2021	25,148	23,280	-	16,896	-	65,324

Movements in DTL:

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting
At 1st April, 2019	-
(Charged)/Credited: to Profit or Loss	60,33,009
to Other Comprehensive Income directly to Equity	-
At 31st March, 2020	60,33,009
(Charged)/Credited: to Profit or Loss	36,29,246
to Other Comprehensive Income directly to Equity	-
At 31st March, 2021	96,62,255



Race Polymer Arts LLP

Notes to Financial Statements

As at 31st March, 2021

Note - 18. BORROWINGS - CURRENT

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Loans Repayable on Demand (Secured)		
	Cash Credit from Union Bank of India	-	23,77,595
	Cash Credit from HDFC Bank	-	-
	Total	-	23,77,595

- 18.1 All securities mentioned in Note No. 14.1 are also extended for Cash Credit facilities.
- 18.2 Rate of interest @ 7.15% p.a.(Floating Rate)
- 18.3 Cash Credit from Union Bank of India has been transferred to HDFC Bank Limited on 13-January-2021.

Note - 19. TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 34)	1,71,86,329	39,55,320
2	Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,19,74,172	46,47,196
	Total	2,91,60,501	86,02,516

Note - 20. 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	1,36,24,854	1,60,00,000
2	Expenses Payable	17,04,230	-
3	Employee Related Payable	1,84,984	1,72,716
	Total	1,55,14,068	1,61,72,716

Note - 21. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Statutory dues	1,43,321	51,698
	Total	1,43,321	51,698

		As at 31st March, 2021	As at 31st March, 2020
21.1	*Contract Liability - Advances received from Customers		
	Opening Balance of Contract Liability	-	78,11,198
	Add : Addition of Contract Liability	-	-
	Less : Revenue recognised during the reporting period	-	78,11,198
	Closing Balance of Contract Liability	-	-

Note - 22. PROVISIONS: CURRENT

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Provision for Employee Benefits		
(a)	Provision for Bonus / Exgratia	48,352	62,242
(b)	Provision for Leave Encashment	25,354	-
(c)	Provision for Gratuity	310	-
	Total	74,016	62,242

Note - 23. CURRENT TAX LIABILITIES (NET)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Provision for Tax (Net of Advance tax and TDS of Rs.85398/-)	75,64,531	-
	Total	75,64,531	-



Race Polymer Arts LLP

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

Note - 24. 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 (Manufactured)		
	Domestic Sales	26,23,81,960	15,40,51,911
(b)	Other Operating Revenue		
(i)	Scrap Sales	6,55,243	-
(ii)	Cash Discount on Purchase	-	33,809
	Total	26,30,37,203	15,40,85,720

24.1 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	26,23,81,960	15,40,51,911
Total	26,23,81,960	15,40,51,911
Contract Counterparties		
Business to Business	26,23,81,960	15,40,51,911
Total	26,23,81,960	15,40,51,911

Timing of Transfer of Goods and Services

Point in time	26,23,81,960	15,40,51,911
Total	26,23,81,960	15,40,51,911

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

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

Note - 25. OTHER INCOME

Sr. No.	Particulars	Year ended 31st March,2021	Year ended 31st March,2020
(a)	Interest Income		
(i)	On Security Deposit	1,09,138	1,06,508
(ii)	On Income Tax Refund	-	126
(b)	Other Non Operating Revenue		
(i)	Government Subsidy	67,63,164	84,384
(ii)	Petty Balance Written Back	1,957	-
(iii)	Profit on Sale of Fixed Assets	14,463	-
	Total	68,88,722	1,91,018



Race Polymer Arts LLP

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

Note - 26. COST OF MATERIALS CONSUMED

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	Opening Stock	64,73,743	30,33,475
Add:	Purchases	17,04,92,126	11,65,21,315
Less:	Closing Stock	2,15,61,431	64,73,743
	Total	15,54,04,438	11,30,81,047

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

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	Inventories at the end of the year:		
	Work in Progress	70,66,964	33,14,146
	Finished Goods	1,25,85,653	1,51,86,206
		1,96,52,617	1,85,00,352
	Inventories at the beginning of the year:		
	Work in Progress	33,14,146	-
	Finished Goods	1,51,86,206	-
		1,85,00,352	-
	Total	(11,52,265)	(1,85,00,352)

Note - 28. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Salaries and Wages	1,17,80,219	91,04,994
2	Contribution to Provident and other Funds	83,804	90,142
3	Staff Welfare Expenses	1,48,297	95,706
	Total	1,20,12,320	92,90,842

Note - 29. FINANCE COSTS

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Interest Costs		
(a)	On Term Loans	87,58,910	70,97,924
(b)	On Working Capital Loans	56,636	1,60,147
(c)	For Income Tax	4,80,444	-
2	Other Borrowing Costs	20,86,145	25,53,981
	Total	1,13,82,135	98,12,052



Race Polymer Arts 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 and Packing Material		
	Opening Stock	15,87,040	3,11,372
	Add: Purchases	3,33,30,159	1,89,18,868
	sub total	3,49,17,199	1,92,30,240
	Less : Closing Stock	36,61,146	15,87,040
		3,12,56,053	1,76,43,200
	Power and Fuel (Net)	52,60,182	39,61,814
	Repairs and Maintenance		
	- To Plant and Machineries	4,62,869	1,20,289
	Insurance Premium Expenses	3,52,267	3,49,870
	Freight Outward, Coolies and Cartages	-	1,44,400
	Payments to Auditors		
	- Statutory Audit fees	70,000	70,000
	- Tax Audit Fees	25,000	25,000
	- For Other Services	24,000	25,000
	Legal and Professional Consultancy Fees	8,53,015	7,63,366
	GST Expense	35,558	288
	Retainership Expense	-	12,50,000
	Bank Charges	1,02,822	16,961
	Printing and Stationery Expenses	83,265	35,293
	Website Expense	-	7,300
	Vehicle Repairs and Maintenance	5,986	-
	Vehicle Expenses (Petrol and Diesel)	97,626	55,983
	License Fees	-	8,085
	Miscellaneous Expenses	4,40,078	1,58,930
	Total	3,90,68,721	2,46,35,779



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

Note - 31. CURRENT TAX

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Current Tax	76,49,929	-
	Total	76,49,929	-

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	4,09,74,351	81,40,896
India's Statutory Income Tax Rate @ 34.944% (L.Y @ 31.2%)	1,43,18,077	25,39,960
Non-Deductible Expenses for Tax purposes	46,67,975	24,91,875
Deductible Expenses for Tax purposes	(73,75,543)	(84,75,670)
Business Loss	(82,727)	34,43,875
Unabsorbed Depreciation	(38,77,853)	(40)
Others	71,12,265	25,60,742
Income Tax expense reported in the Statement of Profit and Loss	1,47,62,194	25,60,742



Race Polymer Arts 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	Mr. Ashish Sharadkumar Nemani Nominee of Shreeyam Ceramics LLP (Formerly known as Nemani Mould Plast LLP)	Designated Partner

(B) Other Related Parties:

Sr. No	Name	Nature of Relationship
1	Packcart Packaging LLP	Significant influence exercised by KMP
2	Goodluck Carriers LLP	Significant influence exercised by KMP
3	Golf Ceramics Ltd.	Significant influence exercised by KMP
4	Mandav Paper Packaging LLP	Significant influence exercised by KMP

32.2 Disclosures of Transactions during the year with KMP, Parent Company and Other Related Parties:

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Key Management		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	Purchase of Goods	-	-	1,59,180	8,500	2,70,05,908	1,46,52,248
2	Other Services	-	-	-	-	1,87,051	6,80,383
3	Revenue from Operations	-	-	25,35,10,203	15,13,78,405	89,51,278	26,22,331
	GRAND TOTAL	-	-	25,36,69,383	15,13,86,905	3,61,44,237	1,79,54,962

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)	5,64,29,471	4,14,18,502
	Golf Ceramics Ltd.	14,96,989	29,20,154
	Total	5,79,26,461	4,43,38,656
2	Trade Payables		
	Packcart Packaging LLP	62,41,570	11,39,789
	Goodluck Carriers LLP	57,819	-
	Mandav Paper Packaging LLP	63,647	-
	Total	63,63,036	11,39,789
3	Other Financial Liabilities - Non Current		
	Advance contribution		
	Cera Sanitaryware Ltd (Parent Company)	1,40,51,020	1,40,51,020
	Total	1,40,51,020	1,40,51,020

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.	25,35,10,203	15,13,78,405
2	Purchase of Goods	Packcart Packaging 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.



Race Polymer Arts LLP

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

Note-33.

Disclosure of Movement in Provisions during the period 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	61,005	39,953	54,344	46,614
Gratuity	37,212	29,100	-	66,312
Total	98,217	69,053	54,344	1,12,926
Current provisions				
Accumulated leaves	-	25,354	-	25,354
Bonus / Exgratia	62,242	63,471	77,361	48,352
Gratuity	-	310	-	310
Total	62,242	89,135	77,361	74,016
Grand Total	1,60,459	1,58,188	1,31,705	1,86,942

Note-34. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

The dues of 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:

Particulars	31st March, 2021	31st 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	1,71,86,329	39,55,320
Interest due on above		
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006".	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Note-35. COMMITMENTS AND CONTINGENCIES

Particulars	31st March, 2021	31st March, 2020
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,07,99,439	41,09,393



Note-36.

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

Note-37.

The manufacturing plant of the LLP commenced commercial production on and from 30th April, 2019.

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)

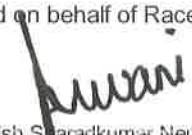


[N.M. NAGRI]
Proprietor
Membership No. 016992

PLACE : Ahmedabad
DATE : 28th May, 2021



For and on behalf of Race Polymer Arts LLP,



Mr. Ashish Sharadkumar Nemani
Nominee of
SHREEYAM CERAMICS LLP
(Formerly known as
Nemani Mould Plast LLP)



Mr. Prem Chand Surana
Nominee of
CERA SANITRYWARE LTD.

PLACE : Ahmedabad
DATE : 28th May, 2021

