

# N. M. NAGRI & CO.

## CHARTERED ACCOUNTANTS

'A' Block, 5<sup>th</sup> 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](mailto:nmnagri@hotmail.com)

### **INDEPENDENT AUDITORS' REPORT**

To the Partners of  
**PACKCART PACKAGING LLP**

#### **Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of PACKCART PACKAGING LLP (the "LLP"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Ind AS Financial Statements**

Management is responsible for the preparation of these Ind AS financial statements in accordance with the Limited Liability Partnership Act, 2008. This responsibility includes the design, implementation and maintenance of internal financial control relevant to the preparation and presentation of the Ind AS financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial controls relevant to the LLP's preparation and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

### **Emphasis of Matter**

We draw attention to the following matter in the Notes to the Ind AS financial statements:-

Note 35 to the financial statements which states that the LLP has changed method of valuing closing stock of Raw-materials, Stores and Spares and Finished Goods as at 31.03.2018 to "Cost or Net Realisable Value Whichever is lower" following Weighted Average Method which was earlier FIFO method. The effect in consumption, valuation of the closing stock and profit for the year due to this change, is not material and hence, not considered.

Our opinion is not qualified in respect of this matter.

### **Other Matters**

The LLP with effect from 24th June 2016 has become the partially owned subsidiary of Cera Sanitaryware Ltd., whose Financial Statements have been prepared for the first time for F.Y. 2017-18 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, these standalone financial statements of the LLP, for the first time for F.Y. 2017-18, have been prepared in accordance with Ind AS, as applicable to its parent.



For the period up to and including the year ended 31st March 2017, the LLP prepared its standalone financial statements in accordance with Indian Accounting Principles generally accepted in India (Indian GAAP). Reconciliation and description of the effects of the transition have been summarized in Note No. 34.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

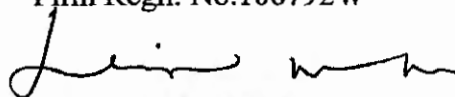
Our opinion is not modified in respect of this matter.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements of PACKCART PACKAGING LLP for the year ended 31<sup>st</sup> March,2018 are prepared, in all material respects, in accordance with the Limited Liability Partnership Act,2008.

Place : Ahmedabad  
Date : 25<sup>th</sup> April,2018

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



**[ N.M. NAGRI ]**  
**PROPRIETOR**  
Membership No.016992



# Packcart Packaging LLP

## Balance Sheet as at 31st March, 2018

(Amt. in Rs.)

Particulars	Note	As at	
	No.	31st March, 2018	31st March, 2017
<b>ASSETS</b>			
<b>(1) Non- Current Assets</b>			
(a) Property, Plant and Equipment	4	1,84,27,434	1,82,71,311
(b) Capital Work-in-Progress	4	-	-
(c) Financial Assets	5	8,83,358	10,16,157
(d) Deferred Tax Assets	6	7,88,232	14,00,362
(e) Other Non-Current Assets	7	1,90,693	2,14,916
<b>(2) Current Assets</b>			
(a) Inventories	8	1,23,07,474	97,52,936
(b) Financial Assets			
(i) Trade Receivables	9	55,63,551	92,63,055
(ii) Cash and Cash Equivalents	10	26,57,697	61,57,632
(iii) Other Financial Assets	11	11,61,261	50,340
(c) Other Current Assets	12	7,99,109	16,58,856
<b>Total Assets</b>		<b>4,27,78,809</b>	<b>4,77,85,565</b>
<b>CONTRIBUTIONS AND LIABILITIES</b>			
<b>PARTNERS' FUNDS</b>			
(a) Contributions	13	1,78,00,000	1,78,00,000
(b) Other Equity	14	(21,65,187)	(34,83,613)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	81,66,667	1,13,90,000
(b) Provisions	16	2,40,899	-
(c) Other Non-Current Liabilities	17	17,03,229	-
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	18	1,21,57,959	1,77,84,817
(ii) Other Financial Liabilities	19	40,79,173	30,79,995
(b) Other Current Liabilities	20	6,39,352	4,17,846
(c) Provisions	21	1,56,717	7,96,520
<b>Total Contribution and Liabilities</b>		<b>4,27,78,809</b>	<b>4,77,85,565</b>

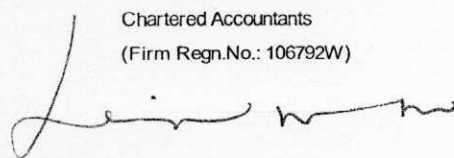
The accompanying Notes 1 to 38 are integral part of these Financial Statements.

As per our report of even date attached.

For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)



[ N.M. NAGRI ]

Proprietor

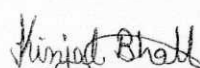
Membership No. 016992

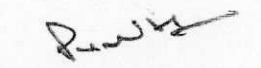
PLACE : Ahmedabad

DATE : 25th April 2018



For and on behalf of Packcart Packaging LLP,

  
Mrs. Kinjal Bhatt

  
Mr. Prem Chand Surana  
Nominee of  
CERA SANITRYWARE LTD.

PLACE : Ahmedabad

DATE : 25th April 2018

# Packcart Packaging LLP

## Statement of Profit and Loss for the year ended 31st March, 2018

(Amt. in Rs.)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I	Revenue from Operations	22	9,28,56,443	3,57,98,959
II	Other Income	23	21,68,825	61,877
III	<b>Total Income</b>		<b>9,50,25,268</b>	<b>3,58,60,836</b>
IV	Expenses			
	Cost of Materials Consumed	24	6,34,91,508	2,70,71,728
	Changes in Inventories of Finished goods and Work -in- Progress	25	7,068	(35,21,724)
	Excise Duty on Sales		14,81,227	21,66,156
	Employee Benefits Expense	26	95,60,713	54,22,239
	Finance Costs	27	12,53,588	8,26,954
	Depreciation and Amortisation Expense	4	15,13,641	8,89,371
	Other Expenses	28	1,57,86,967	78,90,087
	<b>Total Expenses</b>		<b>9,30,94,712</b>	<b>4,07,44,811</b>
V	Profit / (Loss) before Tax		<b>19,30,556</b>	<b>(48,83,975)</b>
VI	Tax Expense :	29		
	(1) Current Tax		-	-
	(2) Deferred Tax		6,12,130	(14,00,362)
VII	<b>Profit / (Loss) for the year</b>		<b>13,18,426</b>	<b>(34,83,613)</b>
VIII	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss (Net of Tax)		-	-
	B Items that will be reclassified to profit or loss (Net of Tax)		-	-
	<b>Sub-total (A+B)</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)</b>		<b>13,18,426</b>	<b>(34,83,613)</b>

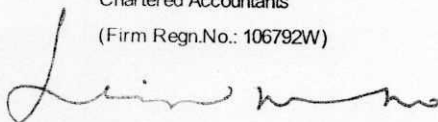
The accompanying Notes 1 to 38 are integral part of these Financial Statements.

As per our report of even date attached.

For N.M. NAGRI & CO.

Chartered Accountants

(Firm Regn.No.: 106792W)



[ N.M. NAGRI ]

Proprietor

Membership No. 016992

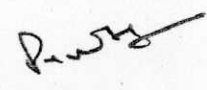
PLACE : Ahmedabad

DATE : 25th April 2018



For and on behalf of Packcart Packaging LLP,

  
Mrs. Kinjal Bhatt

  
Mr. Prem Chand Surana  
Nominee of  
CERA SANITRYWARE LTD.



PLACE : Ahmedabad

DATE : 25th April 2018

# Packcart Packaging LLP

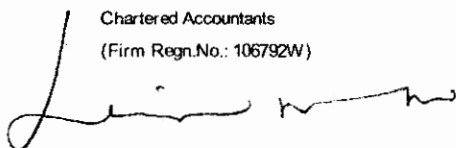
## Cash Flow Statement for the year ended 31st March, 2018

Sf. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(Amt. in Rs.)			
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit Before Tax	19,30,556	(48,83,975)
	<b>Adjusted for:</b>		
	Depreciation	15,13,641	8,89,371
	Interest on Term Loan	12,33,432	8,23,543
	Stamp Duty and Registration Exp. (on Term Loan)	-	51,000
	Amortisation of Prepaid Rentals (non Cash)	24,223	23,095
	Deferred Income on Capital Subsidy	(2,47,931)	-
	Interest Subsidy Receivable	(11,18,218)	-
	Interest Income	(1,52,806)	(61,877)
	<b>Sub Total</b>	<b>12,52,341</b>	<b>17,25,132</b>
	<b>Operating Profit before Working Capital Change</b>	<b>31,82,897</b>	<b>(31,58,843)</b>
	<b>Adjustment for Change in Working Capital</b>		
	Inventories	(25,54,538)	(97,52,936)
	Trade and Other Receivables	38,99,455	(1,02,72,396)
	Other Assets	8,59,747	(18,96,867)
	Trade and Other Liabilities	(54,45,014)	1,86,72,658
	Provisions	(3,98,904)	7,96,520
	<b>Sub Total</b>	<b>(36,39,254)</b>	<b>(24,53,021)</b>
	<b>Cash Generation from Operations</b>	<b>(4,56,357)</b>	<b>(56,11,864)</b>
	Less: Direct Taxes Paid	-	-
	<b>Net Cash from Operating Activities</b>	<b>(4,56,357)</b>	<b>(56,11,864)</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets	(16,69,764)	(1,91,60,682)
	Interest Received	92,951	4,721
	Capital Subsidy on Fixed Assets	21,00,000	-
	<b>Net Cash Used in Investing Activities</b>	<b>5,23,187</b>	<b>(1,91,55,961)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceed from Partners Contributions	-	1,78,00,000
	Proceed from Borrowing / Repayment of Loan	(23,33,333)	1,40,00,000
	Stamp Duty and Registration Exp. (on Term Loan)	-	(51,000)
	Interest Paid on Term Loan	(12,33,432)	(8,23,543)
	<b>Net Cash Used in Financing Activities</b>	<b>(35,66,765)</b>	<b>3,09,25,457</b>
	<b>Changes in Cash</b>	<b>(34,99,935)</b>	<b>61,57,632</b>
	Opening Balance Cash and Cash Equivalents	61,57,632	-
	Closing Balance Cash and Cash Equivalents	26,57,697	61,57,632

As per our report of even date attached.

For N.M. NAGRI & CO.

Chartered Accountants  
(Firm Regn.No.: 106792W)

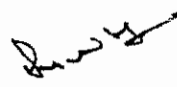


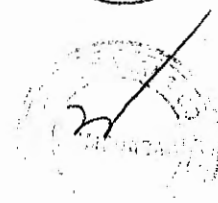
[N.M. NAGRI]  
Proprietor  
Membership No. 016992

PLACE : Ahmedabad  
DATE : 25th April 2018

For and on behalf of Packcart Packaging LLP.

  
Mrs. Kinjal Bhatt

  
Mr. Prem Chand Surana  
Nominee of  
CERA SANITRYWARE LTD.



PLACE : Ahmedabad  
DATE : 25th April 2018

## PACKCART PACKAGING LLP

### **Significant Accounting Policies & Practices**

**(Annexed to and forming part of Financial Statements for the year ended 31<sup>st</sup> March 2018)**

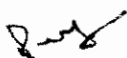
#### **1) LLP Profile:**

(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 1<sup>st</sup> 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 1<sup>st</sup> August, 2016.

(b) The LLP Agreement U/s 23(4) of LLP Act, 2008 was executed at Ahmedabad on 7<sup>th</sup> April 2016 and Addendum to the said agreement was executed at Ahmedabad on 24<sup>th</sup> June 2016 whereby Cera Sanitaryware Limited (CSL) became a partner of the LLP on 24<sup>th</sup> June 2016 having 51% share in capital contribution and profit/loss sharing ratio. Thus the LLP became the subsidiary of CSL w.e.f. 24<sup>th</sup> 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 24<sup>th</sup> June 2016. The LLP also entered into Joint Venture Agreement executed at Ahmedabad on 20<sup>th</sup> 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 The LLP w.e.f 24<sup>th</sup> June 2016 has become the partially owned subsidiary of Cera Sanitaryware Ltd., whose Financial Statements have been prepared for the first time for F.Y. 2017-18 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.



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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, for the first time for F.Y. 2017-18, have been prepared in accordance with Ind AS, as applicable to its parent.

For the period up to and including the year ended 31<sup>st</sup> March 2017, the LLP prepared its standalone financial statements in accordance with Indian Accounting Principles generally accepted in India (Indian GAAP). Reconciliation and description of the effect of the transition have been summarized in Note No. 34.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

## 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

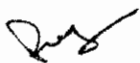
#### [a] Tangible Assets

##### [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, including duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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



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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.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

[ii] **Transition to Ind AS**

On transition to Ind AS, the LLP has elected to continue with the carrying value of all its property plant and equipment recognised as at 1<sup>st</sup> April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

[iii] **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.

[iv] **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.

[v] **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 which was hitherto provided on straight line method up to 31-03-2017. A reference to this change has made in Note No. 34 (d). Depreciation is generally recognised in the Statement of Profit and Loss.

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).

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[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 **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



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\*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.

### 3.4 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.

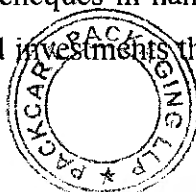
Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

The LLP has changed the method of valuation of closing stock of raw materials, general stores and spares and finished goods as at 31<sup>st</sup> March, 2018 to "Cost or net realisable value whichever is lower" following weighted average method which was earlier FIFO method. A reference to this change is made in Note No. 35

### 3.5 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

Hinjat Bhatt



## **Sale of Goods**

Revenue from the sale of manufactured goods is recognised when all the following conditions are satisfied:

- \* the LLP has transferred to the buyer the significant risks and rewards of ownership of the goods.
- \* the LLP retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- \* the amount of revenue can be measured reliably.
- \* It is probable that the economic benefits associated with the transaction will flow to the entity, and
- \* the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **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.

### **3.9 Leases**

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

#### **LLP as a lessee :**

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

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a



*Kinjal Bhatt*



constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss.

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

#### **LLP as a lessor:**

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

### **3.10 Employee Benefits**

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

#### **Defined Contribution Plans**

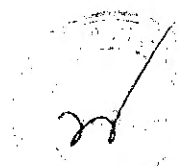
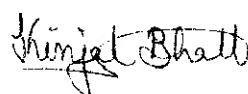
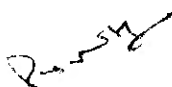
The LLP's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The LLP has no legal or constructive obligation to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

#### **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.

#### **[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.

*Shruti Bhatt*



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.

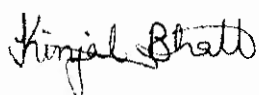

### 3.12 Significant Judgments, Estimates and Assumptions

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 :



*Kinjal Bhatt*



\*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.



*Kunjali Bhatt*



# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

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

(Amt. in Rs.)

Sr. No.	Particulars	Buildings	Plant and Equipments	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Lab Equipments	Total
1	<b>Deemed Cost of Assets</b>									
	As at 1st April, 2016	-	-	-	-	-	-	-	-	-
	Addition	9,80,494	1,56,45,192	22,61,376	81,595	-	61,465	1,18,793	11,767	1,91,60,682
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	<b>As at 31st March, 2017</b>	<b>9,80,494</b>	<b>1,56,45,192</b>	<b>22,61,376</b>	<b>81,595</b>	<b>-</b>	<b>61,465</b>	<b>1,18,793</b>	<b>11,767</b>	<b>1,91,60,682</b>
	Addition	1,35,759	4,54,469	2,20,073	43,700	4,23,793	49,350	-	3,42,620	16,69,764
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	
<b>As at 31st March, 2018</b>	<b>11,16,253</b>	<b>1,60,99,661</b>	<b>24,81,449</b>	<b>1,25,295</b>	<b>4,23,793</b>	<b>1,10,815</b>	<b>1,18,793</b>	<b>3,54,387</b>	<b>2,08,30,446</b>	
2	<b>Depreciation / Amortisation</b>									
	As at 1st April, 2016	-	-	-	-	-	-	-	-	-
	Charge for the year	62,013	6,08,917	1,43,024	14,064	-	10,852	49,517	984	8,89,371
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-
	<b>As at 31st March, 2017</b>	<b>62,013</b>	<b>6,08,917</b>	<b>1,43,024</b>	<b>14,064</b>	<b>-</b>	<b>10,852</b>	<b>49,517</b>	<b>984</b>	<b>8,89,371</b>
	Charge for the period	97,636	10,03,635	2,36,697	18,694	51,886	37,996	43,748	23,350	15,13,641
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	
<b>As at 31st March, 2018</b>	<b>1,59,648</b>	<b>16,12,552</b>	<b>3,79,721</b>	<b>32,758</b>	<b>51,886</b>	<b>48,848</b>	<b>93,265</b>	<b>24,334</b>	<b>24,03,012</b>	
3	<b>Net Block</b>									
	As at 1st April, 2016	-	-	-	-	-	-	-	-	-
	As at 31st March, 2017	9,18,481	1,50,36,275	21,18,352	67,531	-	50,613	69,276	10,783	1,82,71,311
	<b>As at 31st March, 2018</b>	<b>9,96,605</b>	<b>1,44,87,109</b>	<b>21,01,728</b>	<b>92,537</b>	<b>3,71,907</b>	<b>61,967</b>	<b>25,528</b>	<b>3,30,053</b>	<b>1,84,27,434</b>
<b>Capital work-in-progress</b>										
As at 1st April, 2016										
As at 31st March, 2017										
As at 31st March, 2018										

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

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*Kinjal Bhatt*



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# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

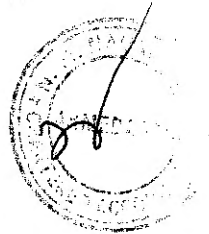
(Amt. in Rs.)

### Note - 5. FINANCIAL ASSETS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
a.	Security Deposits - Unsecured Considered Good	8,83,358	10,16,157
	<b>Total</b>	<b>8,83,358</b>	<b>10,16,157</b>



Kunjil Bhatt



# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

(Amt. in Rs.)

**Note - 6. DEFERRED TAX ASSETS (NET)**

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>1</b>	<b>Deferred Tax Assets</b>		
	(Arising on account of timing difference)		
(a)	Provision for Leave Encashment	8,653	-
(b)	Provision for Gratuity	67,154	-
(c)	Deferred Govt. Grant	5,77,846	-
(d)	Carry forward loss in Income tax	7,70,685	11,25,546
(e)	Unabsorbed Depreciation in Income tax	8,62,029	8,81,037
(f)	Others	-	-
	<b>Total Deferred Tax Assets ( A )</b>	<b>22,86,367</b>	<b>20,06,583</b>
<b>2</b>	<b>Deferred Tax Liabilities</b>		
	(Arising on account of timing difference)		
(a)	Assets: Impact of difference between carrying value and tax base of Depreciable assets	14,98,135	6,06,221
	<b>Total Deferred Tax Liabilities ( B )</b>	<b>14,98,135</b>	<b>6,06,221</b>
	<b>Total (A - B)</b>	<b>7,88,232</b>	<b>14,00,362</b>

**Reconciliation of Deferred Tax Assets (Net):**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	14,00,362	-
Tax Income/(Expense) during the period recognised in Profit or Loss	(6,12,130)	14,00,362
Tax Income/(Expense) during the period recognised in Other Comprehensive Income	-	-
Tax Income/(Expense) during the period recognised directly in Other Equity	-	-
Closing balance	<b>7,88,232</b>	<b>14,00,362</b>

**Movements in DTA:**

Particulars	Leave Encashment	Gratuity	Deferred Govt. Grant	Carry forward Loss	Unabsorbed Dep.
<b>At 1st April, 2016</b>	-	-	-	-	-
(Charged)/Credited:					
to Profit or Loss	-	-	-	11,25,546	8,81,037
to Other Comprehensive Income	-	-	-	-	-
<b>At 31st March, 2017</b>	-	-	-	<b>11,25,546</b>	<b>8,81,037</b>
(Charged)/Credited:					
to Profit or Loss	8,653	67,154	5,77,846	(3,54,861)	(19,008)
to Other Comprehensive Income	-	-	-	-	-
<b>At 31st March, 2018</b>	<b>8,653</b>	<b>67,154</b>	<b>5,77,846</b>	<b>7,70,685</b>	<b>8,62,029</b>

**Movements in DTL:**

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting
<b>At 1st April, 2016</b>	-
(Charged)/Credited:	
to Profit or Loss	6,06,221
to Other Comprehensive Income directly to Equity	-
<b>At 31st March, 2017</b>	<b>6,06,221</b>
(Charged)/Credited:	
to Profit or Loss	8,91,914
to Other Comprehensive Income directly to Equity	-
<b>At 31st March, 2018</b>	<b>14,98,135</b>

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Kingsal Bhatt



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# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

(Amt. in Rs.)

### Note - 7. OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a. Advance Rentals - Security Deposits	1,70,693	1,94,916
	b. Other Security Deposits	20,000	20,000
	<b>Total</b>	<b>1,90,693</b>	<b>2,14,916</b>

### Note - 8. INVENTORIES

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	<b>As taken, valued &amp; certified by the Management At Lower of Cost and Net Realisable Value</b>		
1	Raw Materials	70,92,160	48,74,404
2	Work-in-Progress	17,83,832	17,41,775
3	Finished Goods	16,30,072	17,79,949
4	Stores and Spares	18,01,410	13,56,808
	<b>Total</b>	<b>1,23,07,474</b>	<b>97,52,936</b>

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

### Note - 9. TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Secured considered good	-	-
2	Unsecured considered good*	55,63,551	92,63,055
3	Doubtful	-	-
	Sub total	55,63,551	92,63,055
	Less: Allowance for bad and doubtful debts	-	-
	<b>Total</b>	<b>55,63,551</b>	<b>92,63,055</b>

\*Debts due by Cera Sanitaryware Ltd. Rs. 38,34,379/- (31.03.2017: Rs. 87,17,323/-)

The LLP is treated as subsidiary of Cera Sanitaryware Ltd.

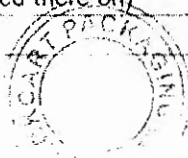
Trade Receivables are hypothecated with YES Bank Ltd. against term loan availed.

### Note - 10. CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Balances with banks in current accounts	1,51,257	13,56,332
2	Cheques on Hand	-	48,00,000
3	Cash on hand	2,125	1,300
4	Fixed Deposit with Bank (including interest accrued there on)	25,04,315	-
	<b>Total</b>	<b>26,57,697</b>	<b>61,57,632</b>

*[Signature]*

*Kunjal Bhatt*



# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

(Amt. in Rs.)

### Note - 11. OTHER FINANCIAL ASSETS: CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	Interest receivable on Security Deposits	43,043	42,490
(b)	Other Advances		
(i)	Advances to Staff		7,850
(ii)	Government Grant Receivable (Interest Subsidy)	11,18,218	-
	<b>Total</b>	<b>11,61,261</b>	<b>50,340</b>

### Note - 12. OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	<b>Advances other than Capital Advances</b>		
(i)	Prepaid Expenses	24,113	1,12,657
(ii)	Balances with Tax Authorities	7,36,342	15,17,255
(iii)	Advance Lease Rentals	24,223	24,223
(iv)	TDS and TCS Receivable	14,431	4,721
	<b>Total</b>	<b>7,99,109</b>	<b>16,58,856</b>

### Note - 13. CONTRIBUTIONS

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	<b>Contributions from Partners:</b>		
1	<b>Cera Sanitaryware Ltd.</b> (Nominee Shri P.C.Surana is a Designated Partner) (Share in Profit / Loss 51%)		
	Opening Balance	90,78,000	-
	Additions During the Year	-	90,78,000
	<b>Total</b>	<b>90,78,000</b>	<b>90,78,000</b>
2	<b>Mrs. Kinjal Bhatt (Designated Partner) (Share in Profit / Loss 49%)</b>		
	Opening Balance	87,22,000	-
	Additions During the Year	-	87,22,000
	<b>Total</b>	<b>87,22,000</b>	<b>87,22,000</b>
	<b>Total</b>	<b>1,78,00,000</b>	<b>1,78,00,000</b>



Kinjal Bhatt





# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

(Amt. in Rs.)

### Note - 14. OTHER EQUITY

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>1</b>	<b>Retained Earnings</b>		
	Balance as per last Financial year	(34,83,613)	-
	Add: Profit / (Loss) for the year	13,18,426	(34,83,613)
		<b>(21,65,187)</b>	<b>(34,83,613)</b>
<b>2</b>	<b>Other Comprehensive Income</b>		
	<b>Total</b>	<b>(21,65,187)</b>	<b>(34,83,613)</b>

### Note - 15. BORROWINGS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	<b>Non-Current Borrowings</b>		
	Term Loans (Secured)		
(a)	From YES Bank Ltd.	81,66,667	1,13,90,000
	<b>Total</b>	<b>81,66,667</b>	<b>1,13,90,000</b>

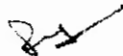
Term Loans from Yes Bank Ltd. are secured by hypothecation of movable fixed assets and current assets situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehasana, Gujarat repayable in 48 monthly installments of Rs. 291,667 each starting from July, 2017 to June, 2021.

### Note - 16. PROVISIONS: NON - CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	<b>Non-Current Provisions</b>		
	<b>Provision for Employee Benefits</b>		
(a)	Provision for Leave Encashment	26,307	-
(b)	Provision for Gratuity	2,14,592	-
	<b>Total</b>	<b>2,40,899</b>	<b>-</b>

### Note - 17 OTHER NON - CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Deferred Govt. Grant (Capital Subsidy)	17,03,229	-
	<b>Total</b>	<b>17,03,229</b>	<b>-</b>



Kuntal Bhatt




# Packcart Packaging LLP

## Notes to Financial Statements as at 31st March, 2018

(Amt. in Rs.)

### Note - 18. TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Micro, Small & Medium Enterprises	6,13,092	1,21,519
2	Other than Micro, Small and Medium Enterprises (Refer to Note No. 32)	1,15,44,867	1,76,63,298
<b>Total</b>		<b>1,21,57,959</b>	<b>1,77,84,817</b>

### Note - 19. OTHER FINANCIAL LIABILITIES: CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Other Current Financial Liabilities</b>			
1	Current maturity of Long Term Debt	35,00,000	26,10,000
2	Amount Payable to staff	5,79,173	4,69,995
<b>Total</b>		<b>40,79,173</b>	<b>30,79,995</b>

### Note - 20. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Other</b>			
	(a) Other Payables*	4,90,512	4,17,846
	(b) Deferred Govt. Grant (Capital Subsidy)	1,48,840	-
<b>Total</b>		<b>6,39,352</b>	<b>4,17,846</b>

\*Includes Statutory dues

### Note - 21. PROVISIONS: CURRENT

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Provision for Employee Benefits</b>			
(a)	Provision for Bonus	-	1,96,083
(b)	Provision for Leave Encashment	1,428	-
(c)	Provision for Provident Fund Payable	1,15,447	4,74,416
(d)	Provision for ESIC	39,196	1,26,021
(e)	Provision for Gratuity	646	-
<b>Total</b>		<b>1,56,717</b>	<b>7,96,520</b>

*[Signature]*

*Himjot Bhatt*



*[Signature]*

# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

(Amt. in Rs.)

### Note - 22. REVENUE FROM OPERATIONS

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	<b>Revenue from Operations</b>		
(a)	Sale of products		
(i)	Domestic Sales*	9,28,56,443	3,57,98,959
	<b>Total</b>	<b>9,28,56,443</b>	<b>3,57,98,959</b>

\* Domestic Sales include excise duty of Rs. 14,81,227 for first 3 months of 2017-18 and Rs. 21,66,156 for 8 months of 2016-17.

### Note - 23. OTHER INCOME

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a)	Interest Income	1,52,806	61,877
(b)	Items pertaining to Previous year, unspent liabilities & provisions no longer required written back	2,39,864	-
(c)	Interest Subsidy	15,28,054	-
(d)	Deferred Income on Capital Subsidy	2,47,931	-
(e)	Interest on Income Tax Refund	170	-
	<b>Total</b>	<b>21,68,825</b>	<b>61,877</b>

### Note - 24. COST OF MATERIALS CONSUMED

Sr. No.	Particulars	Year ended 31st March 2018	Year ended 31st March, 2017
	Opening Stock	48,74,404	-
Add:	Purchases	6,57,09,264	3,19,46,132
Less:	Closing Stock	70,92,160	48,74,404
	<b>Total</b>	<b>6,34,91,508</b>	<b>2,70,71,728</b>

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

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	<b>Work in Progress</b>		
	Opening Stock	17,41,775	-
Less:	Closing Stock	17,83,832	17,41,775
	<b>Total</b>	<b>(42,057)</b>	<b>(17,41,775)</b>
	<b>Finished Goods</b>		
	Opening Stock	17,79,949	-
Less:	Excise Duty on Stock	1,00,752	-
	Sub total	16,79,197	-
Less:	Closing Stock	16,30,072	17,79,949
	<b>Total</b>	<b>49,125</b>	<b>(17,79,949)</b>
	<b>Total</b>	<b>7,068</b>	<b>(35,21,724)</b>

*[Signature]*

*Kamal Bhatt*



*[Signature]*

# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

(Amt. in Rs.)

### Note - 26. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Salaries and Wages	82,71,613	49,80,618
2	Contribution to Provident and other Funds	12,25,967	4,40,642
3	Staff Welfare Expenses	63,133	979
	<b>Total</b>	<b>95,60,713</b>	<b>54,22,239</b>

### Note - 27. FINANCE COSTS

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	<b>Interest Costs</b>		
(a)	Interest on Term Loans	12,33,432	8,23,543
(b)	Interest on TDS	20,156	3,411
	<b>Total</b>	<b>12,53,588</b>	<b>8,26,954</b>

### Note - 28. OTHER EXPENSES

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Consumption of Stores		
	Opening Stock	13,56,808	-
	Add: Purchases	47,88,210	27,42,463
	sub total	61,45,018	27,42,463
	Less : Closing Stock	18,01,410	13,56,808
		43,43,608	13,85,655
	Power and Fuel	21,02,035	10,32,273
	Repairs and Maintenance		
	- To Buildings	17,320	69,500
	- To Plant and Machineries	7,36,881	2,45,641
	- To Other Assets	7,405	35,340
	Rent Expenses	27,82,400	15,92,000
	Cleaning Charges	2,800	16,575
	Central Excise Duty and CVD	3,029	1,00,752
	Insurance Premium Expenses	48,512	32,068
	Printing and Lamination Expenses	21,82,598	12,49,999
	Freight Outward, Coolies and Cartages	9,53,550	6,85,000
	Advertisement Expenses		5,823
	VAT Expenses	2,677	-
	Rates and Taxes	2,400	-
	Payments to Auditors		
	- Statutory Audit fees	45,000	30,000
	- Tax Audit Fees	10,000	10,000
	- For Other Services	15,000	10,000
	Legal and Professional Consultancy Fees	3,32,250	1,27,810
	Management fees to a Partner	12,00,000	8,00,000
	Bank Commission Charges	530	2,176
	Printing and Stationery Expenses	22,018	1,26,540



*[Handwritten mark]*

*Kunjal Bhatt*

# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

(Amt. in Rs.)

Postage and Telephone Expenses	355	-
Computer Expenses	3,990	27,747
Vehicle Repairs and Maintenance	35,201	2,552
Vehicle Expenses (Petrol and Diesel)	1,02,850	28,600
Conveyance Expenses	14,990	26,315
Subscription and Membership Fees	27,140	-
License Fees	6,000	7,800
Filing Fees	75,182	-
Office Expenses	82,289	-
Service Tax Expenses	2,15,127	33,260
Garden Expenses	34,800	55,180
Amortisation of Prepaid Rentals	24,223	23,095
Brokerage on Rent	49,500	-
General / Miscellaneous Expenses	3,05,307	1,28,386
<b>Total</b>	<b>1,57,86,967</b>	<b>78,90,087</b>

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*Hinjal Bhatt*



# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

### Note - 29. CURRENT TAX

(Amt. in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Current Tax	-	-
2	Excess Provision for earlier years	-	-
	<b>Total</b>	-	-

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

(Amt. in Rs.)

Particulars	31st March, 2018	31st March, 2017
Accounting Profit before Income Tax	19,30,556	(48,83,975)
India's Statutory Income Tax Rate @ 30.90%	5,96,542	(15,09,148)
Non-Deductible Expenses for Tax purposes	11,83,285	3,88,134
Deductible Expenses for Tax purposes	(6,96,324)	(2,74,816)
Income not chargeable for Tax purpose	(81,806)	(4,532)
Utilisation of Tax Losses	(3,89,567)	-
Income Tax expense reported in the Statement of Profit and Loss	6,12,130	(14,00,362)

### Note-30. COMMITMENTS AND CONTINGENCIES

#### Leases

##### Operating lease commitments

The LLP has obtained a premises on operating leases which is long term and is non-cancelable.

Further, there is an escalation clause in the lease agreement.

Lease payments of Rs. 27,82,400 (previous year – Rs. 15,92,000) have been recognized as an expense in the statement of profit and loss during the year.

Future minimum rentals payable under non-cancellable operating leases as at 31 March 18 are as follows:

(Amt. in Rs.)

Particulars	31st March, 2018	31st March, 2017
Not later than one year	31,42,917	23,88,000
Later than one year but not later than five years	1,32,22,626	1,02,68,793
Later than five years	1,09,29,893	1,14,58,422

Huzefa Bhatt



# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

**Note - 31. RELATED PARTY DISCLOSURES**

**31.1 List of Related Parties**

**(A) Key Management Personnel:**

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

**(B) Other Related Parties:**

- NIL -

**31.2 Disclosures of Transactions with KMP and Parent Company:**

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Parent Company	
		Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
		1	Revenue from Operations		
2	Purchase of Goods			79,169	-
3	Management fees to a Partner	12,00,000	8,00,000		
	<b>GRAND TOTAL</b>	<b>12,00,000</b>	<b>8,00,000</b>	<b>9,17,79,403</b>	<b>3,57,98,959</b>

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

(Amt. in Rs.)

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	<b>Trade Receivables</b> Cera Sanitaryware Ltd. (Parent Company)	38,34,380	87,17,323
	<b>Total</b>	<b>38,34,380</b>	<b>87,17,323</b>
2	<b>Trade Payables</b> From Key Management Personal Mrs. Kinjal Bhatt	(20,000)	90,000
	<b>Total</b>	<b>(20,000)</b>	<b>90,000</b>

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

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Revenue from Operations	CERA Sanitaryware Ltd.	9,17,00,234	3,57,98,959
2	Management fees to a Partner	Kinjal Bhatt	12,00,000	8,00,000

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



Kinjal Bhatt





# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

### Note-32. DUES TO MICRO AND SMALL ENTERPRISES

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

Particulars	(Amt. in Rs.)	
	31 March, 2018	31 March, 2017
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	6,13,092	1,21,519
Interest due on above	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-
c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006".		-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year		-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		-

### Note-33.

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

Particulars	Balance as on 01-04-2017	Provided during the year	Paid/Adjusted During the year	(Amt. in Rs.)
				Balance as on 31/03/18
Non-current provisions				
Accumulated leaves	-	26,307	-	26,307
Gratuity	-	2,14,592	-	2,14,592
Total	-	2,40,899	-	2,40,899
Current provisions				
Gratuity	-	646	-	646
Accumulated leaves	-	1,428	-	1,428
Income Tax	-	-	-	-
Total	-	2,074	-	2,074
Grand total	-	2,42,973	-	2,42,973

*[Signature]*

*Hinjat Bhatt*



# Packcart Packaging LLP

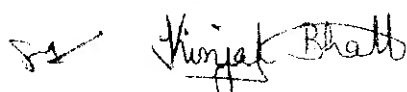
## Notes to Financial Statements for the year ended 31st March, 2018

Note-34. RECONCILIATION OF EQUITY AS AT 01 APRIL 2017

Particulars	(Amt. in Rs.)		
	Indian GAAP As at 31 March 2017	Ind AS adjustments	Ind AS As at 31 March 2017
<b>ASSETS</b>			
<b>(1) Non- Current Assets</b>			
(a) Property, Plant and Equipment	1,83,53,118	(81,807)	1,82,71,311
(b) Capital Work-in-Progress	-	-	-
(c) Financial Assets	12,43,725	(2,27,568)	10,16,157
(d) Deferred Tax Assets	-	14,00,362	14,00,362
(e) Other Non-Current Assets	20,000	1,94,916	2,14,916
<b>(2) Current Assets</b>			
(a) Inventories	97,52,936	-	97,52,936
(b) Financial Assets			
(i) Trade Receivables	92,63,055	-	92,63,055
(ii) Cash and Cash Equivalents	61,57,632	-	61,57,632
(iii) Other Financial Assets	50,340	-	50,340
(c) Other Current Assets	16,34,633	24,223	16,58,856
<b>Total Assets</b>	<b>4,64,75,439</b>	<b>13,10,126</b>	<b>4,77,85,565</b>
<b>CONTRIBUTIONS AND LIABILITIES</b>			
<b>PARTNERS' FUNDS</b>			
(a) Contributions	1,78,00,000	-	1,78,00,000
(b) Other Equity	(47,93,739)	13,10,126	(34,83,613)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1,13,90,000	-	1,13,90,000
(b) Provisions	-	-	-
(c) Other Non-Current Liabilities	-	-	-
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	1,77,84,817	-	1,77,84,817
(ii) Other Financial Liabilities	30,79,995	-	30,79,995
(b) Other Current Liabilities	4,17,846	-	4,17,846
(c) Provisions	7,96,520	-	7,96,520
<b>Total Contribution and Liabilities</b>	<b>4,64,75,439</b>	<b>13,10,126</b>	<b>4,77,85,565</b>

### RECONCILIATION OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2017

Particulars	(Amt. in Rs.)		
	Indian GAAP Year ended 31-Mar-17	GAAP adjustments Year ended 31-Mar-17	Ind AS Year ended 31-Mar-17
Revenue from Operations	3,36,32,803	21,66,156	3,57,98,959
Other Income	49,572	12,305	61,877
<b>Total Income</b>	<b>3,36,82,375</b>	<b>21,78,461</b>	<b>3,58,60,836</b>
<b>Expenses</b>			
Cost of Materials Consumed	2,70,71,728		2,70,71,728
Changes in inventories of Finished goods and Work -in- Progress	(35,21,724)		(35,21,724)
Excise Duty on Sales	-	21,66,156	21,66,156
Employee Benefits Expense	54,22,239		54,22,239
Finance Costs	8,26,954		8,26,954
Depreciation and Amortisation Expense	8,07,564	81,807	8,89,371
Other Expenses	78,69,353	20,734	78,90,087
<b>Total Expenses</b>	<b>3,84,76,114</b>	<b>22,68,697</b>	<b>4,07,44,811</b>
Profit - (Loss) before Tax	(47,93,739)	(90,236)	(48,83,975)
Tax Expense			
(1) Current Tax			
(2) Deferred Tax		(14,00,362)	(14,00,362)
<b>Profit - (Loss) for the year</b>	<b>(47,93,739)</b>	<b>13,10,126</b>	<b>(34,83,613)</b>

  
 Vinayak Bhatt




# Packcart Packaging LLP

## Notes to Financial Statements for the year ended 31st March, 2018

Footnotes to the reconciliation of equity as at 31 March 2017 and profit & loss for the year ended 31 March 2017

- 1 **Security Deposits**  
Under Indian GAAP, interest free rent security deposits paid are reported at their nominal values. Under Ind AS, interest free security deposits are measured at fair value on initial recognition and at amortised cost on subsequent recognition. The difference between the nominal value of such deposits and their fair value is considered as additional rent payable. This is expensed on a straight line basis over the term of the rent agreement. The LLP also recognises interest income on the deposits using Effective Interest Rate (EIR) through profit and loss over the life of the deposits.
- 2 **Deferred Tax Assets**  
Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effect of timing differences between accounting income and taxable income for the period. The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against income approach under Indian GAAP) for computation of deferred tax has resulted in consequential impact to Statement of Profit and Loss.
- 3 **Excise Duty**  
Under the Indian GAAP, revenue from sale of goods in the Statement of Profit and Loss was presented exclusive of Excise Duty of Rs. 21,66,156. Under Ind AS, revenue from sale of goods in the Statement of Profit and Loss is presented inclusive of Excise Duty of Rs. 21,66,156. The Excise Duty paid is presented on the face of the Statement of Profit and Loss as part of expenses.
- 4 **Depreciation**  
The LLP has changed the method of providing depreciation retrospectively from F.Y. 2016-17 from straight line method to written down value method in respect of all fixed assets other than plant and machinery and electrical installations, to fall in line with the method of depreciation being followed by the parent company Cera Sanitaryware Ltd. to which the LLP's financial statements are consolidated in accordance with Ind AS 110 "Consolidated Financial Statements".

 *Shiraj Sheth*



**Note-35.**

The LLP has changed the method of valuing closing stock of Raw material, General Stores and Spares and Finished goods as at 31st March 2018 to "Cost or Net Realisable Value" whichever is lower" following Weighted Average Method which was earlier FIFO method. The effect in consumption, valuation of the closing stock and profit for the year due to this change, is not material and hence, not considered.

**Note-36.**

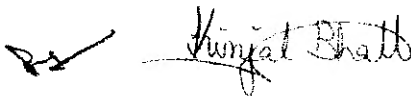
The LLP has received Interest Subsidy of Rs. 4,09,836/- and Capital Subsidy of Rs. 21,00,000/- during the year under the State Government Scheme for MSME. The LLP has also accounted for Interest Subsidy receivable of Rs. 11,18,218/- during the year. The LLP has followed the accounting treatment in respect of Government Grants in accordance with Ind AS – 20 "Accounting for Government Grants and Disclosure of Government Assistance".

**Note-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.**

The LLP has reclassified previous year figures to confirm to IND AS classification.

 Kunjat Bhatt

