

# RED ROTOPACK PRIVATE LIMITED

Auditor's Report  
2019-2020

Auditors  
**H.V.Viradiya & Co.**  
(Chartered Accountants)



# H. V. Viradiya & Co.

## Chartered Accountants

15-16, 3rd Floor, Samruddhi Bhavan, Gondal Road,  
Opp. Bombay Petrol Pump, Rajkot - 360 002 Ph. : 3019051.9277500247  
✉ ca.hetalviradiya@gmail.com ✉ ca.harshilviradiya@gmail.com

### INDEPENDENT AUDITOR'S REPORT

To the Members of Red Rotopack Private Limited

#### Report on the Audit of the Standalone Ind AS Financial Statements

##### Opinion

We have audited the accompanying standalone Ind AS financial statements of Red Rotopack Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company 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 Act and the Rules there under, 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 audit opinion on the standalone Ind AS financial statements.

##### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board Report is not made available to us at the date of this audit's report. We have nothing to report in this regard.



## **Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the [standalone] Ind AS 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 [standalone] Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For H V Viradiya & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 129561W

CA Harshil Viradiya  
Proprietor  
Membership Number: 131136  
UDIN: 20131136AAAABE1227  
Rajkot  
June 16, 2020



**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipments are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. (a) The Company has not granted loans to companies covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products of the Company.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. As informed, the Company does not have any borrowings from a financial institution or by way of debentures or from Government.



- ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For H V Viradiya & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 129561 W

CA Harshil Viradiya  
Proprietor  
Membership Number: 131136  
UDIN: 20131136AAAABE1227  
Rajkot  
June 16, 2020



**Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Red Rotopack Private Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Red Rotopack Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, H V Viradiya & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 129561W

CA Harshil Viradiya

Proprietor

Membership Number: 131136

UDIN: 20131136AAAABE1227

Rajkot

June 16, 2020



**Standalone Balance Sheet as at 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2020 INR lakhs	31 March 2019 INR lakhs
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipments	3	150.56	275.87
(b) Financial assets			
(i) Other non-current financial assets	4	2.47	3.72
(c) Deferred tax assets (net)	14	16.60	0.67
(d) Tax assets (net)	5	2.87	2.80
<b>TOTAL NON-CURRENT ASSETS</b>		<b>172.50</b>	<b>283.06</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	6	27.39	33.93
(b) Financial assets			
(i) Trade receivables	7	-	8.05
(ii) Cash and cash equivalents	8	78.82	47.16
(iii) Bank balance (other than (ii) above)	9	-	15.00
(c) Other current assets	10	0.26	27.93
<b>TOTAL CURRENT ASSETS</b>		<b>106.47</b>	<b>132.07</b>
<b>TOTAL ASSETS</b>		<b>278.97</b>	<b>415.13</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	75.00	75.00
(b) Other equity	12	88.09	136.72
<b>TOTAL EQUITY</b>		<b>163.09</b>	<b>211.72</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
(a) Financial liabilities			
(i) Borrowings	13	112.59	200.00
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	15	-	-
Total outstanding dues of trade payables other than micro and small enterprises	15	3.29	2.29
(b) Other current liabilities	16	-	1.13
<b>TOTAL CURRENT LIABILITIES</b>		<b>115.88</b>	<b>203.42</b>
<b>TOTAL LIABILITIES</b>		<b>115.88</b>	<b>203.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>278.97</b>	<b>415.13</b>
Summary of significant accounting policies	2.2		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

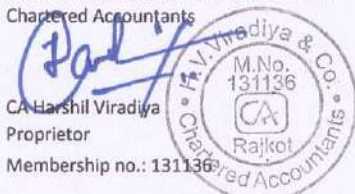
For H V Viradiya &amp; Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya  
Proprietor

Membership no.: 131136

For and on behalf of the Board of Directors of  
Red Rotopack Private LimitedRajeshbhai Mansekhbhai Savani  
Director

DIN - 07357631

Rush

Neel Rasikbhai Jagani

Director

DIN - 07357621



Place: Rajkot

Date: 16 June 2020

Place: Rajkot

Date: 16 June 2020

Red Rotopack Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2020  
(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2020 INR lakhs	Year ended 31 March 2019 INR lakhs
I Revenue from operations	17	14.36	1,719.19
II Other income	18	0.41	-
III TOTAL INCOME (I + II)		14.77	1,719.19
IV EXPENSES			
(a) Cost of materials consumed	19	-	1,437.86
(b) Changes in inventories of finished goods and stock-in-trade	20	6.54	95.53
(c) Employee benefits expense	21	-	44.77
(d) Finance costs	22	13.99	17.93
(e) Depreciation and amortisation expense	23	24.89	38.78
(f) Other expenses	24	33.91	42.28
TOTAL EXPENSES		79.33	1,677.15
V Profit before tax (III - IV)		(64.56)	42.04
VI Tax expenses			
(a) Current tax	14	-	9.20
(b) Deferred tax	14	(15.91)	1.93
Total tax expenses		(15.91)	11.13
VII Profit for the year (V - VI)		(48.65)	30.91
VIII Other comprehensive income			
IX Total comprehensive income for the year (VII + VIII)		(48.65)	30.91
X Earnings per equity share:			
[Equity shares of face value of INR 10 (31 March 2019: INR 10) each]			
(a) Basic	25	(6.49)	4.12
(b) Diluted	25	(6.49)	4.12

Summary of significant accounting policies 2.2  
The accompanying notes are an integral part of the standalone financial statements

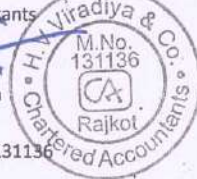
As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

  
CA Harshil Viradiya  
Proprietor  
Membership no.: 131136



For and on behalf of the Board of Directors of  
Red Rotopack Private Limited

  
Rajeshbhai Mansukhbhai Savani  
Director  
DIN - 07357631

  
Neel Rasikbhai Jagani  
Director  
DIN - 07357621

Place: Rajkot  
Date: 16 June 2020

Place: Rajkot  
Date: 16 June 2020



Red Rotopack Private Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL:

Equity shares issued, subscribed and fully paid

As at 1 April 2018

No. in lakhs	INR lakhs
7.50	75.00

Changes in equity share capital during the year:

As at 31 March 2019

7.50	75.00
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Changes in equity share capital during the year:

As at 31 March 2020

7.50	75.00
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B. OTHER EQUITY:

As at 1 April 2018

Profit for the year

Total comprehensive income

As at 31 March 2019

Retained earnings	Total other equity
INR lakhs	INR lakhs
105.81	105.81
30.91	30.91
30.91	30.91
136.72	136.72

As at 31 March 2019

Loss for the year

Total comprehensive income

As at 31 March 2020

Retained earnings	Total other equity
INR lakhs	INR lakhs
136.72	136.72
(48.65)	(48.65)
(48.65)	(48.65)
88.09	88.09

As per our report of even date

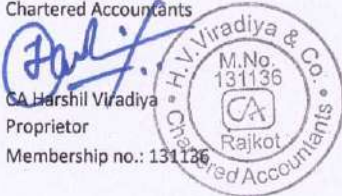
For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya  
Proprietor

Membership no.: 131126



For and on behalf of the Board of Directors of  
Red Rotopack Private Limited

Rajesh

Rajeshbhai Mansukhbhai Savani

Director

DIN - 07357631

Neel R. Jagani

Neel Rasikbhai Jagani

Director

DIN - 07357621



Place: Rajkot

Date: 16 June 2020

Place: Rajkot

Date: 16 June 2020

## Standalone Cash Flows Statement for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(64.56)	42.04
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	24.89	38.79
Loss on sale of property, plant and equipments	25.80	-
Interest expenses	33.91	17.91
Interest income	(0.41)	-
<b>Operating profit before working capital changes</b>	<b>19.63</b>	<b>98.74</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	6.54	246.24
Decrease / (increase) in trade receivables	8.05	(6.42)
Decrease / (increase) in other financial assets	1.25	6.56
Decrease / (increase) in other assets	27.67	(23.34)
Increase / (decrease) in trade payables	1.00	(56.13)
Increase / (decrease) in other financial liabilities	(1.12)	(3.16)
	<b>63.02</b>	<b>262.49</b>
Income tax paid (net of refund received)	-	(17.23)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>63.02</b>	<b>245.26</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	-	(6.43)
Proceeds from sale of property, plant and equipment	74.55	-
Net movement in fixed deposits with banks (having original maturity of more than three months)	15.00	-
Interest received	0.41	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>89.96</b>	<b>(6.43)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of short-term borrowings	(87.41)	(200.17)
Interest paid	(33.91)	(17.91)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(121.32)</b>	<b>(218.08)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>31.66</b>	<b>20.75</b>
Cash and cash equivalents at the beginning of the year	<b>47.16</b>	<b>26.41</b>
Cash and cash equivalents at the end (refer Note 8)	<b>78.82</b>	<b>47.16</b>

As per our report of even date

For H V Viradiya &amp; Co.

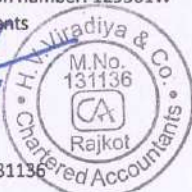
ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya

Proprietor

Membership no.: 131136

For and on behalf of the Board of Directors of  
Red Rotopack Private Limited

Ravesh

Rajeshbhai Mansukhbhai Savani

Director

DIN - 07357631

Neel Rasikbhai Jagani

Director

DIN - 07357621

Place: Rajkot

Date: 16 June 2020

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Date: 16 June 2020



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**Note 1: Corporate Information**

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Red Rotopack Private Limited ('RRPL' or 'the Company') is a Private Company domiciled in India having CIN U25199GJ2015PTC085423 and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located at Survey No. 128, Plot No. 3, Opp. Super Tech Industries, Nikava - 361162, India. The Company is principally engaged in the business of production of laminate for packing material. The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 17 June 2020.

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**Note 2.1: Basis of preparation**

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The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in India Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

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**Note 2.2: Summary of significant accounting policies**

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**A) Current vs Non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised 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.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**B) Significant accounting judgements, estimates and assumptions**

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful lives of property, plant and equipments and intangible assets**

The Company reviews the useful life of property, plant and equipments at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.2 (E) for management estimate of useful lives.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**(ii) Taxes**

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised.

**(iii) Discounts and rebates on sales**

The Company provides discount and rebates on sales to certain customers based on sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. To estimate the amount of discount, the Company applies accumulated experience using the most likely method. The Company determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Company then applies the requirements on constraining estimates of variable consideration and recognises the amount for the expected discount.

**C) Revenue from operations**

**(i) Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 0-7 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discount and rebates on sales). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The right to return and discount and rebates on sales give rise to variable consideration.

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period.

The Company does not generally accept sales return, except in limited cases where the goods supplied are damaged in transit / production related issues occur subsequently. Historical experience is used to estimate such returns at the time of sale. No asset is recognised for products to be recoverable from these returns, as they are not anticipated to be resold.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**(ii) Interest income**

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**D) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

**E) Property, plant and equipments**

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipments and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipments as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipments are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipments and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and method of depreciation of property, plant and equipments are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipments is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice:

Property, plant and equipments	Useful lives
Factory building	30 years
Plant and equipments*	10 years
Furniture and fixtures	10 years
Computers	3 years
Office equipments*	3 years
Vehicles	8 years

**F) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible asset is as below:-

Intangible assets	Useful lives
Computer software	5 years

**G) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**H) Inventories**

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

**I) Leases**

**Upto 31 March 2019**

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

**The Company as lessee**

**Operating lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease rents under operating leases are recognised in the statement of profit and loss on straight line basis, except where escalation in rent is in line with expected general inflation.

**From 1 April 2019**

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Company as lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments of short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**J) Segment reporting**

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company has only one business segment 'snacks food'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**K) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, for which 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 obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

**L) Employee benefits**

I. Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

II. Post-employment obligations

The Company operates the following post-employment schemes:

a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**III. Other long term employee benefit**

The Company has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

The Company presents the leave as the current liability in the standalone balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in standalone balance sheet.

**M) Taxation**

**Current taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred taxes**

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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset 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.

**N) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

**O) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: 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.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the right to receive cash flows from the asset is transferred or expired.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are equity instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**II) Financial liabilities**

**Initial recognition and measurement**

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss ('FVTPL'). A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.



**Note 2.2: Summary of significant accounting policies (Cont'd.)**

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**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.

**P) Investment in subsidiary**

Investment in subsidiary is measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

**Impairment of investments:**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

**Q) Cash and cash equivalents**

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**R) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they incurred.

Borrowing cost includes interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**S) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**T) Contingent liability and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**New and amended standards**

The Company applied for the first time certain amendments to the standards / new standards, which are effective for annual periods beginning on or after 1 April 2019. Amendments apply for the first time for the year ending 31 March 2020 but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

**Ind AS 116 Leases**

Ind AS 116 - 'Leases' (Ind AS 116) was notified in March, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Company has applied Ind AS 116 with a date of initial application of 1st April, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1 April, 2019.

There is no impact on the retained earnings of the Company as at 1 April 2019 on account of adoption of Ind AS 116.



Red Rotopack Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020  
(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Leasehold improvement INR lakhs	Freehold land INR lakhs	Factory building INR lakhs	Plant and equipments INR lakhs	Furniture and fixtures INR lakhs	Office equipments INR lakhs	Computers INR lakhs	Total INR lakhs
I Gross carrying amount								
At 1 April 2018	-	4.04	16.79	422.95	0.22	6.10	0.76	450.86
Additions	-	-	-	2.43	2.89	1.12	-	6.44
Disposals	-	-	-	15.00	-	-	-	15.00
At 31 March 2019	-	4.04	16.79	410.38	3.11	7.22	0.76	442.30
Disposals	-	-	-	169.31	-	-	-	169.31
At 31 March 2020	-	4.04	16.79	241.07	3.11	7.22	0.76	272.99
II Accumulated depreciation and impairment losses								
At 1 April 2018	-	-	2.79	121.99	0.05	2.37	0.45	127.65
Depreciation charge for the year	-	-	0.50	37.25	0.25	0.63	0.15	38.78
At 31 March 2019	-	-	3.29	159.24	0.30	3.00	0.60	166.43
Depreciation charge for the year	-	-	0.50	23.11	0.31	0.85	0.13	24.89
Disposals	-	-	-	68.88	-	-	-	68.88
At 31 March 2020	-	-	3.79	113.47	0.61	3.85	0.73	122.44
III Net carrying amount								
At 31 March 2020	-	4.04	13.00	127.61	2.50	3.37	0.03	150.56
At 31 March 2019	-	4.04	13.50	251.14	2.81	4.22	0.16	275.87
IV Net carrying amount								
31 March 2020		31 March 2019						
INR lakhs	INR lakhs	INR lakhs						
150.56	275.87							
-	-							
150.56	275.87							
(i) Property, plant and equipments								
(ii) Capital work-in-progress								



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 4: Other non-current financial assets**

(At amortised cost unless otherwise stated)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Measured at amortised cost		
Security deposits	2.47	3.72
	<b>2.47</b>	<b>3.72</b>

**Note 5: Non-current tax assets (net)**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Advance income-tax (Net of provision for taxation: Nil, 31 March 2019: Nil)	2.87	2.80
	<b>2.87</b>	<b>2.80</b>

**Note 6: Inventories**

(At cost or net realisable value, whichever is lower)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Raw materials	16.24	16.24
Finished goods	11.15	17.69
	<b>27.39</b>	<b>33.93</b>

**Note 7: Trade receivables**

(Unsecured unless otherwise stated)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
At amortised cost		
Considered good - Unsecured	-	8.05
	<b>-</b>	<b>8.05</b>

**Notes:**

1. For terms and conditions relating to related party receivables, refer Note 27.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.



Red Rotopack Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020  
(All amounts in INR lakhs, unless otherwise stated)

**Note 8: Cash and cash equivalents**  
(At amortised cost)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Balances with banks:		
In current accounts	78.18	46.52
Cash on hand	0.64	0.64
	<b>78.82</b>	<b>47.16</b>

**Note 9: Bank balance other than cash and cash equivalents**  
(At amortised cost)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Deposits with maturity of less than twelve months	-	15.00
	-	<b>15.00</b>

**Note 10: Other current assets**  
(Unsecured considered good unless otherwise stated)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Advances to vendors	0.06	27.73
Balances with statutory / government authorities	0.20	0.20
	<b>0.26</b>	<b>27.93</b>



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 11: Share capital****(a) Authorised share capital**

	Equity shares	
	No. in lakhs	INR lakhs
As at 31 March 2019	7.50	75.00
As at 31 March 2020	7.50	75.00

**(b) Issued subscribed and fully paid-up equity capital**

	Equity shares	
	No. in lakhs	INR lakhs
As at 1 April 2018 (Equity shares of INR 10 each issued)	7.50	75.00
Changes in equity share capital during the year		
As at 31 March 2019 (Equity shares of INR 10 each issued)	7.50	75.00
Changes in equity share capital during the year		
As at 31 March 2020 (Equity shares of INR 10 each issued)	7.50	75.00

**(c) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of INR 10 [(31 March 2019: INR 10)] per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Details of shareholders holding more than 5% shares in the Company**

	As at 31 March 2020		As at 31 March 2019	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
<b>Equity shares</b>				
Avadh Snacks Private Limited	7.50	100.00%	7.50	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Note 12: Other equity**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Retained earnings	88.09	136.72
	88.09	136.72
<b>Retained earnings</b>		
		INR lakhs
As at 1 April 2018		105.81
Add: Profit during the year		30.91
As at 31 March 2019		136.72
Less: Loss during the year		(48.65)
As at 31 March 2020		88.09

Retained earnings are the profits of the Company earned till date net of appropriations.



Red Rotopack Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 13: Borrowings

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Current		
Unsecured		
Indian Rupee Loan from Holding Company	112.59	200.00
	112.59	200.00
	112.59	200.00



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 14: Deferred tax assets / liabilities**

	<u>31 March 2020</u>	<u>31 March 2019</u>
	INR lakhs	INR lakhs
<b>(a) Tax expense recognised in the statement of profit and loss</b>		
Current tax	-	9.20
Deferred tax	(15.91)	1.93
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(15.91)</b>	<b>11.13</b>
<b>(b) Reconciliation of Income tax expense and the accounting profit:</b>		
Profit/(loss) before tax	(64.56)	42.04
Income tax expense calculated at 25.17% (31 March 2019: 27.82%)	(16.25)	11.70
<b>Effect of:</b>		
Expenses that is non-deductible in determining taxable profit	-	0.13
Change in tax rate	-	(0.71)
Tax on other items	0.34	-
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(15.91)</b>	<b>11.12</b>
<b>(c) The movement in deferred tax assets and liabilities during the year ended 31 March 2020 and 31 March 2019:</b>		
	<b>Balance sheet</b>	<b>Statement of profit and loss</b>
	<u>31 March 2020</u> <u>31 March 2019</u>	<u>31 March 2020</u> <u>31 March 2019</u>
	INR lakhs    INR lakhs	INR lakhs    INR lakhs
<b>Deferred tax assets</b>		
Provision for employee benefits	-	(0.30)
Other items giving rise to temporary differences	(10.82)	(10.82)
<b>Deferred tax liabilities</b>		
Difference between book base and tax base related to the property, plant and equipments and intangible assets	(5.78)	(5.39)
<b>Net deferred tax liabilities/ (assets) (net)</b>	<b>(16.60)</b>	<b>(0.69)</b>
<b>Deferred tax (income)/ expenses</b>		<b>(15.91)</b> <b>(0.68)</b>

The tax rate used for above deferred tax reconciliation for 31 March 2020 and 31 March 2019 is 25.17% and 27.82% respectively.

Reflected in the balance sheet as follows:

	<u>31 March 2020</u>	<u>31 March 2019</u>
	INR lakhs	INR lakhs
Deferred tax assets	(10.82)	(0.29)
Deferred tax liabilities	(5.78)	(0.38)
<b>Deferred tax liabilities/ (assets) (net)</b>	<b>(16.60)</b>	<b>(0.67)</b>

**(d) Reconciliation of deferred tax assets/ liabilities (net):**

	<u>31 March 2020</u>	<u>31 March 2019</u>
	INR lakhs	INR lakhs
<b>Opening balance as of 1 April</b>	<b>(0.67)</b>	<b>(2.60)</b>
Tax (income)/expense during the year recognised in the statement of profit and loss	(15.91)	1.93
<b>Closing balance as at 31 March</b>	<b>(16.60)</b>	<b>(0.67)</b>

Pursuant to the Taxation Laws (Amendment) Act, 2019 which is effective from 1 April 2019, domestic companies have an option to pay tax income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The management of the Company have assessed that the Company will transition to the new tax regime from the current financial year and have accordingly recognised deferred tax balances as at 31 March 2020 at revised tax rate of 25.17%. There is no significant impact of the remeasurement of the opening deferred tax liability balance.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

**Note 15: Trade payables**

(At amortised cost)

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Dues to micro and small enterprises*	-	-
Other payables	3.29	2.29
	<b>3.29</b>	<b>2.29</b>

\*Based on the information available with Company as at period end there are no dues outstanding to the suppliers who are registered as micro-and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006". This has been relied upon by the auditors.

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

For explanations on the Company's credit risk management processes, refer Note 32.

**Note 16: Other current liabilities**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Statutory dues	0.01	1.13
	<b>0.01</b>	<b>1.13</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

**Note 17: Revenue from operations**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
<b>Sale of products</b>		
(a) Finished goods	5.53	1,699.18
	<b>5.53</b>	<b>1,699.18</b>
<b>Other operating revenues</b>		
(b) Government grant	8.83	20.01
	<b>8.83</b>	<b>20.01</b>
	<b>14.36</b>	<b>1,719.19</b>
Out of above		
Revenue from customers (a)	5.53	1,699.18
Other revenue (b)	8.83	20.01
	<b>14.36</b>	<b>1,719.19</b>

**Note A: Reconciliation of revenue recognised with contract price**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Contract price	5.53	1,699.18
Adjustments for refund liabilities:		
Discount and rebates	-	-
<b>Revenue from contract with customers</b>	<b>5.53</b>	<b>1,699.18</b>

**Note B: Disaggregation of revenue**

The Company has a single stream of revenue i.e. sale of products.

**Note C: Contract balances**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
(i) Contract assets	-	-
(ii) Trade receivables (pertaining to contract with customers)	-	8.05
(iii) Contract liabilities	-	-
Advance from customers	-	-
At the beginning of the year	-	-
Add: Received during the year	-	-
Less: Recognised as revenue during the year	-	-
At the end of the year	-	-

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 18: Other income**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>INR lakhs</b>	<b>INR lakhs</b>
Interest income on:		
Others	0.41	-
	<b>0.41</b>	<b>-</b>

**Note 19: Cost of materials consumed**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>INR lakhs</b>	<b>INR lakhs</b>
Inventory at the beginning of the year	16.24	166.95
Add: Purchases	-	1,287.15
	16.24	1,454.10
Less: Inventory at the end of the year	(16.24)	(16.24)
Cost of materials consumed	<b>-</b>	<b>1,437.86</b>



Red Rotopack Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

**Note 20: Changes in inventories of finished goods and stock-in-trade**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Opening stock:		
Finished goods	17.69	113.22
	17.69	113.22
Less: Closing stock:		
Finished goods	11.15	17.69
	11.15	17.69
(Increase) / Decrease in inventories	6.54	95.53

**Note 21: Employee benefits expense**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Salaries, wages and bonus	-	43.54
Contribution to provident and other funds	-	0.48
Staff welfare expenses	-	0.75
	-	44.77

**Note 22: Finance costs**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Interest:		
Borrowings	13.99	17.55
Others	-	0.36
Other finance costs	-	0.02
	13.99	17.93

**Note 23: Depreciation and amortisation expense**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Depreciation of property, plant and equipments (refer Note 3)	24.89	38.78
	24.89	38.78



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in INR lakhs, unless otherwise stated)

**Note 24: Other expense**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Power and fuel	5.84	19.48
Freight and forwarding charges	-	1.32
Rates and taxes	-	0.01
Insurance charges	0.10	1.05
Repairs and maintenance:		
-Plant and machinery	-	10.54
-Others	-	0.15
Advertisement and sales promotion	-	2.01
Allowances for doubtful receivables and advances	-	0.03
Printing and stationery	-	0.06
Legal and professional fees	2.17	6.92
Payment to auditor	-	0.64
Loss on sale of property, plant and equipments	25.80	-
Miscellaneous expenses	-	0.07
	<b>33.91</b>	<b>42.28</b>

**Note 25: Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
(a) Profit attributable to equity shareholders	(48.65)	30.91
(b) Weighted average number of equity shares outstanding during the year	7.50	7.50
(c) Weighted average number of equity shares outstanding for computing diluted earning per share	7.50	7.50
Earnings per equity share (in INR)		
Basic (Face value of INR 10 each)	(6.49)	4.12
Diluted (Face value of INR 10 each)	(6.49)	4.12

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these standalone financial statements.



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 26: Employee benefits****(a) Defined contribution plans****a. Provident fund**

The Company makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company has recognised following amounts as expense in the statement of profit and loss :

	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR lakhs	INR lakhs
Included in contribution to provident and other funds		
Provident fund		0.48



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 27: Related party transactions****I]. Names of related parties and related party relationship****(a) Related Parties where control exists:**

<b>Holding Company</b>	Prataap Snacks Limited (w.e.f. from 1 October 2018) Avadh Snacks Private Limited (w.e.f. from 29 March 2018)
<b>Key management personnel</b>	Mr. Rajeshbhai Mansukhbhai Savani, Director Mr. Neel Rasikbhai Jagani, Director
<b>Relatives of key management personnel</b>	Mr. Sanju Rajeshbhai Savani, Son of Mr. Rajeshbhai Savani

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	<b>31 March 2020</b>	<b>31 March 2019</b>
	INR lakhs	INR lakhs
<b>a. Interest expense</b>		
Holding Company	13.99	-
	<b>13.99</b>	<b>-</b>
<b>b. Sales of goods</b>		
Holding Company	5.53	1,664.44
	<b>5.53</b>	<b>1,664.44</b>
<b>c. Remuneration - short term employee benefits</b>		
Key managerial personnel*	-	18.00
Relatives of key management personnel	-	1.20
	<b>-</b>	<b>19.20</b>
<b>* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.</b>		
<b>d. Loan repaid</b>		
Holding Company	100.00	-
	<b>100.00</b>	<b>-</b>
<b>e. Loan taken</b>		
Holding Company	-	200.00
	<b>-</b>	<b>200.00</b>
<b>f. Closing balances</b>		
Loans Payables*		
Holding Company	112.59	200.00
	<b>112.59</b>	<b>200.00</b>
<b>* Includes interest accrued amounting to INR 12.59 lakhs (31 March 2019: Nil)</b>		
<b>Trade receivables</b>		
Holding Company	-	7.03
	<b>-</b>	<b>7.03</b>

**Terms and conditions of transactions with related parties**

The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed in aforesaid table. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 28: Segment information**

For management purpose, the Group comprise of only one reportable segment – Packing Material Laminate

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**A) Information about products and services**

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Revenue from sale of goods to external customers		
Finished goods		
Traded goods	5.53	1,699.18
	<u>5.53</u>	<u>1,699.18</u>

**B) Information about geographical areas**

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

**C) Notes**

- The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.

**Note 29: Disclosure required under Section 186(4) of the Act**

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance	Loan Taken	Loan repaid	Closing balance*
			INR lakhs	INR lakhs	INR lakhs	INR lakhs
Avadh Snacks Private Limited						
As on 31 March 2019	8%		-	200.00	-	200.00
As on 31 March 2020			200.00	-	100.00	100.00

\* Excludes interest accrued amounting to INR 12.59 lakhs (31 March 2019: Nil)



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 30: Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>Non-current financial assets</b>				
Other financial assets	2.47	3.72	2.47	3.72
<b>Current financial assets</b>				
Trade receivables	-	8.05	-	8.05
Cash and bank balances	78.82	47.16	78.82	47.16
<b>Total</b>	<b>81.29</b>	<b>58.93</b>	<b>81.29</b>	<b>58.93</b>
	Carrying value		Fair value	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>Current financial liabilities</b>				
Borrowings	112.59	200.00	112.59	200.00
Trade payables	3.29	2.29	3.29	2.29
Other current financial liabilities	-	1.13	-	1.13
	<b>115.88</b>	<b>203.42</b>	<b>115.88</b>	<b>203.42</b>

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Other financial assets are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability as at the balance sheet date.



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 31: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:**

	Fair value measurement using		
	Quoted prices in active inputs	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	INR lakhs	INR lakhs	INR lakhs
<b>Assets and liabilities for which fair values are disclosed</b>			
<b>Non-current financial assets</b>			
Other current financial assets	-	2.47	-
<b>Current financial assets</b>			
Cash and bank balances	-	78.82	-
<b>Current financial liabilities</b>			
Borrowings	-	112.59	-
Trade payables	-	3.29	-

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:**

	Fair value measurement using		
	Quoted prices in active inputs	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	INR lakhs	INR lakhs	INR lakhs
<b>Assets and liabilities for which fair values are disclosed</b>			
<b>Non-current financial assets</b>			
Other current financial assets	-	3.72	-
<b>Current financial assets</b>			
Trade receivables	-	8.05	-
Cash and bank balances	-	47.16	-
<b>Current financial liabilities</b>			
Borrowings	-	200.00	-
Trade payables	-	2.29	-

**Note 32: Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances and deposits, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other price risk, currency risk and interest risk.



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 32: Financial risk management objectives and policies (cont'd.)****Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Trade receivables	-	8.05
Other Financials assets	2.47	3.72
	<u>2.47</u>	<u>11.77</u>

**Trade receivables**

Customer credit is managed by the Company's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	INR lakhs	
	Upto 180 Days	More Than 180 Days
<b>As on 31 March 2020</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	-	-
Loss allowance provision	-	-
<b>As on 31 March 2019</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	8.05	-
Loss allowance provision	-	-

Impairment loss is recognised in the year based on lifetime credit losses.

**LIQUIDITY RISK****(i) Liquidity risk management**

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

**(ii) Maturities of financial liabilities**

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>As at 31 March 2020</b>				
<b>Current liabilities:</b>				
(i) Borrowings	112.59	-	-	112.59
(ii) Trade payables	3.29	-	-	3.29
	<u>115.88</u>	<u>-</u>	<u>-</u>	<u>115.88</u>
<b>As at 31 March 2019</b>				
<b>Current liabilities:</b>				
(i) Borrowings	200.00	-	-	200.00
(ii) Trade payables	2.29	-	-	2.29
	<u>202.29</u>	<u>-</u>	<u>-</u>	<u>202.29</u>



**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 33: Capital management**

For the purpose of the Company's capital management, equity includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	31 March 2020	31 March 2019
	INR lakhs	INR lakhs
Debt (A)	112.59	200.00
Equity (B)	163.09	211.72
Debt / Equity ratio (A / B)	0.69	0.94

**Note 34: Impact of COVID 19**

On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shut down of the Company's manufacturing facility and operations. The Company has since resumed its manufacturing facility and is currently in the process of scaling up its operations. As the products manufactured by the Company are covered under essential services, management believes the impact is likely to be less significant. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. Management is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial statements.

As per our report of even date

For H V Viradiya & Co.

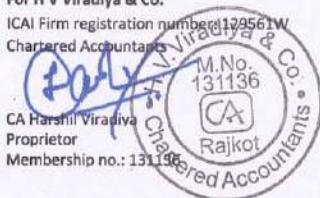
ICAI Firm registration number 129561W

Chartered Accountants

CA Harshil Viradiya

Proprietor

Membership no.: 131136



Place: Rajkot

Date: 16 June 2020

For and on behalf of the Board of Directors of  
Red Rotopack Private Limited

*Rajesh*

Rajeshbhai Mansukhbhai Savani

Director

DIN - 07357631

*Neel R. Jagani*

Neel Rasikbhai Jagani

Director

DIN - 07357621



Place: Rajkot

Date: 16 June 2020