Flair Writing Industries Limited

(Formerly known as Flair Writing Industries Pvt. Ltd.)

CIN NO.: U74999MH2016PLC284727

DIRECTOR'S REPORT

Dear Members,
FLAIR WRITING INDUSTRIES LIMITED

Your Directors have pleasure in presenting this 3rd Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

1. Financial Summary or Performance of the Company

The Standalone and Consolidated Financial highlights of the Company's operations for the year ended March 31, 2019 are as follows:

(Rs in Millions)

PARTICULARS	Standalone		Consolidated	
	FY 2017-18	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**
Revenue from Operations	5041.07	6127.93	5723.79	7323.89
Other Income	68.20	54.41	68.20	53.66
Total Income	**5109.27**	**6182.34**	**5791.99**	**7377.55**
Earnings before Finance Cost, Tax and Depreciation	**997.35**	**1227.43**	**997.35**	**1251.33**
Less: Finance Cost	172.19	183.25	172.21	183.28
Less: Depreciation & Preliminary expenses written off	152.75	184.46	152.80	184.51
Profit / (Loss) before Taxation	**672.41**	**859.72**	**672.34**	**883.54**
Less: Provision for Taxation				
Current Tax	168.61	206.85	168.93	213.64
Deferred Tax	7.49	10.82	7.14	10.44
Tax adjustments for earlier year	(37.63)	-8.07	(37.63)	-8.04
Profit / (Loss) after Taxation	**533.94**	**650.12**	**533.89**	**667.51**
Add: Other Comprehensive Income	(10.34)	(17.25)	(10.34)	(17.25)
Total Comprehensive Income for the year	**523.60**	**632.87**	**523.55**	**650.26**
Earnings per Equity Share of face value of Rs 10 each				
Basic(In Rs)	**22.87**	**27.85**	**22.87**	**28.59**
Diluted (In Rs)	**22.87**	**27.85**	**22.87**	**28.59**

2. Financial Operations

During the year under review, the Company's standalone revenue from operations was Rs. 6127.93 million as against Rs. 5041.07 million for the previous year. The Company has generated Net Profit after tax of Rs. 650.12 million as against Rs. 533.94 million in the previous year.

Financial Performance of Flair Distributor Private Limited (FDPL), a wholly-owned subsidiary of the Company.

During the year under review, FDPL's total revenue from operations was Rs. 1,25,65,20,199/- (Rupees One Hundred Twenty Five Crore Sixty Five Lakhs Twenty Thousand One Hundred Ninety nine only) as against Rs. 71,56,59,522/- (Rupees Seventy One Crore Fifty Six Lakh Fifty Nine Thousand Five Hundred Twenty Two Only) for the previous year. The Company has generated Net Profit after tax of Rs.18,01,92,360/- (Rupees Eighteen Crore One Lakh Ninety Two Thousand Three Hundred Sixty Only) as against the net loss after tax of Rs. 50,112/- (Rupees Fifty Thousand One Hundred Twelve Only) for the previous year.

3. Dividend

Considering future prospects and growth plans of the Company, the Board of Directors wishes to conserve the resources of the Company and accordingly they have not recommended any dividend on Equity Shares for the year under review.

4. Transfer to Reserves

During the year under review, no amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2018-19. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

5. Share Capital

The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- each.

The paid-up share capital of the Company is increased from Rs. 21,84,000/- (Rupees Twenty One Lakhs Eighty Four Thousand) divided into 2,18,400 (Two Lakhs Eighteen Thousand Four Hundred) Equity Shares of Rs. 10/- each as on March 31, 2018 to Rs. 23,34,72,000/- (Rupees Twenty Three Crore Thirty Four Lakhs Seventy Two

Thousand) divided into 23347200 (Two Crore Thirty Three Lakhs Forty Seven Thousand Two Hundred) equity shares of Rs. 10/- each as on march 31, 2019 due to the following corporate events:

Sr. No.	Nature of Allotment	No. of Shares Allotted	Post Allotment Paid-up Capital
1	Scheme of Amalgamation	2700000 Eq. Shares	Rs. 2,91,84,000/-
2	Bonus Issue	20428800 Eq. Shares	Rs. 23,34,72,000/-

6. Initial Public Offer

During the year under review, the board of directors and the shareholders of the company have approved raising of capital through Initial Public Offer which also include offer for sale by existing promoter and promoter group.

Accordingly, the Company had filed the Draft Red Herring Prospectus with SEBI for its IPO. SEBI vide its letter dated November 30, 2018 has accorded its approval for the IPO of the Company which is valid for the period of one year.

7. Subsidiary/Joint Ventures/Associate Companies

The Company has only one subsidiary company viz., Flair Distributor Private Limited. A Statement containing salient features of the financial statements of subsidiary is provided in the Annual Report in a prescribed format of AOC-1.

8. Disclosure of Internal Financial Controls & Risk Management

We have adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

- orderly and efficient conduct of business, including adherence to company's policies and procedures;
- safeguarding of all our assets against loss from unauthorised use or disposal;
- prevention and detection of frauds and errors;
- accuracy and completeness of accounting records;
- timely preparation of reliable financial information; and
- compliance with applicable laws and regulations.

Policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly as well as provides for adequate checks and balances.

Adherence to these processes is ensured through internal audits. The internal control system is supplemented by an extensive program of audit and reviews by the senior management. Internal audit team is empowered to examine the adequacy of and compliance with policies, plans and statutory requirements.

The senior management regularly reviews the findings and recommendations of internal audit team so as to continuously monitor and improve internal controls to match the organisation's pace of growth and increasing complexity of operations as well as to meet the changes in statutory and accounting requirements. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

9. Auditors and Auditor's report

A. Statutory Auditors:

In compliance with the Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Jeswani & Rathore, Chartered Accountants, (FRN: 104202W) were appointed as Statutory Auditors of the Company by the shareholders of the Company in its First Annual General Meeting held on September 30, 2017, to hold office from the conclusion of the First Annual General Meeting held on September 30, 2017 until the conclusion of the Sixth Annual General Meeting to be held in year 2022, for the period of five years.

The Auditors' Report for the financial year ended March 31, 2019 report does not contain any reservation, qualification or adverse remark.

B. Secretarial Audit:

Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, from M/s. Heena & Associates , Practicing Company Secretaries for the financial year 2018-19 is set out at 'Annexure 1' forming a part of this Report.

The Secretarial Audit Report for the financial year ended March 31, 2019 does not contain any reservation, qualification or adverse remark. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under.

C. Internal Auditors:

M/s. ASA & Associates LLP, Chartered Accountants have been appointed as Internal Auditors of the Company for the financial 2018-19.

10. Board's Comment on the Statutory Auditors' Report

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report. The Statutory Auditors have not reported any incident of fraud during the financial year 2018-19.

11. Corporate Social Responsibility Policy

The Board has constituted a Corporate Social Responsibility ("CSR") Committee as per the provisions of Section 135 of the Companies Act, 2013. The Board has also framed a CSR Policy as per the recommendations of the CSR Committee. The CSR Policy has been uploaded on the website of the Company and is available at http://www.flairpens.com. During the year, the CSR Committee was re-constituted and comprises of Mr. Khubilal J. Rathod, Mr. Vimalchand J. Rathod and Mr. Ratanchand J. Oswal. The provisions of Section 135(5) of the Companies Act, 2013, in respect of the expenditure on CSR activities are not applicable to the Company, since the Company has been in existence for less than 3 years and not able to determine the average net profit of the preceding three financial years.

12. Related Party Transactions

All related party transactions that were entered into by the Company during the financial year referred to in sub-section (1) of section 188 of the Companies Act, 2013, are in ordinary course of business and at arm's length basis.

Also, there were no related party transactions which could be considered material in accordance with the Policy of the Company on materiality of related party transactions. The Board of Directors has approved the criteria for granting omnibus approval by the Audit Committee within the overall framework of the Policy on related party transactions.

Policy on dealing with related party transactions, as approved by the Board, is available on the Company's website at http://www.flairworld.in/.

The details of related party transactions entered into by the Company during the financial year are provided in Note 35 to the Financial Statements.

13. RISK MANAGEMENT POLICY:

The Company has formulated and adopted a Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company. The said policy is available on the Company's website at http://www.flairworld.in/

14. Directors and Key Managerial Personnel

a) Directors:

The Board of Directors of the Company comprises of Five Executive Directors and Five Non-Executive & Independent Directors. The present composition of the Board is in compliance with the provisions of Section 149 of the Companies Act, 2013.

During the year under review, Mr. Ratanchand J. Oswal, Mr. Bishan Singh Rawat, Mr. Punit Saxena, Mr. Rajneesh Bhandari and Mrs. Sangita Sethi were appointed as Non-executive and Independent Directors at the Board Meeting held on 9th August, 2018.. The Board of Directors at their meeting held on June 23, 2018 also approved the re-designation of Mr. Vimalchand Jugraj Rathod as the Managing Director of the Company. Further, the Board also approved the appointment of Mr. Khubilal Jugraj Rathod as the Chairman of the Company.

The Company has received declarations from all these Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Khubilal Rathod and Mr. Mohit Khubilal Rathod, Director will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered them self for re-appointment.

b) Key Managerial Personnel:

The Company has appointed the following Key Managerial Personnel

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment
1	Mr. Khubilal Jugraj Rathod	Chairman and Executive Director	April 01, 2017
2	Mr. Vimalchand Jugraj Rathod	Managing Director	October 01, 2017
3	Mr. Rajesh Khubilal Rathod	Executive Director	October 01, 2017
4	Mr. Mohit Khubilal Rathod	Executive Director	April 01, 2017
5	Mr. Sumitkumar Vimalchand Rathod	Executive Director	April 01, 2017
6	Mr. Mayur D. Gala	Chief Financial Officer	August 09, 2018
7	Mr. Vishal Chanda	Company Secretary & Compliance officer	August 09, 2018

c) Directors' Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, and in relation to the audited financial statements of the Company for the year ended 31st March, 2019, the Board of Directors hereby confirms that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that year;

iii. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts of the Company have been prepared on a going concern basis;

v. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

d) Meetings of the Board:

Fourteen Meetings of the Board of Directors were held during the financial year ended March 31, 2019. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat are as follows:-

Sr. No.	Date of Board Meeting	No. of Directors Present
1	April 02, 2018	5
2	April 23. 2018	5
3	May 26, 2018	4
4	June 05, 2018	4
5	June 23, 2018	5
6	July 23, 2018	5
7	July 30, 2018	5
8	August 09, 2018	5
9	August 16, 2018	8
10	August 27, 2018	8
11	September 15, 2018	10
12	October 04, 2018	4
13	October 22, 2018	5
14	February 18, 2019	8

e) Disclosure of composition of Committee(s)

During the year under review, the Company has constituted Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee as per the provisions of Section 177 and Section 178 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable law.

The Composition of the Committees is as follows:

Audit Committee:

Sr. No.	Name of the Directors	Category
1	Mr. Bishan Singh Rawat	Independent Director
2	Mr. Ratanchand J Oswal	Independent Director
3	Mrs. Sangeeta Sethi	Independent Director
4	Mr. Vimalchand Jugraj Rathod	Managing Director

Meetings of Audit Committee

Sr. No.	**Date of Audit Committee Meeting**	**No. of Directors Present**
1	February 18, 2019	3

Nomination and Remuneration Committee:

Sr. No.	Name of the Directors	Category
1	Mr. Rajneesh Bhandari	Independent Director
2	Mr. Ratanchand J Oswal	Independent Director
3	Mrs. Sangeeta Sethi	Independent Director

Meetings of Nomination and Remuneration Committee: NIL

Stakeholders Relationship Committee:

Sr. No.	Name of the Directors	Category
1	Mr. Punit Saxena	Independent Director
2	Mr. Rajesh K. Rathod	Executive Director
3	Mr. Sumitkumar V. Rathod	Executive Director

Meetings of Stakeholders Relationship Committee: NIL

Company has re-constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Khubilal J. Rathod, Mr. Vimalchand J. Rathod and Mr. Ratanchand J. Oswal. The CSR Committee met once during the year on February 18, 2019.

15. Public Deposits

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

During the year under review, the Company has outstanding unsecured loan from the Directors and their relatives as per the details mentioned below:

(Rs in Millions)

Sr. No.	Name of the Director/ Relative of Director	Outstanding at the Beginning of the year	Taken During the year	Repaid during the year	Interest for the year	Amount outstanding at the end of the year
1	Khubilal Rathod	152.97	2.13	31.26	11.30	135.15
2	Vimalchand Rathod	91.92	11.90	17.46	7.43	93.79
3	Rajesh Rathod	170.12	8.15	38.63	13.03	152.67
4	Mohit Rathod	170.34	1.07	12.16	14.21	173.45
5	Sumit Rathod	189.89	6.03	28.43	15.21	182.70
6	Nirmala Rathod	53.74	3.50	2.38	1.34	56.20
7	Manjula Rathod	19.64	-	8.36	1.38	12.66
8	Sangeeta Rathod	90.08	-	4.56	7.49	93.01
9	Shalini Rathod	100.31	-	5.35	8.43	103.38
10	Sonal Rathod	36.91	-	1.40	3.08	38.59
11	Sunita Jain	3.05	-	-	0.01	3.04
12	Keimaya Rathod	1.87	-	-	0.16	2.03

16. Vigil Mechanism

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, their genuine concerns about behaviour of employees. Policy of Vigil Mechanism and Whistle Blower Policy is available on the Company's website at http://www.flairworld.in/

During the financial year 2018-19, no cases under this mechanism were reported to the Company.

17. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted Internal Complaints Committee. During the year under review, the Company has not received any complaint of sexual harassment.

18. Statutory Statements:

A. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are set out at '**Annexure 2**' forming a part of this Report.

B. Disclosures under Section 134(3)(L) of the Companies Act, 2013

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since March 31, 2019. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

C. Disclosure of Orders Passed by Regulators or Courts or Tribunal

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and on the Company's operations in future.

D. Annual Return

The Extract of the Annual return in Form 'MGT-9' for the financial year ended March 31, 2019 made under the provisions of Section 92(3) of the Companies Act, 2013 is attached as 'Annexure 3' and is also available on the website of the Company at http://www.flairworld.in/.

E. Particulars of Loans, Guarantees, Investments And Securities:

The particulars of loans given and investments made during the financial year under Section 186 of the Companies Act, 2013 are given in notes forming part of the Financial Statements.

ACKNOWLEDGEMENT

The Board of Directors of the Company acknowledge with gratitude the support received from Shareholders, Bankers, Customers, Suppliers, Business Partners, Auditors and Regulators. The Directors recognize and appreciate the efforts of all employees for their contribution in accelerating growth of the Company

For and on behalf of the Board of Directors

Vimalchand Jugraj Rathod
Managing Director
DIN: 00123007

Sumitkumar Vimalchand Rathod
Executive Director
DIN: 02987687

Place: Mumbai
Date: June 03, 2019

Annexure 1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
FLAIR WRITING INDUSTRIES LIMITED
63 B/C, Government Industrial Estate, Charkop,
Kandivali West, Mumbai MH 400067

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FLAIR WRITING INDUSTRIES LIMITED (CIN: U74999MH2016PLC284727) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 and made available to me, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (During the period under review, the Company has not entered into any transaction requiring compliances with the Foreign Exchange Management Act, 1999 and rules made thereunder)

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; (Not applicable as the Company has not acquired any share and takeover during the period under review)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued and listed any debt securities during the period under review)

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

g) The Securities and Exchange Board of India (listing obligations and disclosure requirement s) Regulations, 2015; (Not applicable as there is no reportable event during the period under review)

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; (Not applicable there is no reportable event during the period under review)

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable there is no reportable event during the period under review)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial standards with regards to meeting of board of directors (SS1-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
(ii) SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and the listing agreements entered into by the company with Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited.(Not applicable as company is not yet listed during the period under review company is in the process of issuing IPO)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

OTHER APPLICABLE LAWS:

With respect to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable to the Company, subject to the observation stated below:

1. Employees State Insurance Act, 1948;
2. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
3. Indian Contract Act, 1872;
4. Professional Tax, 1975;
5. Income Tax Act, 1961 to the extent of Tax Deducted at Source under various Section and T.D.S. Returns filed;
6. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed;
7. Shops and Establishment Act;
8. Maharashtra Value Added Tax, 2002;
9. Trade Marks Act, 1999;
10. The Micro Small & Medium Enterprises Development Act, 2006;
11. Labour and Employment Law;
12. Pollution and Environment Law;
13. Health and safety and security to workers;
14. Industrial Disputes.

Observations on the applicable laws are as follows:

As per the information and explanation provided by the management above stated are the applicable laws to the Company. I have examined the compliance to the above stated laws and report as under:

1. The Company has paid remuneration to the Managing Directors / Whole Time Directors / Executive Directors within the limits as prescribed under the Companies Act, 2013.
2. The Company has constituted Nomination and Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee, Initial Public Offer Committee, Borrowing Committee, Stakeholders Relationship Committee, as per the provisions of the Act.
3. During the period under review, various e-forms have been filed with the Registrar of Companies, within the prescribed time as per the provisions of the Companies Act, 2013.
4. The compliance of the Company with respect to applicable financial laws such as direct and indirect tax laws and maintained of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors and other designated professionals.
5. During the period under review, the Company has increased its authorised share capital and issued the bonus shares to the shareholders of the Company.

We further report that:

the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the applicable Act.

Adequate notice to all directors is served to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the meetings duly recorded and signed by the chairman. The decision of the board unanimous and no dissenting views have been recorded.

Majority decision is carried with the approval of board concern and members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Heena & Associates

Sd/-
Heena Madan
M. No.: 40297; C.P. No.: 17010

Date: 03/06/2019
Place: Mumbai

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

<u>Annexure A</u>

The Members,
FLAIR WRITING INDUSTRIES LIMITED
63 B/C, Government Industrial Estate, Charkop,
Kandivali West, Mumbai MH 400067

Our Secretarial audit report of even date for the financial year 2018-19 is to be read along with this letter.

Management Responsibility

1. Maintenance of Secretarial record is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulation and to ensure that the system are adequate and operated effectively.

Auditor Responsibility

2. I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. Our responsibility is to express the opinion on these secretarial records, standard and procedure followed by the company with respect to secretarial compliance.

3. I believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis of our opinion.

4. Whenever required I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis. I have not examined the correctness and appropriateness of financial and books of accounts of the company.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the company.

For **Heena & Associates**

Sd/-
Heena Madan
M. No.: 40297; C.P. No.: 17010

Date: 03/06/2019
Place: Mumbai

'ANNEXURE 2' TO DIRECTORS' REPORT

Disclosure pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

A. Conservation of energy:

Steps taken or impact on conservation of energy: The Company applies strict control to monitor day to day energy consumption. The Company ensures optimal utilization of energy to minimize the wastage as far as possible. The energy parameters such as maximum demand, power factor, load factor, Time of Day tariff utilization are monitored on regular basis. The inefficient equipment is replaced with latest energy efficient technology and the equipment is upgraded on regular intervals. The following are the awareness regarding saving the energy;

1. Replaced several old electronics with energy efficient 5star rated products.
2. Installed LED Lights and Fixtures in new manufacturing unit as well as in few areas of old manufacturing units.
3. Installed upgraded Servo based power saving molding machines in our manufacturing unit.
4. Retro fit process is conducted on regular basis which helps to increase the productivity.
5. All equipments are regularly maintained for better efficiency.
6. Operational Method is improved continously for optimizing the use of energy.

B. Technology absorption:

The Company keeps on reviewing new technology for its line of business. It absorbs and adapts the technologies on a continuous basis in the area of product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation to meet its specific needs from time to time.

C. Foreign exchange earnings and Outgo:

(Rs. in Millions)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Actual Foreign Exchange Earnings	1,274.95	1143.14
Actual Foreign Exchange Outgo	1,223.88	527.47

For and on behalf of the Board of Directors

Vimalchand Jugraj Rathod
Managing Director
DIN: 00123007

Sumitkumar Vimalchand Rathod
Executive Director
DIN: 02987687

Place: Mumbai
Date: June 03, 2019

'ANNEXURE 3' TO DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74999MH2016PLC284727
2.	Registration Date	12th August, 2016
3.	Name of the Company	FLAIR WRITING INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON GOVERNMENT COMPNAY
5.	Address of the Registered office & contact details	63, B/C, Government Industrial Estate, Charkop Kandivali West, Mumbai- 400 067. Tel: 022-28683876 Email- investors@flairpens.com
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Writing Instruments	32901	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Flair Distributor Private	U74999MH2016PTC289111	Wholly Owned Subsidiary	100%	2(87)

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
	Limited				

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	-	218400	218400	100	23347200		23347200	100	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	218400	218400	100	23347200	-	23347200	100	-
(2) Foreign									
a) NRI's – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1) + (A)(2)	-	218400	218400	100	23347200	-	23347200	100	-
B. Public Shareholding									
1. Institutions									

Flair Writing Industries Limited

(Formerly known as Flair Writing Industries Pvt. Ltd.)

CIN NO.: U74999MH2016PLC284727

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Corporate Bodies									
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	218400	218400	100	23347200	-	23347200	100	-

**The Promoters of the Company are Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod. This also includes shareholding of the Promoter Group of the Company.*

B) Shareholding of Promoter* -

SN	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Shri Khubilal	43680	20%	-	4669440	20%	-	-

SN	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
	Jugraj Rathod							
2	Shri Vimalchand Jugraj Rathod	32760	15%	-	3502080	15%	-	-
3	Shri Rajesh Khubilal Rathod	21840	10%	-	2334720	10%	-	-
4	Shri Sumit Vimalchand Rathod	21840	10%	-	2334720	10%	-	-
5	Shri Mohit Khubilal Rathod	21840	10%	-	2334720	10%	-	-
6	Smt. Nirmala Khubilal Rathod	21840	10%	-	2334720	10%	-	-
7	Smt. Manjula Vimalchand Rathod	21840	10%	-	2334720	10%	-	-
8	Smt. Sangita Rajesh Rathod	10920	5%	-	1167360	5%	-	-
9	Smt. Shalini Mohit Rathod	10920	5%	-	1167360	5%	-	-

SN	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
10	Smt. Sonal Sumit Rathod	10920	5%	-	1167360	5%	-	-
	Total	**218400**	**100%**	**-**	**23347200**	**100%**	**-**	**-**

**The Promoters of the Company are Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod. This also includes shareholding of the Promoter Group of the Company.*

C) Change in Promoters' Shareholding*:

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr Khubilal J. Rathod**				
	At the beginning of the year	43680	20%	43680	20%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	540000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 4085760 Equity Shares issued as Bonus shares on		4625760	

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		August 16, 2018			
	At the end of the year	4669440	20%	4669440	20%
2	**Mr Vimalchand J. Rathod**				
	At the beginning of the year	32760	15%	32760	15%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	405000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 3064320 Equity Shares issued as Bonus shares on August 16, 2018		3469320	
	At the end of the year	3502080	15%	3502080	15%
3	**Mr Rajesh K. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus		2312880	

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		shares on August 16, 2018			
	At the End of the year	2334720	10%	2334720	10%
4	**Mr Mohit K. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus shares on August 16, 2018		2312880	
	At the End of the year	2334720	10%	2334720	10%
5	**Mr Sumitkumar V. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued		2312880	

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		as Bonus shares on August 16, 2018			
	At the End of the year	2334720	10%	2334720	10%
6	**Smt. Nirmala Khubilal Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus shares on August 16, 2018		2312880	
	At the End of the year	2334720	10%	2334720	10%
7	**Smt. Manjula Vimalchand Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and		2312880	

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	equity etc)	2042880 Equity Shares issued as Bonus shares on August 16, 2018			
	At the End of the year	2334720	10%	2334720	10%
8	**Smt. Sangita Rajesh Rathod**				
	At the beginning of the year	10920	5%	10920	5%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	135000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 1021440 Equity Shares issued as Bonus shares on August 16, 2018		1156440	
	At the End of the year	1167360	5%	1167360	5%
9	**Smt. Shalini Mohit Rathod**				
	At the beginning of the year	10920	5%	10920	5%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	135000 Equity Shares issued Pursuant to Scheme of Amalgamation			

SN	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	(e.g. allotment / transfer / bonus / sweat equity etc)	on May 26, 2018 and 1021440 Equity Shares issued as Bonus shares on August 16, 2018		1156440	
	At the End of the year	1167360	5%	1167360	5%
10	**Smt. Sonal Sumit Rathod**				
	At the beginning of the year	10920	5%	10920	5%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	135000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 1021440 Equity Shares issued as Bonus shares on August 16, 2018		1156440	
	At the End of the year	1167360	5%	1167360	5%

**The Promoters of the Company are Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod. This also includes shareholding of the Promoter Group of the Company.*

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NONE					

E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Khubilal J. Rathod**				
	At the beginning of the year	43680	20%	43680	20%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	540000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 4085760 Equity Shares issued as Bonus shares on August 16, 2018		4625760	
	At the end of the year	4669440	20%	4669440	20%

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	**Mr. Vimalchand J. Rathod**				
	At the beginning of the year	32760	15%	32760	15%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	405000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 3064320 Equity Shares issued as Bonus shares on August 16, 2018		3469320	
	At the end of the year	3502080	15%	3502080	15%
3	**Mr. Rajesh K. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus shares on August 16, 2018		2312880	

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the End of the year	2334720	10%	2334720	10%
4	**Mr. Mohit K. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus shares on August 16, 2018		2312880	
	At the End of the year	2334720	10%	2334720	10%
5	**Mr. Sumitkumar V. Rathod**				
	At the beginning of the year	21840	10%	21840	10%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	270000 Equity Shares issued Pursuant to Scheme of Amalgamation on May 26, 2018 and 2042880 Equity Shares issued as Bonus shares on August 16,		2312880	

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		2018			
	At the End of the year	2334720	10%	2334720	10%

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment –

(Amt in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	60,52,49,612	96,42,04,032	NIL	1,56,94,53,644
ii) Interest due but not paid	24,98,006	11,66,27,751	NIL	11,91,25,757
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	60,77,47,618	1,08,08,31,783	NIL	1,68,85,79,401
Change in Indebtedness during the financial year				
* Addition	38,92,20,067	-	NIL	38,92,20,067
* Reduction	-	3,92,10,514	NIL	3,92,10,514
Net Change	38,92,20,067	-3,92,10,514	NIL	35,00,09,553
Indebtedness at the end of the financial year				
i) Principal Amount	98,95,27,382	95,54,11,840	NIL	1,94,49,39,222
ii) Interest due but not paid	74,40,303	8,62,09,429	NIL	9,36,49,732
iii) Interest accrued but not due	NIL	NIL	NIL	
Total (i+ii+iii)	99,69,67,685	1,04,16,21,269	NIL	2,03,85,88,954

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager -

SN.	Particulars of Remuneration	Name of WTD	Name of WTD	Name of WTD	Name of WTD	Name of WTD	Total Amount
		Mr. Khubilal J. Rathod	Mr. Vimalchand J. Rathod	Mr. Rajesh K. Rathod	Mr. Mohit K. Rathod	Mr. Sumitkumar V. Rathod	
1	*Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	36,00,000	24,00,000	24,00,000	24,00,000	144,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	36,00,000	36,00,000	24,00,000	24,00,000	24,00,000	144,00,000

B. Remuneration to other Directors:

Sitting fees paid to Independent Directors for attending Committee and Board Meetings

Sr. No.	Name of the Independent Directors	Sitting Fees Paid during the Financial Year 2018-19
1	Mr. Bishan Singh Rawat	Rs. 80,000/-
2	Mr. Punit Saxena	Rs. 1,50,000/-
3	Mr. Rajneesh Bhandari	Rs. 30,000/-
4	Mr. Ratanchand J. Oswal	Rs. 90,000/-
5	Mrs. Sangeeta Sethi	Rs. 2,00,000/-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

SN.	Particulars of Remuneration	Name of Chief Financial Officer	Name of Company Secretary and Compliance Officer	Total Amount
		Mr. Mayur Gala	Mr. Vishal Chanda	
1	*Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,28,115/-	4,16,773/-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	- others, specify	-	-	

SN.	Particulars of Remuneration	Name of Chief Financial Officer	Name of Company Secretary and Compliance Officer	Total Amount
5	Others, please specify	-	-	
	Total (A)	**31,28,115/-**	**4,16,773/-**	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: ***Not Applicable***

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of the Board of Directors

Vimalchand Jugraj Rathod
Managing Director
DIN: 00123007

Sumitkumar Vimalchand Rathod
Executive Director
DIN: 02987687

Place: Mumbai
Date: June 03, 2019

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
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Standalone Financial Statements Independent Auditor's Report

To the Members of Flair Writing Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Flair Writing Industries Limited (*"the Company"*)** which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

Sr. No.	Key Audit Matter	Auditor's Report
1	**Revenue recognition (Refer note 2.8 of Significant Accounting Policies and note 19 of the Standalone Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Capital work-in-progress/Property Plant and Equipment (PPE) - (Refer note 2.3 of Significant Accounting Policies and note 1 of the Standalone Financial Statements)**	
	The Company had embarked on the project of setting up manufacturing plant in Valsad. Value of Valsad plants capitalized during the year is Rs. 32.15 Crore and CWIP of Rs. 3.02 Crore. The projects need to be capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the project and/or inappropriate classification of categories of items of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of the cut-off date considered for project capitalization. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting. Further, through sites visits, we physically verified existence of capital work in progress/PPE.
3	**Recognition of tax credits (Refer note 5 of the Standalone Financial Statements)**	
	The Company has recognized Alternate Minimum Tax (AMT) credit receivable of Rs. 6.62 Crore and MAT credit receivable of Rs 5.17 Crore as at 31st March 2019. The recognition of MAT credit is a key audit matter as the recoverability of such tax credits within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.	• Our audit procedures included considering Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 "Income Taxes" • We performed test of controls over recognition of tax credits through inspection of evidence of performance of these controls. • We performed the following tests of details: **a)** We involved our tax specialists who evaluated the Company's tax positions by comparing it with prior years and past precedents. **b)** We discussed the future business plans and financial projections with the Company.

		c) We assessed the management's long term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. • We have assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".
4	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 6 of the Standalone Financial Statements)**	
	As at March 31, 2019, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 1.72 Crore which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 1.81 Crore which is pending adjudication.	The Company has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the consolidated financial statement, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial controls 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 system 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report **in "Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

JESHANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013. we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Jeswani & Rathore
Chartered Accountants
F.R.N.:104202W

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M. No: 012807

Place: Mumbai
Date: June 03, 2019

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/34451, FAX: +91 22 22819435
Email: jeswanirathore@gmail.com

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Flair Writing Industries Limited of even date)

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

Report on internal financial controls over financial reporting

We have audited the internal financial controls over financial reporting of **Flair Writing Industries Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 ('ICAI'). 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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 Jeswani & Rathore
Chartered Accountants
(FRN: 104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M. No: 012807

Place: Mumbai
Date: June 03, 2019

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/34451, FAX: +91 22 22819435
Email: jeswanirathore@gmail.com

Annexure –B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report to the members of Flair Writing Industries Limited of even date)

i. **In respect of the Company's Fixed assets:**

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. **In respect of its inventories:**

The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses a, b and c of Paragraph 3(iii) of the order are not applicable to the Company.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues :

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect aforesaid dues as at March 31, 2019 for a period of more than six months from the date they became payable.

c) Details of the dues of Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been deposited as at March 31, 2019 on account of any dispute are given below:

Nature of the statute	Nature of dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	3,11,891	2012-13	Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	5,54,793	2013-14	Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	56,047	2012-13	Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun
Central Excise Act, 1944	Service Tax	2,83,879	07.01.2013 to 30.06.2014	Commissioner of Central Excise (Appeals)

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Company has utilised the moneys raised by way of term loan(s) for the purposes for which they were raised.

x. To the best of our knowledge and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration to managerial personnel in accordance with the requisite approvals mandated by the provisions of sections 197 read with schedule V to the Companies Act, 2013.

xii. The company is not a nidhi Company and therefore, the reporting under this clause 3(xii) of the Order is not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, 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, the reporting under this clause 3(xiv) of the Order is not applicable to the company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, 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 Companies Act, 2013 and hence provisions of clause 3(xv) of the Order are not applicable to the company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Jeswani & Rathore
Chartered Accountants
(FRN: 104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M. No: 012807

Place: Mumbai
Date: June 03, 2019

FLAIR WRITING INDUSTRIES LIMITED

Balance Sheet as at March 31, 2019

(Rs. In Million)

	PARTICULARS	NOTES	As at March 31, 2019	As at March 31,2018
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	1,786.82	1,405.84
b)	Capital Work-in-Progress	1	33.87	83.10
c)	Intangible Assets	1	32.70	32.57
d)	Financial Assets			
	i) Investments in Subsidiary	2	1.00	1.00
	ii) Loans	3	1.23	1.77
	iii) Other Financial Assets	4	21.82	15.24
e)	Deferred Tax Assets (Net)	5	36.58	58.44
f)	Other Non-Current Assets	6	77.54	243.59
	Total Non-Current Assets		**1,991.56**	**1,841.55**
	Current Assets			
a)	Inventories	7	1,291.90	880.69
b)	Financial Assets			
	i) Trade Receivables	8	1,608.29	1,153.72
	ii) Cash and Cash Equivalents	9	17.94	11.74
	iii) Loans	3	4.53	8.82
	iv) Other Financial Assets	4	6.23	2.35
c)	Other Current Assets	6	368.36	221.13
	Total Current Assets		**3,297.25**	**2,278.44**
	Total Assets		**5,288.81**	**4,120.00**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	11	233.47	2.18
b)	Equity Share Suspense	11	-	27.00
c)	Other Equity	12	1,985.52	1,556.94
	Total Equity		**2,218.99**	**1,586.12**
	Liabilities			
1	**Non-Current Liabilities**			
a)	Financial Liabilities			
	i) Borrowings	13	1,219.46	999.74
	ii) Other Financial Non-Current Liabilities	18	48.90	55.93
b)	Government Grants	14	4.13	4.78
c)	Provisions	15	38.99	25.34
	Total Non-Current Liabilities		**1,311.48**	**1,085.79**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	13	736.74	691.58
	ii) Trade Payables			
	total outstanding dues of micro enterprises and small enterprises	17	92.66	54.59
	total outstanding dues of creditors other than micro enterprises and small enterprises	17	534.12	492.25
	iii) Other Financial Liabilities	18	199.21	74.62
b)	Government Grants	14	0.73	0.83
c)	Other Current Liabilities	16	103.75	66.86
d)	Provisions	15	47.91	33.38
e)	Current Tax Liabilities (Net)	10	43.22	33.96
	Total Current Liabilities		**1,758.34**	**1,448.07**
	Total Liabilities		**3,069.82**	**2,533.87**
	Total Equity and Liabilities		**5,288.81**	**4,120.00**

Significant Accounting Policies

The accompanying Notes form an integral part of these Standalone Financial Statements **(Note 1 to 42)**

As per our attached Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

Statement of Profit & Loss for the year ended March 31, 2019

(Rs. in Million)

PARTICULARS		NOTES	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME				
Revenue from Operations		19	6,127.93	5,041.07
Other Income		20	54.41	68.20
Total Income	(A)		**6,182.34**	**5,109.27**
EXPENSES				
Cost of Material Consumed		21	3,203.61	2,434.98
Purchase of Stock-in-Trade		22	226.31	262.68
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		23	(228.82)	(79.80)
Excise Duty		24	-	7.93
Employee Benefits Expense		25	874.36	741.72
Finance Costs		26	183.25	172.19
Depreciation/Amortisation Expense		27	184.46	152.75
Other Expenses		28	879.45	744.42
Total Expenses	(B)		**5,322.62**	**4,436.86**
Profit Before Tax	(C=A-B)		**859.72**	**672.41**
Tax Expense				
Current Tax			206.85	168.61
Deferred Tax		5	10.82	7.49
Tax Adjustments for earlier years			(8.07)	(37.63)
Total Tax Expense	(D)		209.60	138.47
Profit for the Year/Period	(E=C-D)		**650.12**	**533.94**
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
i) Actuarial Loss on Defined Benefit Plan			(24.34)	(14.59)
ii) Income Tax on the above			7.09	4.25
Items that will be reclassified to Statement of Profit Or Loss			-	-
Total Other Comprehensive Income for the Year/Period (Net of Tax)	(F)		**(17.25)**	**(10.34)**
Total Comprehensive Income for the Year/Period	(G=E+F)		632.87	523.60
Earnings Per Equity Share of face value of Rs.10/- each				
Basic(In Rs)		30	27.85	22.87
Diluted (In Rs)		30	27.85	22.87

Significant Accounting Policies

The accompanying Notes form an integral part of these Standalone Financial Statements **(Note 1 to 42)**

As per our Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

Statement of Cash Flows for the year ended March 31, 2019

(Rs. In Million)

Particulars	Note	As at March 31, 2019	As at March 31,2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the Year/Period		859.72	672.41
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities			
Depreciation Expenses		184.46	152.75
Interest Expenses		183.25	172.19
Deferred Income of Government Grant		(0.75)	(0.88)
Provision for GST Receivables		(2.92)	(6.73)
Interest Income		(1.80)	(1.82)
Loss of sales of Property, Plant and Equipment		1.04	1.60
Changes in Assets and Liabilities			
(Increase)/Decrease in Inventories		(411.20)	(132.47)
(Increase)/Decrease in Trade Receivables		(454.57)	(74.15)
(Increase)/Decrease in Loans		4.83	1.09
(Increase)/Decrease in Other Financial Assets		(10.46)	5.97
(Increase)/Decrease in Other Non-Current/Current Assets		26.80	34.19
increase/(Decrease in Trade Payables		79.93	(142.37)
increase/(Decrease in Other Financial Liabilities		37.13	(21.64)
increase/(Decrease in Government Grants		(0.75)	5.61
increase/(Decrease in Provisions		3.83	(0.17)
Increase/(Decrease in Other Non-Current/Current Liabilities		29.86	31.71
Cash Generated From Operations		528.39	697.29
Income Taxes Paid		(171.04)	(244.83)
NET CASH GENERATED BY OPERATING ACTIVITIES	(A)	357.35	452.46
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible Asset		(523.17)	(464.83)
Decrease in Property, Plant and Equipment and Intangible Asset due to Machine Utilisation(Non Cash)			(66.84)
Sales of Property, Plant and Equipment and Intangible Asset		1.12	17.58
Interest Income		1.80	1.82
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(B)	(520.25)	(512.27)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Share		-	400.11
Loan Taken/(Repaid)		352.34	(227.37)
Interest on Loan		(183.25)	(172.19)
NET CASH USED IN FINANCING ACTIVITIES	(C)	169.09	0.55
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	6.20	(59.26)
Cash and Cash Equivalents at the Beginning of the Year		11.74	57.67
Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation		-	13.33
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		17.94	11.74

Significant Accounting Policies

The accompanying Notes form an integral part of these Standalone Financial Statements **(Note 1 to 42)**

As per our attached Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date:

03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

Statement of Changes in Equity

A. Equity share capital:

(Rs. in Million)

Particulars	As at March 31, 2019		As at March 31,2018	
I) Equity Shares of INR 10 each issued, Subscribed and Fully Paid Up	No.	Rs.	No.	Rs.
Balance at the beginning of the year	2,18,400	2.18	2,00,000	2.00
Change in Equity Share Capital during the year/period (Refer Note 11)	2,31,28,800	231.29	18,400	0.18
Balance at the end of the year/period	**2,33,47,200**	**233.47**	**2,18,400**	**2.18**

b. Equity Share Suspense

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Equity Share Suspense [Refer Note 11(f)]	-	27.00
	-	**27.00**

c. Other equity

(Rs. in Million)

Particulars	Retained Earning	Share Premium	Other Comprehensive Income	Total
Balance as at April 1, 2017	231.55	-	0.58	232.13
Add : Amalgamation reserves	470.34	-	-	470.34
Less : Effect of change in Depreciation due to change in machine utilization	(66.84)	-	-	(66.84)
Add : Income Tax on the above	19.46	-	-	19.46
Add : Profit for the year	533.94	-	-	533.94
Add : Share Premium	-	399.92	-	399.92
Add : Deferred Income of Earlier Years	2.01	-	-	2.01
Less : Income Tax on the above	(0.59)	-	-	(0.59)
Less : Amortization Expense of Lease Deposit of earlier years	(3.38)	-	-	(3.38)
Add : Income Tax on the above	0.98	-	-	0.98
Less : Deferred Tax on Earlier Years	(20.72)	-	-	(20.72)
Less : Other Comprehensive Income	-	-	(10.34)	(10.34)
Balance as at March 31, 2018	**1,166.77**	**399.92**	**(9.76)**	**1,556.94**

(Rs. in Million)

Particulars	Retained Earning	Share Premium	Other Comprehensive Income	Total
Balance as at April 1, 2018	1,166.77	399.92	(9.76)	1,556.93
Add : Profit for the period	650.12	-	-	650.12
Less : Bonus Share issued		(204.29)	-	(204.29)
Less : Effect of change in Depreciation due to change in machine utilization	-	-	-	-
Less : Other Comprehensive Income		-	(17.25)	(17.25)
Balance as at March 31, 2019	**1,816.89**	**195.64**	**(27.01)**	**1,985.52**

For Jeswani & Rathore
Chartered Accountants

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

1. CORPORATE INFORMATION

Flair Writing Industries Limited ('the Company') **(Formerly known as Flair Writing Industries Private Limited)** is a Company domiciled in India, with its registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. Flair Writing Instruments was incorporated as Registered Partnership Firm on January 1, 1986. It was converted to a private limited company on August 12, 2016 and subsequently converted in to Public Limited Company on May 30, 2018.

The Company has made an allotment of 20,428,800 Equity Shares pursuant to a bonus issue in the ratio of 7 (Seven) Equity Shares for every 1 (One) Equity Shares authorized by a resolution passed by the Shareholders dated **August 14, 2018** with the record date as **August 9, 2018** in the following manner: Mr. Khubilal Jugraj Rathod (4,085,760 Equity Shares), Mr. Vimalchand Jugraj Rathod (3,064,320 Equity Shares), Mrs. Nirmala Khubilal Rathod (2,042,880 Equity Shares), Mrs. Manjula Vimalchand Rathod (2,042,880 Equity Shares), Mr. Rajesh Khubilal Rathod (2,042,880 Equity Shares), Mr. Mohit Khubilal Rathod (2,042,880 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (2,042,880 Equity Shares), Mrs. Sangita Rajesh Rathod (1,021,440 Equity Shares), Mrs. Shalini Mohit Rathod (1,021,440 Equity Shares), and Mrs. Sonal Sumitkumar Rathod (1,021,440 Equity Shares)by capitalization of Share Premium account of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation of Standalone Financial Statements

a) Compliance with Ind AS

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015, and Companies (Indian Accounting Standards) Rules, 2016.

All the Assets and Liabilities have been classified as Current or Non- Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

b) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

c) **Functional and presentation currency**

These financial statements are presented in 'Indian Rupees', which is the Company's functional currency. All amounts in the financial statements have been rounded off to the nearest million or decimal thereof, unless otherwise stated.

2.2. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the financial statements requires that the Management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipment and Intangible Assets:**

  Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

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- **Recoverability of trade receivables**

  Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

- **Provisions**

  Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgments to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Application of Discount rates**

  Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to change.

- **Current versus Non-Current Classification**

  All the assets and liabilities have been classified as Current or Non Current as per the Company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

- **Impairment of Non-Financial Assets**

  The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's

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recoverable amount. An asset's recoverable amount is the higher of an, asset's or group of Assets, called Cash Generating Units (CGU), fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or CGU's. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

- **Impairment of Financial Assets**

  The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.3. PROPERTY,PLANT AND EQUIPMENT (PPE)

i. Tangible Assets

- **Freehold Land**

  Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

  Property, plant and equipment are stated at historical cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

  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 entity and the cost can be measured reliably.

ii. **Intangible assets**

Intangible assets that are acquired are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and impairment loss if any. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

iii. **Capital Work-in-Progress:**

Capital Work-in-Progress includes expenditure during construction period incurred on projects are treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

iv. **Depreciation/Amortisation** :

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Schedule II of Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

The useful life of major assets is as under:

Assets	Useful life (in years)
Freehold Building	30
Furniture & Fixtures	10
Electrical Installation	10
Office Equipments	5
Plant & Machinery	15
Factory Equipments	5
Vehicles	8
Two Wheeler	10
Mould	8
Computer Equipments	3

Intangible assets are carried at cost and amortised on a straight line basis so as to reflect the pattern in which the assets economic benefits are consumed. Amortisation of intangible assets is calculated over the managements' estimated useful lives as mentioned below:

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Assets	Amortised (in years)
Trademarks	10
Others	10

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and Loss when the assets is derecognized.

v. **Impairment of Non-Financial Assets- Property, Plant and Equipment and Intangible Assets :**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or cash generating units is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating units to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.4. Finance Costs

Finance 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 are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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2.5. Foreign Currency Transactions and Translation

The Company's financial statements are presented in INR, which is the company's functional currency.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss and costs that are directly attributable to the acquisition assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

2.6. Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.7. 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

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.

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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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

External valuer's are involved for valuation of significant assets, such as properties, unquoted financial assets etc, if needed. Involvement of independent external value's is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact, if any, on account of such fair valuation is taken in the annual financial statements.

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.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these

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models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments

2.8. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products

Revenue from sale of produts is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract

Export Entitlements

Export entitlements such as duty drawback, EPCG license etc are recognised as income when the right to receive the same as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate realization.

Other Income

Interest income is recognized on time proportionate basis taking into account amount outstanding and rate of Interest.

2.9. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in equity.

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- **Current tax :**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

- **Deferred tax :**

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under AMT/MAT, during the year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as Unused Tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of Unused Tax Credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified year.

2.10. Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

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

Raw Materials and other supplies held for use in production of inventories are not written down below cost except in the case where material prices have declined and it is estimated that the cost of the finished product will exceed its Net Realisable Value

2.11. Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the statement of Profit and Loss on straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.12. Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible an obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent asset is not recognized in the financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

2.13. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14. Employee Benefits Expense

Employee benefits include bonus, compensated absences, provident fund, employee state insurance scheme and gratuity fund.

a) Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

b) Post-employment obligations

I. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Employees' State Insurance Corporation. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. **Defined benefit plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Re-measurement of defined benefit plan in respect of post-employment are charged to the Other Comprehensive Income.

c) Compensated Absences

Accumulated compensated absences, which are expected to be availed or en-cashed within 12 months from the end of the year end are treated as short term employee

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benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

d) **Payments of Bonus**

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.15. 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.

Financial Instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

(i) Financial assets

a. **Initial Recognition and Measurement**

All Financial Assets are initially recognized at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the Fair Value on initial recognition. Purchases and Sales of Financial Assets are recognized using trade date accounting.

b. **Subsequent Measurement**

1) **Financial Assets carried at Amortised Cost**

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

2) **Financial Assets at Fair value Through Other Comprehensive Income (FVOCI)**

A Financial Asset is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to

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cash flows that are solely payments of principal and interest on the principal outstanding.

3) **Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL.

c. **Loans, Deposits and Receivable**

Loans and receivable are non-derivative financial assets with fixed or determinable payment that are not quoted in the active market. Such assets are carried at amortised cost using the effective interest method, if the time value of money is insignificant.

d. **Investment in Subsidiary**

The Company accounts for its investments in Subsidiaries at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

e. **Impairment of Financial Assets**

In accordance with Ind-AS 109, The Company uses "**Expected Credit Losses (ECL)**" model, for evaluating impairment of Financial Asset other than those measured at Fair Value Through Profit and Loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Credit Loss is the difference between all contractual cash flows that are due to an entity 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 effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable evidence including that which is forward-looking.

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Trade Receivables

Customer Credit Risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The Company is receiving payments from customers within due dates and therefore the Company has no significant Credit Risk related to these parties. The Company evaluates the concentration of risk with respect to trade receivables as low.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Other Financial Assets mainly consists of Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost. Following is the policy for specific financial assets:-

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) Financial Liabilities

a. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables, financial guarantee contracts and derivative financial instruments.

b. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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c. **De-recognition of Financial Instruments**

The company de-recognizes a Financial Asset when the contractual rights to the cash flows of the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial Liability (or part of Financial Liability) is de-recognized from the company's Balance Sheet when obligation specified in the contract is discharged or cancelled or expires.

d. **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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. Foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealized net gain or loss is recognized in the statement of profit and loss.

2.16. Cash and Cash Equivalents

Cash and Cash equivalents include Cash and Cheque in hand, Bank balances, Demand Deposits with Banks and other Short-Term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.17. Cash Flow Statement

Cash flows are reported using the Indirect Method where by the Profit Before Tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated

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2.18. Earnings Per Share

Basic earnings per share

Basic Earnings Per Share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of additional equity shares that would have been outstanding are considered assuming the conversion of all dilutive potential equity shares. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

2.19. Segment Reporting

The Company is engaged in the business of 'manufacturing and dealing of writing instruments and its allieds', which in the context of Ind AS 108 - "Operating Segment" notified under section 133 of the Companies Act, 2013, is considered as the only segment.

2.20. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

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Note 1 : Property, Plant and Equipment

(Rs in Million)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Gross Carrying Value as of April 1,2018	Additions	Deletions	Gross Carrying Value as of March 31,2019	Balance as on April 1,2018	Transfered to Retained Earnings #	Depreciation	Accumulated Depreciation on Deletions	Balance as at March 31,2019	WDV as on March 31, 2019	WDV as on March 31, 2018
Land – Freehold	38.96	-	4.67	34.29		-	-	-	-	34.29	38.96
Buildings	234.80	166.76	-	401.56	11.07	2.96	11.78	-	25.81	375.75	220.77
Plant and Machinery	844.73	240.38	1.79	1,083.33	84.34	60.18	83.37	0.80	227.09	856.24	700.21
Office Equipment	8.07	1.30	0.36	9.02	2.12	0.01	1.80	0.31	3.62	5.40	5.94
Factory Equipments	19.03	15.51	0.06	34.48	4.93	0.03	5.47	-	10.43	24.05	14.06
Computer Equipment	10.90	4.12	0.37	14.65	3.98	0.14	4.20	0.30	8.03	6.62	6.78
Furniture & Fixtures	43.69	8.61	-	52.30	5.02	(0.01)	5.15	-	10.16	42.14	38.68
Mould	362.11	83.70	0.29	445.52	60.48	2.93	53.29	-	116.71	328.81	298.69
Electrical Installation	45.55	38.41	-	83.96	7.51	(0.06)	7.30	-	14.74	69.22	38.11
Two Wheeler	0.45	0.07	-	0.52	0.07	(0.00)	0.06	-	0.13	0.39	0.38
Vehicles	48.08	9.12	1.64	55.57	4.15	0.67	7.76	0.93	11.66	43.91	43.26
Total	1,656.37	567.99	9.17	2,215.19	183.68	66.86	180.17	2.34	428.37	1,786.82	1,405.84

Effect of change in depreciation due to change in Machine Utilisation in F.Y. 2017-18.

Note 1 : Intangible Assets

(Rs in Million)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Gross Carrying Value as of April 1,2018	Additions	Deletions	Gross Carrying Value as of March 31,2019	Balance as on April 1,2018	Transfered to Retained Earnings	Depreciation	Accumulated Depreciation on Deletions	Balance as at March 31,2019	WDV as on March 31, 2019	WDV as on March 31, 2018
Trade Mark	36.16	4.41	-	40.57	4.07	(0.01)	4.21	-	8.27	32.30	32.10
Web Designing	0.59	-	-	0.59	0.11		0.07	-	0.19	0.40	0.47
TOTAL	36.75	4.41	-	41.16	4.19	(0.01)	4.28	-	8.46	32.70	32.57

Note 1 : Capital Work-In-Progress

(Rs in Million)

PARTICULARS	As At March 31,2019	As At March 31,2018
Lift	-	2.36
Motor Car	-	2.96
Mould	0.01	-
Factory Equiptment	1.64	-
Electrical Installation	1.52	-
Factory Building	13.52	77.70
Machinery	17.18	0.07
TOTAL	33.87	83.10

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Note 2 : Investments in Subsidiary

(Rs. in Million)

Non-Current

PARTICULARS	As at March 31, 2019		As at March 31,2018	
	Qty.	Amount	Qty.	Amount
Unquoted Investments				
Investment in Equity Shares of Subsidiary Company				
Flair Distributor Pvt Ltd (Refer Note 35)	1,00,000	1.00	1,00,000	1.00
Total non-current investments	**1,00,000**	**1.00**	**1,00,000**	**1.00**
Aggregate Carrying Value of Unquoted Investments		1.00		1.00
Aggregate Carrying Value of Unquoted Investments measured at cost		1.00		1.00
Aggregate amount of Impairment in value of Investments		-		-

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Note 3 : Loans

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Unsecured, Considered good		
Loans to Employees #	1.23	1.77
Total	1.23	1.77
Current		
Unsecured, Considered good		
Loans to Employees	4.53	7.46
Other Loan	-	1.36
Total	4.53	8.82

Loans and Advances fall under the category of 'Loans-Non-Current' and are re-payable within 2 to 3 Years. Further the said loans are carried at amortised cost.

Note 4 :Other Financial Assets

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Security and Other Deposits	21.55	14.52
Fixed Deposits #	0.26	0.71
Total	21.82	15.24
Current		
Security and Other Deposits	0.75	2.22
Interest Accrued on Fixed Deposits	0.06	0.13
Derivatives Financial Assets	5.41	-
Total	6.23	2.35
# Includes deposits having restrictive use on account of:		
1) Held as Security Deposit against Bank Guarantee	-	0.45
2) Pledged with Government Authorities	0.26	0.26
Total	0.26	0.71

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Note 5 : DEFERRED TAX (LIABILITIES) / ASSETS :

In accordance with Indian Accounting Standard -12 relating to "Income Taxes" the breakup of Deferred Tax Assets / (Liabilities) is as follows :

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31,2018
Deferred Tax (Liabilities) / Assets	36.58	58.44
	36.58	**58.44**

2018-19

Deferred tax assets/(liabilities) in relation to:

(Rs. In Million)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	(96.22)	(20.86)	-	(117.08)
Expenses Allowed on Payment Basis	10.09	3.08	-	13.17
Gratuity	8.19	1.93	7.09	17.20
Others	0.40	5.04	-	5.44
Total (A)	**(77.55)**	**(10.82)**	**7.09**	**(81.28)**
AMT-MAT Receivables #	136.00	(18.14)	-	117.86
Total (B)	**136.00**	**(18.14)**	**-**	**117.86**
Total (A+B)	**58.44**	**(28.95)**	**7.09**	**36.58**

2017-18

Deferred tax assets/(liabilities) in relation to:

(Rs. In Million)

Particulars	Opening Balance	Transfer on Account of Merger	Recognised in Profit or Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Property, Plant and Equipment	(86.71)	(17.58)	(11.39)	-	19.46	(96.22)
Expenses Allowed on Payment Basis	4.01	2.07	4.01		-	10.09
Gratuity	4.04	-	(0.10)	4.25	-	8.19
Others	-	20.72	-	-	(20.32)	0.40
Total (A)	**(78.66)**	**5.20**	**(7.49)**	**4.25**	**(0.85)**	**(77.55)**
AMT-MAT Receivables	-	98.35	37.65	-	-	136.00
Total (B)	**-**	**98.35**	**37.65**	**-**	**-**	**136.00**
Total (A+B)	**(78.66)**	**103.55**	**30.16**	**4.25**	**(0.85)**	**58.44**

The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT of Rs. 18.14 million for the year ended March 31,2019 is not reflected in Statement of Profit and Loss.

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Note 6 : Other Assets

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Capital Advances	40.12	69.20
Balance with Government Authorities	17.84	31.99
Others #	19.59	142.39
Total	**77.54**	**243.59**
Advances to Suppliers and Others		
- Others	44.91	23.78
- Related Parties (Refer Note 35)	-	0.03
Balance with Government Authorities	260.32	177.43
Others	63.13	19.89
Total	**368.36**	**221.13**

Others includes Insurance Claim Receivables amounting to Rs. 18.10 million in F.Y. 18-19 (Rs. 142.39 million in F.Y. 2017-18).

Note 7 :Inventories

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Inventories #		
Raw and Packing Materials & Others	521.48	373.03
Raw and Packing Materials-In-Transit	26.01	0.25
Semi-Finished Goods	433.90	320.17
Semi Finished Goods-In-Transit	-	-
Finished Goods	273.19	181.12
Finished Goods-In-Transit	-	2.64
Stock of Spares	8.17	-
Stock-in-Trade	29.14	3.48
Total	1,291.90	880.69

The Inventories has been valued as per Note 2(10) of Significant Accounting Policies.

Note 8 :Trade Receivables

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Unsecured, Considered good		
Trade Receivables #		
- Others	1,588.53	1,141.75
- Related Parties (Refer Note 35)	19.77	11.96
Total	**1,608.29**	**1,153.72**

Refer Note 32 for ageing of Trade Receivables

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Note 9 : Cash and Cash Equivalents

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Cash on Hand	1.48	1.92
Balances with Banks		
- In Current Accounts	8.72	3.78
- In Cash Credit	-	5.98
- In EEFC Accounts	7.74	0.06
Total	**17.94**	**11.74**

Note 10 : Tax Liabilities

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Tax Expenses (Net of Advance Tax)	43.22	33.96
Total	**43.22**	**33.96**

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Note 11 : Equity Share Capital

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Authorised Share Capital		
3,00,00,000 Equity Shares of Rs 10/- each	300.00	2.20
	300.00	**2.20**
Issued, Subscribed and Fully paid up		
2,33,47,200 Equity Shares of Rs 10/- each	233.47	2.18
	233.47	**2.18**

a) Reconciliation of number of Shares outstanding

(Rs. in Million)

Particulars	As at March 31, 2019		As at March 31,2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,18,400	2.18	2,00,000	2.00
Add: Shares issued during the year/period	2,31,28,800	231.29	18,400	0.18
Less: Shares bought back during the year/period	-	-	-	-
Balance as at the end of the year/period	**2,33,47,200**	**233.47**	**2,18,400**	**2.18**

b) Details of Equity Shares held by Shareholders Holding more than 5% of the aggregate Shares

Particulars	As at March 31, 2019		As at March 31,2018	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	46,69,440	20%	43,680	20%
Vimalchand J. Rathod	35,02,080	15%	32,760	15%
Rajesh K. Rathod	23,34,720	10%	21,840	10%
Mohit K. Rathod	23,34,720	10%	21,840	10%
Sumit V. Rathod	23,34,720	10%	21,840	10%
Nirmala K. Rathod	23,34,720	10%	21,840	10%
Manjula V. Rathod	23,34,720	10%	21,840	10%

c) Rights/Preference/Restriction attached to Equity Shares

The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his/her Holding of the paid-up Equity share capital of the Company. Where Dividend is proposed by the Board of Directors, it is subject to the approval of the Shareholders in the Annual General Meeting (AGM), and in the case of interim Dividend, it is ratified by the Shareholders at the Annual General Meeting.

d) The Company does not have any Holding Company.

e) There are no Shares reserved for issue under Option and Contract/Commitment for the sale of Shares/Disinvestment.

f) : Equity Share Suspense

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Equity Share Suspense #	-	27.00
	-	**27.00**

27,00 000 Equity Shares of Rs 10/- each fully paid up were issued to the Equity share holders of the merged Companies, without payment being received in cash. Pending the allotment, the face value of such Shares had been shown as "**Equity Share Suspense**" in F.Y. 2017-18. The Company has allotted the Shares on May 26, 2018.

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Note 12: Other Equity

(Rs. in Million)

PARTICULARS		As at March 31, 2019	As at March 31,2018
I) Retained Earnings			
Balance at the beginning of the year		1,166.77	231.55
Add : Amalgamations Reserves		-	470.34
Less: Effect of Change in Depreciation due to change in Machine Utilisation		-	(66.84)
Add : Income Tax on the above		-	19.46
Add : Deferred Income of Earlier Years		-	2.01
Less : Income Tax on the above		-	(0.59)
Less : Amortization Expense of Lease Deposit of earlier years		-	(3.38)
Add : Income Tax on the above		-	0.98
Less : Deferred Tax on Earlier Years		-	(20.72)
Add: Profit/(loss) for the year/period		650.12	533.94
Balance at the end of the year/period	(a)	**1,816.89**	**1,166.77**
II) Other Comprehensive Income			
Balance at the beginning of the year		(9.76)	0.58
Less: Effect of Change in Depreciation due to change in Machine Utilisation		-	-
Re-measurement gains/ (losses) on Defined Benefit Plans		(17.25)	(10.34)
Balance at the end of the year/period	(b)	**(27.01)**	**(9.76)**
III) Share Premium			
Balance at the beginning of the year		399.92	-
Less: Share issued during the year/period		(204.29)	399.92
Balance at the end of the year/period	(c)	**195.64**	**399.92**
Balance at the end of the year/period of Other Equity	(a+b+c)	**1,985.52**	**1,556.93**

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Note 13 : Borrowings

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31,2018
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	343.40	140.00
Less: Current maturities of long-term debt (Refer Note 18)	85.27	-
Term Loan - from Others	2.88	4.49
Less: Current maturities of long-term debt (Refer Note 18)	2.19	1.76
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	955.57	852.09
Loan from Related Parties (Refer Note 35)	5.07	4.91
Total	1,219.46	999.74
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	388.65	250.00
Working Capital Loan- Cash Credit	262.04	217.75
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	86.05	223.83
Total	736.74	691.58

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2019 (Rs. In Million)	Rate of Interest	Repayment terms
Term Loan against Plant & Machineries and Other Equipments	Citi Bank N.A.	Term Loan	INR	26.67	11% (Subsidy Rate 6%)	End to End tenor of 5 Years with 6 months moratorium Repayment will be quarterly basis
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	88.89	9.00%	End to End tenor of 5 Years with 6 months moratorium Repayment will be quarterly basis
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	3.80	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	47.50	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	27.14	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	11.70	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	15.30	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	50.40	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - Others	Kotak	Car Loan	INR	2.74	6.50%	35 Equated Installments
Term Loan - Others	Daimler	Car Loan	INR	0.14	Interest Free	-
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	38.65	6.40%	192 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	150.00	6.40%	88 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	114 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	177 Days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	262.04	9.50%	Revolving 365 days

Refer Note 32 for information on Company's exposure to interest rate, Foreign Currency and Liquidity risks.

Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, First exclusive charge on all present & future movable fixed assets (Plant & Machinery).

First exclusive Charge by way of equitable mortgage on immovable properties at:
Plot no 206 and 207-A, Flair Impex Corporation, Surat Special Economic Zone, Near Sachin Railway Station, Surat, owned by Flair Impex Corporation Land and Building at 708/1,708/2,708/3,708/4,708/6 & 709/12 &709 /18 Dabhel, District Daman owned by Flair Writing Industries Ltd

The Unsecured Loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same has been paid upto Financial Year ending March 31, 2030.

Note 14 : Government Grants

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
Non-Current		
Government Grants #	4.13	4.78
	4.13	4.78
Current		
Government Grants #	0.73	0.83
Total	0.73	0.83

Government Grants includes Subsidy Received on Capital Goods.

Note 15 : Provisions

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
Non-Current		
Provision for Employee Benefits (Refer Note 29)	38.99	25.34
	38.99	25.34
Current		
Provision for Employee Benefits (Refer Note 29)	47.91	33.38
Total	47.91	33.38

Note 16 : Other Liabilities

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
Current		
Payables on account of Purchase of Property, Plant and Equipment (including MSME Creditors)	44.23	19.70
Statutory Remittances	23.28	22.84
Revenue received in advance		
- Others	36.24	18.76
- Related Parties (Refer Note 35)	-	5.56
Total	103.75	66.86

Note 17 : Trade Payables

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
- Micro, Small and Medium Enterprises	92.66	54.59
- Others	494.65	471.54
- Related Parties (Refer Note 35)	39.47	20.71
Total	626.78	546.84

1) Trade Payables are Non-Interest bearing and are normally settled within 90 days terms. Further Refer Note 32 for Maturity Pattern of Trade Payables.

2) Total outstanding dues of Micro Enterprises and Small Enterprises

Disclosures relating to amounts payable as at the year-end together with interest paid/payable if any, to Micro and Small Enterprise have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
(i) Principal amount remaining unpaid as on Year/Period end #	95.18	54.59
(ii) Interest due thereon remaining unpaid as on the end of the accounting year	6.34	-
(iii) Interest paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest Due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) Interest Accrued and remaining unpaid as on year end.	-	-
(vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise.	-	-
	101.53	54.59

It includes Capital Creditors of Rs. 2.52 Million

Note 18 : Other Financial Current Liabilities

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31.2018
Non-Current		
Revenue received in advance	48.90	55.93
	48.90	55.93
Current		
Current maturities of long-term debt	87.46	1.76
Security Deposit Received	1.44	1.65
Other Payables	110.31	71.22
	199.21	74.62

Note 19 : Revenue From Operations

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Sale of Products		
Domestic	4,622.56	3,787.81
Export	1,392.86	1,143.14
b) Sale of Services	1.90	0.94
c) Other Operating Revenue		
Sale of Scrap	26.21	22.02
Export Incentives	84.41	87.15
Total	**6,127.93**	**5,041.07**

Note 20 : Other Income

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- Bank Deposits	0.02	0.02
- Others	1.78	1.81
Other Non-Operating Revenue	52.62	66.37
Total	**54.41**	**68.20**

Note 21 : Cost of Materials Consumed

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	373.28	314.72
Add. Purchase	3,377.83	2,493.54
Less. Closing stock	547.50	373.28
Total	**3,203.61**	**2,434.98**

Note 22 : Purchase of Stock-In-Trade

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of Stock- In-Trade	226.31	262.68
	226.31	**262.68**

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Note 23 : Changes in Inventories of Finished Goods, Stock-In Trade and Work-In-Progress

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock		
Semi- Finished Goods	320.17	226.23
Finished Goods	187.24	201.38
Total (A)	**507.41**	**427.60**
Closing Stock		
Semi- Finished Goods	433.90	320.17
Finished Goods	302.33	187.24
Total (B)	**736.23**	**507.41**
	(228.82)	(79.80)

Note 24 : Excise Duty

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Excise Duty	-	7.93
Total	-	**7.93**

Note 25 : Employee Benefits Expense

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and Bonus	827.52	689.43
Contribution to Provident and other Funds(Refer Note 29)	36.57	40.63
Staff Welfare Expenses	10.27	11.66
Total	**874.36**	**741.72**

Note 26 : Finance Costs

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Interest	76.77	34.92
Other Borrowing Cost	106.48	137.26
Total	**183.25**	**172.19**

Note 27 : Depreciation and Amortisation Expense

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation and Amortisation Expense (Refer Note 1)	184.46	152.75
Total	**184.46**	**152.75**

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Note 28 : Other Expenses

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Consumable Expenses	34.48	25.98
Electric Power, Fuel and Water	100.03	92.95
Factory Rent	25.02	14.88
Freight Inward	11.68	16.59
Job Work and Other Related Expenditure	206.79	188.10
Loading and Unloading Expenses	2.70	2.60
Machine and Mould Maintenance	36.52	41.54
Factory Expenses	29.00	12.86
Establishment Expenses		
Bank Charges	9.59	-
Charity and Donation	1.68	0.25
Electricity Charges	3.86	4.72
Insurance Expenses	8.63	9.50
Legal & Professional Fees	27.05	13.02
Merger Expenses	0.20	0.86
Postage & Courier	1.85	1.91
Printing and Stationery	3.90	3.37
Rent	8.44	4.53
Share Issue Expenses	2.57	0.53
Miscellaneous Expenses	2.85	8.95
Pre operative expenses	3.79	-
Repairs & Maintenance		
Computer	3.00	2.09
Others	6.43	8.70
Vehicles	6.62	4.90
Telephone & Communication Charges	4.25	5.43
Travelling & Conveyance	79.98	70.29
Director's Travelling & Conveyance	8.03	11.00
Director's Sitting Fees	0.55	-
Payment to Auditor (Refer Note 28.1)	6.70	6.44
Selling and Distribution Expenses		
Advertisement Expenses	100.31	35.07
Sales Promotion & Marketing Expenses	11.70	29.17
Commission & Brokerage	8.06	12.82
Freight, Clearing & Forwarding Charges	34.17	32.14
Freight outward	84.79	74.47
Service Tax Expenses	0.16	2.23
Export Expenses	4.08	6.55
Total	**879.45**	**744.42**

Note 28.1 Payment to Auditor

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditors:		
Statutory Audit Fees	5.60	4.50
Taxation Matters	1.10	1.93
Total	**6.70**	**6.44**

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Note 29 : Gratuity and other post employment benefit plans

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

(a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	13.29	14.93
Employer's Contribution to Employee State Insurance Scheme	2.39	3.71
Employer's Contribution to Pension Scheme	20.88	21.98
Total	**36.55**	**40.62**

(b) Defined benefit plan

Post employment and other long term employee benefits in the form of gratuity are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The Company has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined Benefit obligation.

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit obligation at beginning of the year	28.96	13.63
Add: Current Service Cost	9.35	3.01
Interest Cost	2.19	0.95
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	2.02	(1.04)
Actuarial loss / (gain) arising from change in demographic assumption		
Actuarial loss / (gain) arising on account of experience changes	22.32	15.63
Past Service Cost	-	0.32
Benefits paid	(15.61)	(3.54)
Defined Benefit obligation at end of the year	**49.22**	**28.96**
Net liability is bifurcated as follows :		
Current	10.23	3.62
Non-current	38.99	25.34
Net liability	**49.22**	**28.96**

II) Reconciliation of opening and closing balances of Fair Value of Plan Assets

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets beginning of the year	-	-
Add: Current Service Cost	-	-
Interest Cost	-	-
Remeasurement during the period due to :	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
	-	-
Benefits paid	-	-
Fair Value of Plan Asset end of the year	-	-

III) **Reconciliation of Fair Value of Assets and Obligations**

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets	-	-
Present Value of Obligation	49.22	28.96
Amount Recognised in Balance Sheet Surplus/(Deficit)	**49.22**	**28.96**

IV) **Expenses recognised during the year**

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
In Income Statement		
Current Service Cost	9.35	3.01
Interest Cost	2.19	0.95
Past Service Cost	-	0.32
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	**11.53**	**4.28**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	24.34	14.59
Return on Plan Assets		
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	**24.34**	**14.59**

V) **Investments details**

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Government securities	-	-
Public Securities	-	-
Others	-	-

VI) **Actuarial Assumptions**

MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY)	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.00%	7.55%
Withdrawal Rate	50% of lower services reducing to 2% at higher services	50% of lower services reducing to 2% at higher services
Salary escalation (p.a.)	4.50%	4.50%

A quantitative analysis for significant assumption is as shown below:

Indian gratuity plan:

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Assumptions -Discount rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(47.39)	(29.75)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	51.20	32.86
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	51.24	32.83
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(47.33)	(29.75)

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The estimates of rate of escalation in salary considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plan in future years

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Within the next 12 months (next annual reporting period)	10.23	3.23
Between 2 and 5 years	18.76	6.82
Beyond 6 years	70.76	11.72
Total expected payments	**99.75**	**21.77**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	8 years	11.36 Years

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Note 30 : Earnings per share (EPS)

(Rs. In Million)

PARTICULARS	As at March 31,2019	As at March 31,2018
Face value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	27.85	22.87
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Millions)	650.12	533.94
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS #	2,33,47,200	2,33,47,200
Diluted Earnings per Share (Rs)	27.85	22.87
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Millions)	650.12	533.94
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS #	2,33,47,200	2,33,47,200
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	2,33,47,200	2,33,47,200
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,33,47,200	2,33,47,200

The Company has allotted 2,04,28,800 equity shares to the eligible holders of equity shares (i.e., August 16, 2018) towards bonus share.

2.7 Million Equity Shares issued to erstwhile Flair Writing Industires Limited Shareholders on May 26, 2018.

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Note 31 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2019 (Rs. in Million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	1.00	1.00	-	-	1.00	1.00
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	1,608.29	1,608.29	-	-	1,608.29	1,608.29
Cash and Cash Equivalents	-	-	17.94	17.94	-	-	17.94	17.94
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	5.76	5.76	-	-	5.76	5.76
Other Financial Assets	-	-	28.05	28.05	-	-	28.05	28.05
Total Financial Assets	-	-	**1,661.05**	**1,661.05**	-	-	**1,661.05**	**1,661.05**
Financial Liabilities								
Non-Current Borrowings	-	-	1,219.46	1,219.46	-	-	1,219.46	1,219.46
Current Borrowings	-	-	736.74	736.74	-	-	736.74	736.74
Trade payables	-	-	626.78	626.78	-	-	626.78	626.78
Other Financial Liabilities	-	-	248.12	248.12	-	-	248.12	248.12
Total Financial Liabilities	-	-	**2,831.09**	**2,831.09**	-	-	**2,831.09**	**2,831.09**

As at March 31, 2018 (Rs. in million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares		-	1.00	1.00	-	-	1.00	1.00
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables		-	1,153.72	1,153.72	-	-	1,153.72	1,153.72
Cash and Cash Equivalents		-	11.74	11.74	-	-	11.74	11.74
Other Bank Balances	-	-	-	-	-	-	-	-
Loans		-	10.59	10.59	-	-	10.59	10.59
Other Financial Assets		-	17.58	17.58	-	-	17.58	17.58
Total Financial Assets	-	-	**1,194.63**	**1,194.63**	-	-	**1,194.63**	**1,194.63**
Financial Liabilities								
Non-Current Borrowings		-	999.74	999.74	-	-	999.74	999.74
Current Borrowings		-	691.58	691.58	-	-	691.58	691.58
Trade payables		-	546.84	546.84	-	-	546.84	546.84
Other Financial Liabilities		-	130.56	130.56	-	-	130.56	130.56
Total Financial Liabilities		-	**2,368.72**	**2,368.72**	-	-	**2,368.72**	**2,368.72**

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

d) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis

Note 32 : Financial Risk Management

Risk Management Framework

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's Financial Risk Management Policy is set and governed by the Managing Director under the overall directions of the Board of Directors of the Company.

Market Risk is the risk of loss of future earnings, fair values or future cash flows, that may result from a change in the price of a Financial Instrument. The value of a Financial Instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes, that affect market risk sensitive instruments. Market Risk is attributable to all the market risk sensitive Financial Instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's Board of Directors are responsible for the day to day working of the management and the overall working of the Company's Risk Management framework.

i) Credit Risk

Credit Risk is the risk that a customer or counterparty to a Financial Instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit Risk arises from Company's outstanding receivables from Customers.

The Company's exposure to Credit Risk is influenced mainly by the individual characteristics of each Customer. Credit Risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the Customers, to whom the Company grants credit in accordance with the terms and conditions and in ordinary course of its business.

The Risk Management Committee has established a Credit Policy under which each new customer is analysed individually for creditworthiness, before the Company's standard payment and delivery terms and conditions are offered. Further for domestic sales, the Company segments its Customers into Super Stockiest/ Distributors and Others, for credit monitoring.

For Trade Receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such Trade Receivables, wherever required and monitors the same at periodic intervals.

The Company monitors each Loan and advance given and makes any specific provision, as and when required.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables and Loans and Advances

Trade Receivables

Customer Credit Risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The Company is receiving payments from customers within due dates and therefore the Company has no significant Credit Risk related to these parties. The Company evaluates the concentration of risk with respect to trade receivables as low.

Ageing of Trade Receivables are as follows: (Rs. in Million)

Due from the date of Invoice	As at March 31,2019	As at March 31,2018
0-3 months	1,484.76	1,017.72
3-6 months	94.97	3.86
6 months to 12 months	22.31	123.58
beyond 12 months	6.25	8.56
Total	1,608.29	1,153.72

ii) Liquidity Risk

Liquidity Risk arises from the Company's inability to meet its cash flow commitments on time. Prudent Liquidity Risk Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. In addition, processes and policies related to such risk are overseen by the Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of 31st March,2019, 31st March, 2018 the Company had unutilized credit limits from banks of **Rs. 316.41 million and Rs. 132.25 million** respectively.

The Current Ratio of the Company as at 31st March, 2019 is 1.88 (as at 31st March, 2018 is 1.57), whereas the Liquid Ratio of the Company as at 31st March, 2019 is 1.00 (as at 31st March, 2018 is 0.74) .

Exposure to liquidity risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the reporting date:

As at March 31, 2019

(Rs. in Million)

PARTICULARS	As at March 31, 2019					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yeras	TOTAL
Non-derivative financial liabilities						
Borrowings	1,611.33	86.05	157.89	100.92	-	1,956.20
Trade payables	626.78	-	-	-	-	626.78
Other financial liabilities	160.66	43.66	48.90	-	-	248.12
	2,398.76	129.71	206.80	100.92	-	2,831.09
Derivative Liabilities	-					-
TOTAL	2,398.76	129.71	206.80	100.92	-	2,831.09

As at March 31, 2018

(Rs. in Million)

PARTICULARS	As at March 31, 2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yeras	TOTAL
Non-derivative financial liabilities						
Borrowings	474.42	241.61	502.35	472.94	-	1,691.32
Trade payables	546.84	-	-	-	-	546.84
Other financial liabilities	128.91	1.65	55.93	-	-	130.56
	1,150.17	243.26	558.28	472.94	-	2,368.72
Derivative Liabilities	1.05					1.05
TOTAL	1,151.22	243.26	558.28	472.94	-	2,369.77

iii) Market Risk- Interest Risk

MInterest Rate Risk can be either Fair Value Interest Rate Risk or Cash Flow Interest Rate Risk. Fair Value Interest Rate Risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash Flow Interest Rate Risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Interest Rate Exposure

(Rs. In Million)

PARTICULARS	As at March 31,2019	As at March 31,2018
Interest Expense		
Loan from Banks	61.48	34.92
Unsecured loan from Directors & their relatives	96.08	129.86
Others	6.34	-
Total	163.90	164.79

(b) Sensitivity

Impact on Interest Expenses for the year on 1% change in Interest Rate

(Rs. In Million)

PARTICULARS	As at March 31,2019	As at March 31,2018
1% Change in increase in Interest Rate	1.64	1.65
1% Change in decrease in Interest Rate	(1.64)	(1.65)

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

iv) Market risk- Currency Risk

The Company operates internationally and a portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through its sales to overseas markets and purchases from overseas suppliers in various foreign currencies. The following table shows Foreign Currency exposures in USD, GBP, JPY and EUR on Financial Instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

Exposure to currency risk

The details of unhegded foreign currency at the exchange rate at reporting date are:

(Rs. In Million)

PARTICUALRS	As at March 31,2019				As at March 31,2018			
	USD	EURO	GBP	JPY	USD	EURO	GBP	JPY
Financial assets								
Trade receivables	236.86	7.31	6.06	-	319.70	19.92	1.33	-
Other assets	69.13	0.08	-	1.52	36.18	32.23	-	-
Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	36.74	23.60	0.44	5.32	41.28	31.82	0.17	4.90
Other liabilities	17.75	-	-	-	25.36	-	-	-
Net Exposure	251.51	(16.21)	5.62	(3.80)	289.24	20.33	1.16	(4.90)

SENSITIVITY ANALYSIS

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges

(Rs. In Million)

PARTICUALRS	As at March 31,2019				As at March 31,2018			
	USD	EURO	GBP	JPY	USD	EURO	GBP	JPY
1% Depreciation in INR								
Impact on Profit & Loss	2.52	(0.16)	0.06	(0.04)	1.14	0.20	0.01	(0.05)
TOTAL	2.52	(0.16)	0.06	(0.04)	1.14	0.20	0.01	(0.05)
1% Appreciation in INR								
Impact on Profit & Loss	(2.52)	0.16	(0.06)	0.04	(1.14)	(0.20)	(0.01)	0.05
TOTAL	(2.52)	0.16	(0.06)	0.04	(1.14)	(0.20)	(0.01)	0.05

Sensitivity analysis is computed based on the changes in the receivables and payables in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

v) Commodity Risk

The Company's principle raw material(s) are a variety of Plastic Polymers which are primarily derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices generally remains in sync with the International market prices.

Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent Currencies coupled with demand–supply scenario in the world market, affect the effective price and availability of Polymers for the Company. Company effectively manages availability of material as well as price volatility by expanding its source base, having appropriate contracts and commitments in place and planning its procurement and inventory strategy.The company financial risk management have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 33 : Movement in deferred tax

Movement in deferred tax balances for the year ended March 31, 2019

(Rs. in Million)

Particulars	As at April 1, 2018	Recognised in profit or loss	Recognised in OCI	As at March 31, 2019
Defered Tax Assets(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-
Financial Assets	-	-	-	-
Provision for Gratuity	8.19	1.93	7.09	17.20
Expenses allowable on payment basis	10.09	3.08	-	13.17
Others	0.40	5.04	-	5.44
Deferred Tax Assets(Net)	18.67	10.05	7.09	35.80
Defered Tax Liabilities(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	96.22	20.86	-	117.08
Financial Assets	-	-	-	-
Provision for Gratuity	-	-	-	-
Expenses allowable on payment basis	-	-	-	-
Others	-	-	-	-
Deferred Tax Liabilities(Net)	96.22	20.86	-	117.08
Net Deferred tax Asset/ (Liabilities) Total (A)	(77.55)	(10.82)	7.09	(81.28)
AMT-MAT Receivables	136.00	(18.14)	-	117.86
Total (B)	136.00	(18.14)	-	117.86
Total (A+B)	58.44	(28.95)	7.09	36.58

Movement in deferred tax balances for the year ended 31 March 2018

(Rs. in Million)

Particulars	As at April 1, 2017	Merged Entity	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Defered Tax Assets(Net) in relation to :						
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-	-	-
Financial Assets	-	-	-	-	-	-
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowable on payment basis	4.01	2.07	4.01	-	-	10.09
others	-	20.72	-	-	(20.32)	0.40
						-
Deferred Tax Assets(Net)	8.06	22.78	3.90	4.25	(20.32)	18.67
Defered Tax Liabilities(Net) in relation to :						
Property,Plant and Equipment and other Intangibles Assets	86.71	17.58	11.39	-	(19.46)	96.22
Financial Assets	-	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-	-
others	-	-	-	-	-	-
Deferred Tax Liabilities(Net)	86.71	17.58	11.39	-	(19.46)	96.22
Net Deferred tax Asset/ (Liabilities) Total (A)	(78.66)	5.20	(7.49)	4.25	(0.85)	(77.55)
AMT-MAT Receivables	-	98.35	37.65	-	-	136.00
Total (B)	-	98.35	-	-	-	136.00
Total (A+B)	(78.66)	103.55	(7.49)	4.25	(0.85)	58.44

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 33 : Movement in deferred tax

The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT utilisedd of Rs. 18.14 for the year ended March 31, 2019 is not reflected in Statement of Profit and Loss.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

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Note 34 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	206.85	168.61
Deferred income tax liability / (asset), net	10.82	7.49
Excess Provision of Tax	(8.07)	(37.63)
Tax expense	**209.60**	**138.47**

(b) Amounts recognised in other comprehensive income

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement on defined benefit liability		
Before tax	(24.34)	(14.59)
Tax (expense)/ benefit	7.09	4.25
Net of tax	(17.25)	(10.34)

(c) Reconciliation of effective income tax rate

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	859.72	672.41
Company's domestic tax rate	29.12%	34.61%
Income tax using the Company's tax rate	250.35	232.71
Tax effect of:		
Permanent disallowances	(13.13)	(22.62)
Tax on exempted income	(30.37)	(43.51)
Deferred income tax liability / (asset), net	10.82	7.49
Excess Provision	(8.07)	(35.60)
Income tax as per Profit & Loss Account	**209.60**	**138.47**

FLAIR WRITING INDUSTRIES LIMITED

Note 35 : Related Party Disclosure

(a) Parties where control exists whether or not transactions have taken place:

	Nature of Relationship	Name of Related Party
(i)	Subsidiary Company	Flair Distributor Pvt. Ltd.

(b) Other Related Parties with whom transactions have taken place:

	Nature of Relationship	Name of Related Party
(i)	Key Managerial Personnel (KMP)	Khubilal Rathod Vimalchand Rathod Mohit Rathod Rajesh Rathod Sumitkumar Rathod Ratanchand Jivraj Oswal Punit Saxena Sangeeta Sethi Rajneesh Bhandari Bishan Singh Rawat Mayur Gala Vishal Chanda
(ii)	Relatives of Key Managerial Personnel	Nirmala Rathod Manjula Rathod Sangita Rathod Shalini Rathod Sonal Rathod Klemaya Rathod Suntia Jain Vimalchand Rathod (HUF) Jayesh Jain
(iii)	Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):	Flair Pens Ltd. Flair Kenya Ltd. Stypen Manufacturing Company (India) Pvt. Ltd. Pentel Stationery (India) Pvt. Ltd. Flair Pen & Plastic Industries Hauser Lifestyle Products Rathod N Rathod

(c) Transactions with Related Parties

(Rs. in Million)

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Sale of Goods**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	0.42	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	25.27	20.97
	Hauser Lifestyle Products	Enterprises over which Key Managerial	11.49	5.58
	Flair Kenya Ltd.	Personnel are able to exercise significant	9.82	3.97
2	**Purchase of Goods**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	60.14	33.01
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	35.78	23.76
	Flair Pens Ltd.	Enterprises over which Key Managerial	-	4.99
	Hauser Lifestyle Products	Personnel are able to exercise significant	1.34	3.12
3	**Purchase of Fixed Assets**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2.36	12.00
4	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.61	0.25
	Vimalchand J. Rathod	Key Managerial Personnel	0.61	0.25
	Flair Pens Ltd.	Enterprises over which Key Managerial	15.26	4.47
	Stypen Mfg. Co (India) Pvt. Ltd.	Personnel are able to exercise significant	1.20	0.60
	Flair Writing Aids	influence	-	0.15
	Flair Pen & Plastic Industries		9.60	7.88
	Rathod N Rathod		0.18	0.18
	Nirmala Rathod	Relative of KMP	2.17	2.18
	Manjula Rathod	Relative of KMP	2.17	2.18
	Vimalchand Rathod (HUF)	Relative of KMP	0.92	0.96
5	**Rent Income**			

	Flair Distributor Pvt. Ltd.	Subsidiary Company	0.28	-
6	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	16.95	4.19
7	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.80	0.92
8	**Sales Incentives**			
	Jayesh Jain	Relative of KMP	1.43	-
9	**Re-Imburesement of Expenses (Paid)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant	0.84	16.17
	Stypen Mfg. Co (India) Pvt. Ltd.		-	0.08
10	**Re-Imburesement of Expenses (Received)**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	3.95	0.44
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.04
	Stypen Mfg. Co (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant	-	0.10
	Hauser Lifestyle Products		-	0.02
11	**Interest Expenses**			
	Khubilal Rathod	Key Managerial Personnel	12.56	20.67
	Vimalchand Rathod	Key Managerial Personnel	8.26	12.60
	Rajesh Rathod	Key Managerial Personnel	14.48	18.92
	Mohit Rathod	Key Managerial Personnel	15.78	19.61
	Sumitkumar Rathod	Key Managerial Personnel	16.90	20.21
	Nirmala Rathod	Relative of KMP	4.98	7.18
	Manjula Rathod	Relative of KMP	1.53	4.73
	Sangita Rathod	Relative of KMP	8.33	10.13
	Shalini Rathod	Relative of KMP	9.37	10.37
	Sonal Rathod	Relative of KMP	3.42	4.64
	Sunita Jain	Relative of KMP	0.26	0.36
	Kiemaya Rathod	Relative of KMP	0.18	0.16
12	**Director/Managerial Remuneration**			
	Khubilal Rathod	Key Managerial Personnel	3.60	1.80
	Vimalchand Rathod	Key Managerial Personnel	3.60	1.80
	Rajesh Rathod	Key Managerial Personnel	2.40	1.80
	Mohit Rathod	Key Managerial Personnel	2.40	1.80
	Sumitkumar Rathod	Key Managerial Personnel	2.40	1.80
	Mayur Gala	Key Managerial Personnel	3.13	2.28
	Vishal Chanda	Key Managerial Personnel	0.42	-
	Jayesh Jain	Relative of KMP	4.80	2.14
13	**Sitting Fees**			
	Ratanchand Jivraj Oswal	Key Managerial Personnel	0.09	-
	Punit Saxena	Key Managerial Personnel	0.15	-
	Sangeeta Sethi	Key Managerial Personnel	0.20	-
	Rajneesh Bhandari	Key Managerial Personnel	0.03	-
	Bishan Singh Rawat	Key Managerial Personnel	0.08	-
14	**Loan Taken**			
	Khubilal Rathod	Key Managerial Personnel	2.13	108.78
	Vimalchand Rathod	Key Managerial Personnel	11.90	44.47
	Rajesh Rathod	Key Managerial Personnel	8.15	88.22
	Mohit Rathod	Key Managerial Personnel	1.07	59.11
	Sumitkumar Rathod	Key Managerial Personnel	6.03	64.04
	Nirmala Rathod	Relative of KMP	0.35	13.01
	Manjula Rathod	Relative of KMP	-	17.36
	Sangita Rathod	Relative of KMP	-	18.93
	Shalini Rathod	Relative of KMP	-	21.07
	Sonal Rathod	Relative of KMP	-	18.76
15	**Loan Repaid**			
	Khubilal Rathod	Key Managerial Personnel	31.26	227.33
	Vimalchand Rathod	Key Managerial Personnel	17.46	120.49
	Rajesh Rathod	Key Managerial Personnel	38.63	182.57
	Mohit Rathod	Key Managerial Personnel	12.16	137.04
	Sumitkumar Rathod	Key Managerial Personnel	28.43	117.04
	Nirmala Rathod	Relative of KMP	2.38	53.94
	Manjula Rathod	Relative of KMP	8.36	68.70
	Sangita Rathod	Relative of KMP	4.56	69.13
	Shalini Rathod	Relative of KMP	5.35	50.76

	Sonal Rathod	Relative of KMP	1.40	42.55
16	**Issue of Share**			
	Khubilal Rathod	Key Managerial Personnel	40.86	80.02
	Vimalchand Rathod	Key Managerial Personnel	30.64	60.02
	Rajesh Rathod	Key Managerial Personnel	20.43	40.01
	Mohit Rathod	Key Managerial Personnel	20.43	40.01
	Sumitkumar Rathod	Key Managerial Personnel	20.43	40.01
	Nirmala Rathod	Relative of KMP	20.43	40.01
	Manjula Rathod	Relative of KMP	20.43	40.01
	Sangita Rathod	Relative of KMP	10.21	20.01
	Shalini Rathod	Relative of KMP	10.21	20.01
	Sonal Rathod	Relative of KMP	10.21	20.01

(d) Outstanding balances as at the year/period end

(Rs. in Million)

Sr. No.	Nature of Balance Outstanding	Type	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Investment**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	1.00	1.00
2	**Trade Payables**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	20.13	4.58
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	9.90	4.80
	Flair Pen & Plastic Industries	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	1.36
	Flair Pens Ltd.		7.10	11.40
	Stypen Mfg. Co (India) Pvt. Ltd.			0.01
	Hauser Lifestyle Products		0.59	2.42
	Rathod N Rathod		0.08	0.03
3	**Trade Recievables**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	0.29
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	7.11	2.78
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant	7.84	6.22
	Flair Kenya Ltd.		4.81	2.70
4	**Loan Outstanding (Liability)**			
	Khubilal Rathod	Key Managerial Personnel	135.15	152.97
	Vimalchand Rathod	Key Managerial Personnel	93.79	91.92
	Mohit Rathod	Key Managerial Personnel	173.45	170.12
	Rajesh Rathod	Key Managerial Personnel	152.67	170.34
	Sumitkumar Rathod	Key Managerial Personnel	182.70	189.89
	Nirmala Rathod	Relative of KMP	56.20	53.74
	Manjula Rathod	Relative of KMP	12.66	19.64
	Sangita Rathod	Relative of KMP	93.01	90.08
	Shalini Rathod	Relative of KMP	103.38	100.31
	Sonal Rathod	Relative of KMP	38.59	36.91
	Suntia Jain	Relative of KMP	3.04	3.05
	Kiemaya Rathod	Relative of KMP	2.03	1.87
5	**Rent Payable**			
	Khubilal Rathod	Key Managerial Personnel	0.13	0.14
	Vimalchand Rathod	Key Managerial Personnel	0.18	0.14
	Nirmala Rathod	Relative of KMP	0.64	0.72
	Manjula Rathod	Relative of KMP	0.67	0.68
	Vimalchand Rathod (HUF)	Relative of KMP	0.04	-

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Note 36 : Capital Management

The Company's Capital Management is driven by the Company's policy to maintain a sound capital base to support the continuous development of its Business. The Board of Directors seek to maintain a prudent balance between different components of the Company's Capital. The Management monitors the Capital Structure and the Net Financial Debt at individual currency level. Net Financial Debt is defined as Current and Non-Current Financial Liabilities less Cash and Cash Equivalents and Short Term Investments.

(Rs. In Million)

Particulars	As at March 31,2019	As at March 31,2018
Gross Debt	1,956.20	1,691.32
Less: Cash and Cash Equivalents	17.94	11.74
Net Debt (A)	**1,938.25**	**1,679.58**
Total Equity (As per Balance Sheet) (B)	**2,218.99**	**1,586.12**
Net Gearing Ratio (A/B)	**0.87**	**1.06**

Note 37 : Segment Reporting

Segment Information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's Management and Internal Reporting Structure.

The Company's Managing Director has been identified as the Chief Operating Decision Maker ('CODM'), since he is responsible for all major decisions with respect to the preparation and execution of Business Plan, preparation of Budget, Planning, alliance, Joint Venture, Merger and Acquisition, and expansion of any new facility.

Board of Directors review the operating results of its "Writing Instruments and its Allieds business at Company level to assess its performance. Accordingly, there is only one reportable segment for the Company which is "Writing Instruments and its Allieds", involved in manufacturing and dealing in writing instruments and its allieds. Hence, no specific disclosures have been made.

Note 38 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 (1) of the Companies Act, 2013, Company has a formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.

Sub section (5) of section 135 states that "The Board of every company referred to in sub-section (1) shall ensure that the company spends in every financial year at least two per cent of the average net profits of the company, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".
The Company has been advised that, sub section (5) of section 135 of the Act is not applicable to the Company in the relevant financial year and hence the Company has not made any provision for CSR Expenditure

Note 39 : Leases

The Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The company has paid sub-lease consideration in Advance. The said lease being operating in nature ,the advance lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 40 : Capital and Other Commitments

(Rs. In Million)

Particulars	As at March 31,2019	As at March 31,2018
a) Letter of Credit	0.83	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided for:	153.91	138.27

Note 41 : Contingent Liability

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Entity.

(Rs. In Million)

Particulars	As at March 31,2019	As at March 31,2018
a) Disputed Excise and Service Tax Matters	1.21	1.21
b) Income Tax Matters	2.12	2.12
c) Bank Guarantee outstanding	-	0.45

The Company usually fulfills the obligation(s) in the subsequent years in ordinary course of business and hence no provision, for any contingent liability which would have arisen on completion of export obligations,has been made.

Note 42

The figure for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

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Consolidated Financial Statements Independent Auditor's Report

To the Members of Flair Writing Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **Flair Writing Industries Limited ("*the Company*")** and its Subsidiary - Flair Distributor Private Limited, (the Company and the Subsidiary together referred to as "the **Group**"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and 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 Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Sr. No.	Key Audit Matter	Auditor's Report
1	**Revenue recognition (Refer note 2.7 of Significant Accounting Policies and note 18 of the Consolidated Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Capital work-in-progress/Property Plant and Equipment (PPE) - (Refer note 2.3 of Significant Accounting Policies and note 1of the Consolidated Financial Statements)**	
	The Group had embarked on the project of setting up manufacturing plant in Valsad. Value of Valsad plants capitalized during the year is Rs. 32.15 Crore and CWIP of Rs. 3.02 Crore. The projects need to be capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the project and/or inappropriate classification of categories of items of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of the cut-off date considered for project capitalization. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting. Further, through sites visits, we physically verified existence of capital work in progress/PPE.
3	**Recognition of tax credits (Refer note 4 of the Consolidated Financial Statements)**	
	The Group has recognized Alternate Minimum Tax (AMT) credit receivable of Rs. 6.62 Crore and MAT credit receivable of Rs 5.17 Crore as at 31st March 2019. The recognition of MAT credit is a key audit matter as the recoverability of such tax credits within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Group.	• Our audit procedures included considering Group's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 "Income Taxes" • We performed test of controls over recognition of tax credits through inspection of evidence of performance of these controls. • We performed the following tests of details: **a)** We involved our tax specialists who evaluated the Group's tax positions by comparing it with prior years and past precedents. **b)** We discussed the future business plans and financial projections with the Group. **c)** We assessed the management's long term financial projections and the key

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		assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. • We have assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".
4	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 5 of the Consolidated Financial Statements)**	
	As at March 31, 2019, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 1.72 Crore which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 1.81 Crore which is pending adjudication.	The Group has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the consolidated financial statement, consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Consolidated 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 Consolidated 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 financial controls 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 Group has adequate internal financial controls system 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report **in "Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position.

JESWANI & RATHORE ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company during the year ended March 31, 2019.

For Jeswani & Rathore
Chartered Accountants
F.R.N.:104202W

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M. No: 012807

Place: Mumbai
Date: June 03, 2019

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/34451, FAX: +91 22 22819435
Email: jeswanirathore@gmail.com

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Flair Writing Industries Limited of even date)

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

Report on internal financial controls over financial reporting

We have audited the internal financial controls over financial reporting of **Flair Writing Industries Limited** ("the Company") and its Subsidiary - Flair Distributor Private Limited,(the Company and the Subsidiary together referred to as "the **Group**")as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Group 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 Group 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 ('ICAI'). 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 Group'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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting of the Group 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment,

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

including the assessment of the risks of material misstatement at the consolidated 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting 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 Group's internal financial control over financial reporting 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 Group; (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 Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Group 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 Jeswani & Rathore
Chartered Accountants
(FRN: 104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M. No: 012807

Place: Mumbai
Date: June 03, 2019

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Balance Sheet as at March 31, 2019

(Rs. In Million)

	PARTICULARS	NOTES	As at March 31, 2019	As at March 31, 2018
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	1,786.89	1,405.96
b)	Capital Work-in-Progress	1	33.87	83.10
c)	Intangible Assets	1	32.70	32.57
d)	Financial Assets			
	i) Loans	2	1.23	1.77
	ii) Other Financial Assets	3	21.84	15.26
e)	Deferred Tax Assets (Net)	4	37.30	58.79
f)	Other Non-Current Assets	5	77.54	243.59
	Total Non-Current Assets		**1,991.37**	**1,841.04**
	Current Assets			
a)	Inventories	6	1,389.83	912.05
b)	Financial Assets			
	i) Trade Receivables	7	1,757.02	1,190.95
	ii) Cash and Cash Equivalents	8	18.29	14.54
	iii) Loans	2	4.60	8.86
	iv) Other Financial Assets	3	6.23	2.50
d)	Other Current Assets	5	375.20	222.74
	Total Current Assets		**3,551.17**	**2,351.66**
	Total Assets		5,542.54	4,192.70
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	10	233.47	2.18
b)	Equity Share Suspense	10 (f)	-	27.00
c)	Other Equity	11	2,002.86	1,556.89
	Total Equity		2,236.33	1,586.07
	Liabilities			
1	**Non-Current Liabilities**			
a)	Financial Liabilities			
	i) Borrowings	12	1,219.46	999.74
	ii) Other Finacial Non-Current Liabilities	17	48.90	55.93
b)	Government Grants	13	4.13	4.78
c)	Provisions	14	38.99	25.34
	Total Non-Current Liabilities		**1,311.48**	**1,085.80**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	12	736.74	691.58
	ii) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	16	93.25	54.59
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	753.99	552.99
	iii) Other Financial Liabilities	17	208.41	81.16
b)	Government Grants	13	0.73	0.83
c)	Other Current Liabilities	15	105.05	70.59
d)	Provisions	14	49.54	34.89
e)	Current Tax Liabilities (Net)	9	47.02	34.19
	Total Current Liabilities		**1,994.73**	**1,520.81**
	Total Liabilities		**3,306.21**	**2,606.62**
	Total Equity and Liabilities		5,542.54	4,192.70

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 43)**

As per our attached Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: 13 JUN 2019

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Profit & Loss for the year ended March 31, 2019

(Rs. in Million)

PARTICULARS		NOTES	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME				
Revenue from Operations		18	7,323.89	5,723.79
Other Income		19	53.66	68.20
Total Income	**(A)**		**7,377.55**	**5,791.99**
EXPENSES				
Cost of Material Consumed		20	3,205.17	2,434.98
Purchase of Stock-in-Trade		21	1,344.69	898.42
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		22	(294.70)	(111.16)
Excise Duty		23	-	7.93
Employee Benefits Expense		24	945.25	791.02
Finance Costs		25	183.28	172.21
Depreciation/Amortisation Expense		26	184.51	152.80
Other Expenses		27	925.81	773.48
Total Expenses	**(B)**		**6,494.01**	**5,119.66**
Profit Before Tax	**(C=A-B)**		**883.54**	**672.34**
Tax Expense				
Current Tax			213.64	168.93
Less : MAT Credit Entitlement			-	-
Deferred Tax		4	10.44	7.14
Tax Adjustments for earlier years			(8.04)	(37.63)
Total Tax Expense	**(D)**		**216.04**	**138.45**
Profit for the Period/Year			**667.51**	**533.89**
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
i) Acturial Loss on Defined Benefit Plan			(24.34)	(14.59)
ii) Income Tax on the above			7.09	4.25
Items that will be reclassified to Statement of Profit Or Loss			-	-
Total Other Comprehensive Income for the Period/Year (Net of Tax)			**(17.25)**	**(10.34)**
Total Comprehensive Income for the Period/Year	**(G=E+F)**		650.26	523.55
Earnings Per Equity Share of face value of Rs.10/- each				
Basic(in Rs)		29	28.59	22.87
Diluted (in Rs)		29	28.59	22.87

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 43)**

As per our Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

K.L.Rathore
(Partner)
M.No. 012807

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 03 JUN 2019

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

FLAIR WRITING INDUSTRIES LIMITED

Statement of Consolidated Cash Flows for the year ended March 31, 2019

(Rs. in Million)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the Period/Year		883.54	672.34
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities			
Depreciation Expenses		184.51	152.80
Interest Expenses		183.28	172.21
Deferred Income of Government Grant		(0.75)	(0.88)
Provision for GST Receivables		(2.92)	(6.73)
Interest Income		(1.80)	(1.83)
Loss of sales of Property, Plant and Equipment		1.04	1.60
Changes in Assets and Liabilities			
(Increase)/Decrease in Inventories		(477.78)	(163.83)
(Increase)/Decrease in Trade Receivables		(566.06)	(111.38)
(Increase)/Decrease in Loans		4.80	1.05
(Increase)/Decrease in Other Financial Assets		(10.31)	5.82
(Increase)/Decrease in Other Non-Current/Current Assets		21.57	34.18
increase/(Decrease in Trade Payables		239.66	(81.55)
increase/(Decrease in Other Financial Liabilities		39.80	(16.57)
increase/(Decrease in Government Grants		(0.75)	5.61
increase/(Decrease in Provisions		3.96	1.34
increase/(Decrease in Other Non-Current/Current Liabilities		27.43	35.25
Cash Generated From Operations		529.23	699.43
Less: Income Taxes Paid		174.28	244.92
NET CASH GENERATED BY OPERATING ACTIVITIES	(A)	354.95	454.51
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible Asset		(523.17)	(464.86)
Decrease in Property, Plant and Equipment and Intangible Asset due Machine Utilisation(Non Cash)		-	(66.84)
Sales of Property, Plant and Equipment and Intangible Asset		1.12	17.58
Interest Income		1.80	1.83
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(B)	(520.25)	(512.30)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Share		-	400.11
Loan Taken/(Repaid)		352.34	(227.39)
Interest on Loan		(183.28)	(172.21)
NET CASH USED IN FINANCING ACTIVITIES	(C)	169.06	0.51
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	3.75	(57.28)
Cash and Cash Equivalents at the Beginning of the Year		14.54	58.49
Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation		-	13.33
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR		18.29	14.54

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 43)**

As per our attached Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.0104202W)

K.L.Rathore
(Partner)
M.No. 012807

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Changes in Equity

A. Equity share capital:

(Rs. in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
i) Equity Shares of INR 10 each Issued, Subscribed and Fully Paid Up	No.	Rs.	No.	Rs.
Balance at the beginning of the period/year	2,18,400	2.18	2,00,000	2.00
Change in Equity Share Capital during the period/year (Refer Note 11)	2,31,28,800	231.29	18,400	0.18
Balance at the end of the period/year	**2,33,47,200**	**233.47**	**2,18,400**	**2.18**

b. Equity Share Suspense

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Suspense [Refer Note 10(f)]	-	27.00
	-	**27.00**

c. Other equity

(Rs. in Million)

Particulars	Retained Earning	Share Premium	Other Comprehensive Income	Total
Balance as at April 1, 2017	231.56	-	0.58	232.14
Add : Amalgamations reserves	470.34	-	-	470.34
Less : Effect of change in Depreciation due to change in machine utilisation	(66.84)	-	-	(66.84)
Add : Income Tax on the above	19.46	-	-	19.46
Add : Profit for the year	533.89	-	-	533.89
Add : Share Premium	-	399.92	-	399.92
Add : Deferred Income of Earlier Years	2.01	-	-	2.01
Less : Income Tax on the above	(0.59)	-	-	(0.59)
Less : Amortization Expense of Lease Deposit of earlier years	(3.38)	-	-	(3.38)
Add : Income Tax on the above	0.98	-	-	0.98
Less : Deferred Tax on Earlier Years	(20.72)	-	-	(20.72)
Less : Other Comprehensive Income	-	-	(10.34)	(10.34)
Balance as at March 31, 2018	**1,166.73**	**399.92**	**(9.76)**	**1,556.89**

(Rs. in Million)

Particulars	Retained Earning	Share Premium	Other Comprehensive Income	Total
Balance as at April 1, 2018	1,166.73	399.92	(9.76)	1,556.89
Add : Profit for the year/period	667.51	-	-	667.51
Less : Bonus Share Issued		(204.29)	-	(204.29)
Less : Other Comprehensive Income		-	(17.25)	(17.25)
Balance as at March 31, 2019	**1,834.24**	**195.63**	**(27.01)**	**2,002.86**

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No.D104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

K.L.Rathore
(Partner)
M.No. 012607

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. D2987687)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: 03 JUN 2019

FLAIR WRITING INDUSTRIES LIMITED

1. A. GROUP OVERVIEW

The Consolidated Financial Statement comprises financial statements of "Flair Writing Industries Limited" ('Holding Company') and its subsidiary (Collectively referred as "the Group") for the year ended March 31, 2019.

The Holding Company has made an allotment of 20,428,800 Equity Shares pursuant to a bonus issue in the ratio of 7 (Seven) Equity Shares for every 1 (One) Equity Shares authorized by a resolution passed by the Shareholders dated **August 14, 2018** with the record date as **August 9, 2018** in the following manner: Mr. Khubilal Jugraj Rathod (4,085,760 Equity Shares), Mr. Vimalchand Jugraj Rathod (3,064,320 Equity Shares), Mrs. Nirmala Khubilal Rathod (2,042,880 Equity Shares), Mrs. Manjula Vimalchand Rathod (2,042,880 Equity Shares), Mr. Rajesh Khubilal Rathod (2,042,880 Equity Shares), Mr. Mohit Khubilal Rathod (2,042,880 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (2,042,880 Equity Shares), Mrs. Sangita Rajesh Rathod (1,021,440 Equity Shares), Mrs. Shalini Mohit Rathod (1,021,440 Equity Shares), and Mrs. Sonal Sumitkumar Rathod (1,021,440 Equity Shares)by capitalization of Share Premium account of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

a) Complionce with Ind AS

The Consolidated Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015, and Companies (Indian Accounting Standards) Rules, 2016.

All the Assets and Liabilities have been classified as Current or Non- Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained the operating cycle to be 12 months.

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

b) Principle of Consolidation

i) The Financial Statements of the holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-company balances and intra-company transactions.

ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

iii) The Audited Financial Statements of subsidiary have been prepared in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the relevant rules issued thereunder.

iv) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

v) The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.

c) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- Defined benefit plans – Plan assets measured at fair value.

d) Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees, which is the Group's functional currency. All amounts in the Consolidated Financial Statements have been rounded off to the nearest million or decimal thereof.

2.2. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Group's Financial Statements requires that the Management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Consolidated Financial Statements and the

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reported amounts of revenues and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the Consolidated Financial Statements is made relying on these estimates.

The estimates and judgments used in the preparation of the Consolidated Financial Statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimates and assumptions are required in particular for:

- **<u>Determination of the estimated useful lives of Property Plant and Equipment and Intangible Assets:</u>**
  Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

- **<u>Recoverability of trade receivables</u>**
  Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

- **<u>Provisions</u>**
  Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and

liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Application of Discount rates**

  Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to changes.

- **Current versus Non-Current Classification**

  All the assets and liabilities have been classified as Current or Non Current as per the Group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

- **Impairment of Non-Financial Assets**

  The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an, asset's or group of Assets, called Cash Generating Units (CGU), fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or CGU's. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

  In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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- **Impairment of Financial Assets**

  The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.3. PROPERTY,PLANT AND EQUIPMENT (PPE)

i. Tangible Assets

- **Freehold Land**

  Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

  Property, Plant and Equipment are stated at historical cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

  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 entity and the cost can be measured reliably.

ii. Intangible assets

Intangible assets that are acquired are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and impairment loss if any. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

iii. Capital Work-in-Progress:

Capital Work-in-Progress includes expenditure during construction period incurred on projects are treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

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iv. **Depreciation/Amortisation** :

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013.

The useful life of major assets is as under:

Assets	Useful life (in years)
Freehold Building	30
Furniture & Fixtures	10
Electrical Installation	10
Office Equipments	5
Plant & Machinery	15
Factory Equipments	5
Vehicles	8
Two Wheeler	10
Mould	8
Computer Equipments	3

Intangible assets are carried at cost and amortised on a straight line basis so as to reflect the pattern in which the assets economic benefits are consumed. Amortisation of intangible assets is calculated aver the managements' estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Others	10

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and Loss when the assets is derecognized.

v. **Impairment of Non-Financial Assets- Property, Plant and Equipment and Intangible Assets :**

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or cash

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generating units is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating units to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.4. Finance Costs

Finance 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 are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5. Foreign Currency Transactions and Translation

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss and costs that are directly attributable to the acquisition assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

2.6. 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

NANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS measurement is based on the presumption that the transaction ta sell the asset or transfer the liability takes place either:

- In the principal market far the asset ar liability, or
- In the absence af a principal market, in the mast advantageaus market far the asset or liability

The principal ar the mast advantageous market must be accessible by the Group. The fair value af an asset ar 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 ecanomic best interest.

A fair value measurement af a Non-Financial Asset takes into accaunt a market participant's ability to generate ecanamic 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 Graup uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available ta measure fair value, maximising the use af relevant observable inputs and minimising the use af unobservable inputs.

All assets and liabilities for which fair value is measured or disclased in the Cansolidated Financial Statements are categarised within the fair value hierarchy, described as follaws, based on the lawest level input that is significant to the fair value measurement as a whale:

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

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Graup determines whether transfers have accurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant ta the fair value measurement as a whale) at the end of each reporting periad.

External valuer's are invalved for valuation of significant assets, such as properties, unquoted financial assets etc, if needed. Invalvement of independent external valuers is decided upan

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annually by the Group. Further such valuation is done annually at the end of the financial year and the impact, if any, on account of such fair valuation is taken in the annual Consolidated Financial Statements.

For the purpose of fair value disclosures, the Group 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.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quated prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flaw model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptians could affect the reported value of fair value of financial instruments

2.7. Revenue Recognition

Revenue from contracts with cusfomers is recagnized an transfer ot control af promised goods or services to a customer at an amaunt that reflects the consideration to which the Campany is expected to be entitled to in exchange far those goods or services.

Revenue towards satisfactian of a perfomance abligation is measured at the amaunt of transactian price (net of variable consideration) allocated ta that performance obligation. The transaction price of goods sald is net of variable consideration an account of variaus discounts and schemes offered by the Campany as part of the contract. This variable cansideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recagnized only to the extent that it is highly prabable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products

Revenue from sale af produts is recognized when the control on the goads have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the custamer or on delivery ta the customer, as may be specified in the contract

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Export Entitlements

Export entitlements such as Duty Drawback, EPCG license etc are recognised as income when the right to receive the same as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate realization.

Other Income

Interest income is recognized on time proportionate basis taking into account amount outstanding and rate of Interest.

2.8. Tax Expenses

The tax expense for the period comprises Current and Deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in equity.

- **Current tax :**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

- **Deferred tax :**

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay income tax higher than that computed under AMT/MAT, during the year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as

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Unused Tax credit. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of Unused Tax Credit to the extent there is no longer convincing evidence to the effect that the Group will pay Income Tax higher than AMT/MAT during the specified year.

2.9. Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

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

Raw Materials and other supplies held for use in production of inventories are not written down below cost except in the case where material prices have declined and it is estimated that the cost of the finished product will exceed its Net Realisable Value

2.10. Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the statement of Profit and Loss on straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11. Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible an obligation or a present obligation that may, but will probably not, require an outflow of resources. When

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there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the Consolidated Financial Statements where an inflow of economic benefit is probable.

2.12. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13. Employee Benefits Expense

Employee benefits include bonus, compensated absences, provident fund, employee state insurance scheme and gratuity fund.

a) Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

b) Post-employment obligations

I. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Employees' State Insurance Corporation. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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II. **Defined benefit plans**

The Group pays gratuity to the employees whoever has completed five years of service with the group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Re-measurement of defined benefit plan in respect of post-employment are charged to the Other Comprehensive Income.

c) Compensated Absences

Accumulated compensated absences, which are expected to be availed or en-cashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

d) Payments of Bonus

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.14. 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.

Financial Instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

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(i) Financial assets

a. Initial Recognition and Measurement

All Financial Assets are initially recognized at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the Fair Value on initial recognition. Purchases and Sales of Financial Assets are recognized using trade date accounting.

b. Subsequent Measurement

1) Financial Assets carried at Amortised Cost

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

2) Financial Assets at Fair value Through Other Comprehensive Income (FVOCI)

A Financial Asset is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

3) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL.

c. Loans, Deposits and Receivable

Loans and receivable are non-derivative financial assets with fixed or determinable payment that are not quoted in the active market. Such assets are carried at amortised cost using the effective interest method, if the time value of money is insignificant.

d. Impairment of Financial Assets

In accordance with Ind-AS 109, The Group uses **"Expected Credit Losses (ECL)"** model, for evaluating impairment of Financial Asset other than those measured at Fair Value Through Profit and Loss (FVTPL)

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Expected credit losses are measured through a loss allowance at an amount equal to

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Credit Loss is the difference between all contractual cash flows that are due to an entity 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 effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable evidence including that which is forward-looking.

Trade Receivable

Customer Credit Risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The Group is receiving payments from customers within due dates and therefore the Group has no significant Credit Risk related to these parties. The Group evaluates the concentration of risk with respect to trade receivables as low.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Other Financial Assets mainly consists of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.

Following is the policy for specific financial assets:-

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) Financial Liabilities

a. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

The Group's Financial Liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables, financial guarantee contracts and derivative financial instruments.

b. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. De-recognition of Financial Instruments

The Group de-recognizes a Financial Asset when the contractual rights to the cash flows of the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial Liability (or part of Financial Liability) is de-recognized from the Group's financial statements when obligation specified in the contract is discharged or cancelled or expires.

d. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and

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are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in the statement of profit and loss.

2.15. <u>Cash and Cash Equivalents</u>

Cash and Cash equivalents include Cash and Cheque in hand, Bank balances, Demand Deposits with Banks and other Short-Term highly liquid investments that are readily convertible to known amaunts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.16. <u>Cash Flow Statement</u>

Cash flows are reported using the indirect Method where by the Profit Before Tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses assaciated with investing or financing cash flaws. The cash flows from operating, investing and financing activities of the Group are segregated.

2.17. <u>Earnings Per Share</u>

<u>Basic earnings per share</u>

Basic Earnings Per Share is camputed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

<u>Diluted earnings per share</u>

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of additional equity shares that wauld have been outstanding are considered assuming the conversian of all dilutive potential equity shares. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the periad.

2.18. <u>Segment Reporting</u>

The Group has engaged in the business of 'Manufacturing and Dealing af writing instruments and its allieds', which in the context of Ind AS 108 - "Operating Segment" notified under section 133 af the Companies Act, 2013, is considered as the only segment.

2.19. **Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an Asset, it is recognized as income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

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Note 1 : Property, Plant and Equipment

(Rs. In Million)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Gross Carrying Value as of April 1,2018	Additions	Deletions	Gross Carrying Value as of March 31,2019	Balance as on April 1,2018	Transfer to Retained Earnings #	Depreciation	Accumulated Depreciation on Deletions	Balance as on March 31,2019	WDV as on March 31, 2019	WDV as on March 31,2018
Land - Freehold	38.96	-	4.67	34.29	-	-	-	-	-	34.29	38.96
Buildings	234.80	166.76	-	401.56	11.07	2.96	11.78	-	25.81	375.75	220.77
Plant and Machinery	844.73	240.38	1.79	1,083.33	84.34	60.18	83.37	0.80	227.09	856.24	700.21
Office Equipment	8.10	1.30	0.36	9.05	2.13	0.01	1.80	0.31	3.63	5.42	5.97
Factory Equipments	19.03	15.51	0.06	34.48	4.93	0.03	5.47	-	10.43	24.05	14.06
Computer Equipment	11.04	4.12	0.37	14.79	4.03	0.14	4.24	0.30	8.11	6.67	6.87
Furniture & Fixtures	43.69	8.61	-	52.30	5.02	(0.01)	5.15	-	10.16	42.14	38.68
Mould	362.11	83.70	0.29	445.52	60.48	2.93	53.29	-	116.71	328.81	298.69
Electrical Installation	45.55	38.41	-	83.96	7.51	(0.06)	7.30	-	14.74	69.22	38.11
Two Wheeler	0.45	0.07	-	0.52	0.07	(0.00)	0.06	-	0.13	0.39	0.38
Vehicles	48.08	9.12	1.64	55.57	4.15	0.67	7.76	0.93	11.66	43.91	43.26
Total	1,656.54	567.97	9.17	2,215.36	183.73	66.86	180.22	2.34	428.47	1,786.89	1,405.96

Effect of change in depreciation due to change in Machine Utilisation in FY 2017-18

Note 1 : Intangible Assets

(Rs. In Million)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Gross Carrying Value as of April 1,2018	Additions	Deletions	Gross Carrying Value as of March 31,2019	Balance as on April 1,2018	Transfer to Retained Earnings	Depreciation	Accumulated Depreciation on Deletions	Balance as on March 31,2019	WDV as on March 31, 2019	WDV as on March 31,2018
Trade Mark	36.16	4.41	-	40.57	4.07	(0.01)	4.21	-	8.27	32.30	32.10
Others	0.59	-	-	0.59	0.11		0.07	-	0.19	0.40	0.47
TOTAL	36.75	4.41		41.16	4.19	(0.01)	4.28		8.46	32.70	32.57

Note 1 : Capital Work-In-Progress

(Rs. In Million)

PARTICULARS	As At March 31,2019	As At March 31,2018
Lift	-	2.36
Motor Car	-	2.96
Mould	0.01	-
Factory Equipment	1.64	-
Electrical Installation	1.52	-
Factory Building	13.52	77.70
Machinery	17.18	0.07
TOTAL	33.87	83.10

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Note 2 : Loans

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Unsecured, Considered good		
Loans to Employees #	1.23	1.77
Total	**1.23**	**1.77**
Current		
Unsecured, Considered good		
Loans to Employees	4.60	7.51
Other Loan	-	1.36
Total	**4.60**	**8.86**

Loans and Advances fall under the category of 'Loans-Non-Current' and are re-payable within 2 to 3 Years. Further the said loans are carried at amortised cost.

Note 3 :Other Financial Assets

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Security and Other Deposits	21.55	14.52
Fixed Deposits #	0.29	0.74
Total	**21.84**	**15.26**
Current		
Security and Other Deposits	0.75	2.37
Interest Accrued on Fixed Deposits	0.06	0.13
Derivatives Financial Assets	5.41	
Total	**6.23**	**2.50**
# includes deposits having restrictive use on account of:		
1) Held as Security Deposit against Bank Guarantee	-	0.45
2) Pledged with Government Authorities	0.26	0.29
Total	**0.26**	**0.74**

KESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 4 : DEFERRED TAX (LIABILITIES) / ASSETS :

In accordance with Indian Accounting Standard -12 relating to "Income Taxes" the breakup of Deferred Tax Assets / (Liabilities) is as follows :

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax (Liabilities) / Assets	37.30	58.79
	37.38	**58.79**

For the year ended March 31, 2019

Deferred tax assets/(liabilities) in relation to:

(Rs. In Million)

Particulars	Opening Balance	Transfer on Account of Merger	Recognised in Profit or Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Property, Plant and Equipment	(96.23)		(20.86)		-	(117.88)
Expenses Allowed on Payment Basis	10.10		3.52		-	13.62
Gratuity	8.19		1.93	7.09	-	17.20
Others	0.73		4.97		-	5.70
						-
Total (A)	**(77.21)**	**-**	**(10.44)**	**7.09**	**-**	**(88.56)**
AMT-MAT Receivables #	136.00	-	(18.14)	-	-	117.86
Total (B)	**136.08**	**-**	**(18.14)**	**-**	**-**	**117.86**
Total (A+B)	**58.79**	**-**	**(28.58)**	**7.09**	**-**	**37.30**

2817-18

Deferred tax assets/(liabilities) in relation to:

(Rs. In Million)

Particulars	Opening Balance	Transfer on Account of Merger	Recognised in Profit or Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Property, Plant and Equipment	(86.71)	(17.58)	(11.39)	-	19.46	(96.23)
Expenses Allowed on Payment Basis	4.01	2.07	4.02		-	10.10
Gratuity	4.04	-	(0.10)	4.25	-	8.19
Others	-	20.72	0.33	-	(20.32)	0.73
Total (A)	**(78.66)**	**5.20**	**(7.14)**	**4.25**	**(8.85)**	**(77.21)**
AMT-MAT Receivables		98.35	37.65	-	-	136.00
Total (B)	**-**	**98.35**	**37.65**	**-**	**-**	**136.08**
Total (A+B)	**(78.66)**	**183.55**	**30.50**	**4.25**	**(0.85)**	**58.79**

The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT of Rs. 18.14 million for the year ended March 31, 2019 is not reflected in Statement of Profit and Loss.

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Note 5 : Other Assets

Particulars	As at March 31, 2019	As at March 31,2018
Non- Current		
Capital Advances	40.12	69.20
Balance with Government Authorities	17.84	31.99
Others #	19.59	142.39
Total	**77.54**	**243.59**
Current		
Advances to Suppliers and Others		
- Others	44.91	23.78
- Related Parties (Refer Note 34)	-	0.03
Balance with Government Authorities	266.75	178.79
Others	63.54	20.15
Total	**375.20**	**222.74**

Others includes Insurance Claim Receivables amounting to Rs. 18.10 million in F.Y. 18-19 (Rs. 142.39 million in F.Y. 2017-18).

Note 6 :Inventories

Particulars	As at March 31, 2019	As at March 31,2018
Inventories #		
Raw and Packing Materials & Others	522.18	373.03
Raw and Packing Materials-In-Transit	26.01	0.25
Semi-Finished Goods	433.90	320.17
Semi Finished Goods-In-Transit	-	-
Finished Goods	370.44	212.48
Finished Goods-In-Transit	-	2.64
Stock of Spares	8.17	-
Stock-in-Trade	29.14	3.48
Total	**1,389.83**	**912.05**

The Inventories has been valued as per Note 2(9) of Significant Accounting Policies.

Note 7 :Trade Receivables

Particulars	As at March 31, 2019	As at March 31,2018
Unsecured, Considered good		
Trade Receivables #		
- Others	1,737.25	1,179.28
- Related Parties (Refer Note 34)	19.77	11.68
Total	**1,757.02**	**1,190.95**

Refer Note 31 for Ageing of Trade Receivable

Note 8 : Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31,2018
Cash on Hand	1.49	1.92
Balances with Banks		
- In Current Accounts	9.06	6.58
- In Cash Credit	-	5.98
- In EEFC Accounts	7.74	0.06
Total	**18.29**	**14.54**

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 9 : Tax Liabilities

Particulars	As of March 31, 2019	As at March 31, 2018
Tax Expenses (Net of Advance Tax)	47.02	34.19
Total	**47.02**	**34.19**

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Note 10 : Equity Share Capital

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
3,00,00,000 Equity Shares of Rs 10/- each	300.00	2.20
	300.00	**2.20**
Issued, Subscribed and Fully paid up		
2,33,47,200 Equity Shares of Rs 10/- each	233.47	2.18
	233.47	**2.18**

a) Reconciliation of number of Shares outstanding

(Rs. in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the Year	2,18,400	2.18	2,00,000	2.00
Add: Shares issued during the Year	2,31,28,800	231.29	18,400	0.18
Less: Shares bought back during the Year	-	-	-	-
Balance as at the end of the Year	**2,33,47,200**	**233.47**	**2,18,400**	**2.18**

b) Details of Equity Shares held by Shareholders Holding more than 5% of the aggregate Shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	46,69,440	20%	43,680	20%
Vimalchand J. Rathod	35,02,080	15%	32,760	15%
Rajesh K. Rathod	23,34,720	10%	21,840	10%
Mohit K. Rathod	23,34,720	10%	21,840	10%
Sumit V. Rathod	23,34,720	10%	21,840	10%
Nirmala K. Rathod	23,34,720	10%	21,840	10%
Manjula V. Rathod	23,34,720	10%	21,840	10%

c) Rights/Preference/Restriction attached to Equity Shares

The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his/her Holding of the paid-up Equity share capital of the Company. Where Dividend is proposed by the Board of Directors, it is subject to the approval of the Shareholders in the Annual General Meeting (AGM), and in the case of Interim Dividend, it is ratified by the Shareholders at the Annual General Meeting.

d) The Company does not have any Holding Company.

e) There are no Shares reserved for issue under Option and Contract/Commitment for the sale of Shares/Disinvestment.

Note 10. f) : Equity Share Suspense

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Suspense #	-	27.00
	-	**27.00**

27,00 000 Equity Shares of Rs 10/- each fully paid up were issued to the Equity share holders of the merged Companies, without payment being received in cash. Pending the allotment, the face value of such Shares had been shown as **"Equity Share Suspense"** in F.Y. 2017-18. The Company has allotted the Shares on May 26, 2018.

Note 11 : Other Equity

(Rs. in Million)

PARTICULARS		As at March 31, 2019	As at March 31, 2018
i) Retained Earnings			
Balance at the beginning of the year		1,166.73	231.56
Add : Amalgamations Reserves		-	470.34
Less: Effect of Change in Depreciation due to change in Machine Utilisation		-	(66.84)
Add : Income Tax on the above		-	19.46
Add : Deferred Income of Earlier Years		-	2.01
Less : Income Tax on the above		-	(0.59)
Less : Amortization Expense of Lease Deposit of earlier years		-	(3.38)
Add : Income Tax on the above		-	0.98
Less : Deferred Tax on Earlier Years		-	(20.72)
Add: Profit/(loss) for the period/Year		667.51	533.89
Balance at the end of the period/year	(a)	**1,834.24**	**1,166.73**
ii) Other Comprehensive Income			
Balance at the beginning at the year		(9.76)	0.58
Re-measurement gains/ (losses) on Defined Benefit Plans		(17.25)	(10.34)
Balance at the end of the period/year	(b)	**(27.01)**	**(9.76)**
iii) Share Premium			
Balance at the beginning of the year		399.92	-
Share Issued during the period/year		(204.29)	399.92
Balance at the end of the period/year	(c)	**195.64**	**399.92**
Balance at the end of the Period/Year of Other Equity	**(a+b+c)**	**2,002.86**	**1,556.89**

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 12 : Borrowings

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	343.40	140.00
Less: Current maturities of long-term debt (Refer Note 18)	85.27	-
Term Loan - from Others	2.88	4.49
Less: Current maturities of long-term debt (Refer Note 18)	2.19	1.76
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	955.57	852.09
Loan from Related Parties (Refer Note 34)	5.07	4.91
Total	**1,219.46**	**999.7d**
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	388.65	250.00
Working Capital Loan- Cash Credit	262.B4	217.75
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	86.B5	223.83
Total	**736.7d**	**691.58**

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2019	Rate of Interest	Repayment terms
Term Loan against Plant & Machineries and Other Equipments	Citi Bank N.A.	Term Loan	INR	26.67	11% (Subsidy Rate 6%)	End to End tenor of 5 Years with 6 months moratorium Repayment will be quarterly basis
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	88.89	9.00%	End to End tenor of 5 Years with 4 months moratorium Repayment will be quarterly basis
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	3.80	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	47.50	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	27.14	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	11.70	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	15.30	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	50.48	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - Others	Kotak	Car Loan	INR	2.74	6.50%	35 Equated Installments
Term Loan - Others	Daimler	Car Loan	INR	0.14	Interest Free	-
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	38.65	6.40%	192 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	150.00	6.40%	88 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	114 Days
Packing Credit - from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	177 Days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	262.04	9.50%	Revolving 365 days

Refer Note 32 for information on Company's exposure to interest rate, Foreign Currency and Liquidity risks.

Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, First exclusive charge on all present & future movable fixed assets (Plant & Machinery).

First exclusive Charge by way of equitable mortgage on immovable properties at:

Plot no 206 and 207-A, Flair Impex Corporation, Surat Special Economic Zone, Near Sachin Railway Station, Surat, owned by Flair Impex Corporation Land and Building at 708/1,708/2,708/3,708/4,708/6 & 789/12 5709 /18 Debhel, District Daman owned by Flair Writing Industries Ltd

The Unsecured Loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same has been paid upto Financial Year ending March 31, 2030.

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Note 13 : Government Grants

(Rs. In Million)

Particulars	As at March 31 2019	As at March 31 2018
Non-Current		
Government Grants #	4.13	4.78
	4.13	**4.78**
Current		
Government Grants #	0.73	0.83
Total	**0.73**	**0.83**

Government Grants includes Subsidy Received on Capital Goods

Note 14 : Provisions

(Rs. In Million)

Particulars	As at March 31 2019	As at March 31 2018
Non-Current		
Provision for Employee Benefits (Refer Note 28)	38.99	25.34
	38.99	**25.34**
Current		
Provision for Employee Benefits (Refer Note 28) #	49.54	34.89
Total	**49.54**	**34.89**

Provision for Employee Benefit includes Leave Entitlement and Bonus on accrual basis.

Note 15 : Other Liabilities

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31 2018
Current		
Payables on account of Purchase of Property, Plant and Equipment (Including MSME Creditors)	44.23	19.70
Statutory Remittances	24.58	
Revenue received in advance	-	-
- Others	36.24	45.33
- Related Parties (Refer Note 34)	-	5.56
Total	**105.05**	**70.59**

Note 16 : Trade Payables

(Rs. In Million)

Particulars	As at March 31 2019	As at March 31 2018
- Micro, Small and Medium Enterprises	93.25	54.59
- Others	734.47	532.23
- Related Parties (Refer Note 34)	19.52	20.75
Total	**847.24**	**607.58**

1) Trade Payables are Non-interest bearing and are normally settled within 90 days terms. Futher Refer Note 31 for Maturity Pattern of Trade Payables.

2) Total outstanding dues of Micro Enterprises and Small Enterprises

Disclosures relating to amounts payable as at the year-end together with interest paid/payable if any, to Micro and Small Enterprise have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31 2018
(i) Principal amount remaining unpaid as on period/year end	95.74	54.59
(ii) Interest due thereon remaining unpaid as on the end of the accounting year	6.37	-
(iii) Interest paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest Due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) Interest Accrued and remaining unpaid as on year end.	-	-
(vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise.	-	-
	102.11	54.59

It Includes Capital Creditors of Rs. 2.52 Million

Note 17 : Other Financial Current Liabilities

(Rs. In Million)

Particulars	As at March 31, 2019	As at March 31 2018
Non-Current		
Revenue received in advance	40.90	55.93
	40.90	**55.93**
Current		
Current maturities of long-term debt	87.46	1.76
Security Deposit Received	1.44	8.19
Other Payables	119.50	71.22
	208.41	81.16

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Note 18 : Revenue From Operations

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Sale of Products		
Domestic	5,797.41	4,470.53
Export	1,412.72	1,143.14
b) Sale of Services	1.90	0.94
c) Other Operating Revenue	-	-
Sale of Scrap	26.21	22.02
Export Incentives	85.65	87.15
Total	**7,323.89**	**5,723.79**

Note 19 : Other Income

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		-
- Bank Deposits	0.02	0.02
- Others	1.78	1.81
Other Non-Operating Revenue	51.87	66.37
Total	**53.66**	**68.20**

Note 20 : Cost of Materials Consumed

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	373.28	314.72
Add. Purchase	3,380.07	2,493.54
Less. Closing stock	548.19	373.28
Total	**3,205.17**	**2,434.98**

Note 21 : Purchase of Stock-In-Trade

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of Stock- in-Trade	1,344.69	898.42
	1,344.69	**898.42**

Note 22 : Changes in inventories of Finished Goods, Stock-In Trade and Work-in-Progress

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock		
Semi- Finished Goods	320.17	226.23
Finished Goods	218.60	201.38
Total (A)	**538.77**	**427.60**
Closing Stock		
Semi- Finished Goods	433.90	320.17
Finished Goods	399.58	218.60
Total (B)	**833.47**	**538.77**
Total (A-B)	**(294.70)**	**(111.16)**

MUMBAI CHARTERED ACCOUNTANTS

Note 23 : Excise Duty

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Excise Duty	-	7.93
Total	**-**	**7.93**

Note 24 : Employee Benefits Expense

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and Bonus	895.83	737.15
Contribution to Provident and other Funds(Refer Note : 28)	39.11	42.18
Staff Welfare Expenses	10.31	11.68
Total	**945.25**	**791.02**

Note 25 : Finance Costs

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Interest	76.77	34.92
Other Borrowing Cost	106.51	137.28
Total	**183.28**	**172.21**

Note 26 : Depreciation and Amortisation Expense

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation and Amortisation Expense (Refer Note 1)	184.51	152.80
Total	**184.51**	**152.80**

Note 27 : Other Expenses

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Consumable Expenses	34.48	25.98
Electric Power, Fuel and Water	100.03	92.95
Factory Rent	25.02	14.88
Freight Inward	11.68	16.59
Job Work and Other Related Expenditure	206.79	188.10
Loading and Unloading Expenses	2.70	2.60
Machine and Mould Maintenance	36.52	41.54
Factory Expenses	29.00	12.86
Establishment Expenses		
Bank Charges	9.59	
Charity and Donation	1.68	0.25
Electricity Charges	3.87	4.74
Insurance Expenses	8.90	9.59
Legal & Professional Fees	27.09	13.05
Merger Expenses	0.20	0.86
Postage & Courier	2.60	2.25
Printing and Stationery	3.92	3.44
Rent	8.74	4.81
Share Issue Expenses	2.57	0.53
Miscellaneous Expenses	2.91	10.56
Pre operative expenses	3.79	-
Repairs & Maintenance		
Computer	3.00	2.09
Others	6.43	8.70
Vehicles	6.62	4.90
Telephone & Communication Charges	4.95	6.15
Travelling & Conveyance	101.92	84.99

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Director's Travelling & Conveyance	8.03	11.00
Director's Sitting Fees	0.55	-
Payment to Auditor (Refer Note 27.1)	6.95	6.68
	-	
Selling and Distribution Expenses	-	
Advertisement Expenses	104.94	35.08
Sales Promotion & Marketing Expenses	11.70	29.46
Commission & Brokerage	8.06	12.82
Freight, Clearing & Forwarding Charges	34.17	32.14
Freight outward	102.19	85.12
Service Tax Expenses	0.16	2.23
Export Expenses	4.08	6.55
Total	**925.81**	**773.48**

Note 27.1 Payment to Auditor

(Rs. In Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditors:		
Statutory Audit Fees	5.75	4.65
Taxation Matters	1.20	2.03
Total	**6.95**	**6.68**

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FLAIR WRITING INDUSTRIES LIMITED

Notes to Consolidated Financial Statements

Note 28 : Gratuity and other post employment benefit plans

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

(a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	14.32	15.50
Employer's Contribution to Employee State Insurance Scheme	2.39	3.71
Employer's Contribution to Pension Scheme	22.38	22.97
Total	39.09	42.17

(b) Defined benefit plan

Post employment and other long term employee benefits in the form of gratuity are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The Company has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined Benefit obligation.

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit obligation at beginning of the year	28.96	13.63
Add: Current Service Cost	9.35	3.01
Interest Cost	2.19	0.95
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	2.02	(1.04)
Actuarial loss / (gain) arising from change in demographic assumption		
Actuarial loss / (gain) arising on account of experience changes	22.32	15.63
Past Service Cost	-	0.32
Benefits paid	(15.61)	(3.54)
Defined Benefit obligation at end of the period/year	**49.22**	**28.96**
Net liability is bifurcated as follows :		
Current	10.23	3.62
Non-current	38.99	25.34
Net liability	**49.22**	28.96

II) Reconciliation of opening and closing balances of Fair Value of Plan Assets

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets beginning of the year	-	-
Add: Current Service Cost	-	-
Interest Cost	-	-
Remeasurement during the period due to :	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
	-	-
Benefits paid	-	-
Fair Value of Plan Asset end of the year	-	-

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets	-	-
Present Value of Obligation	49.22	28.96
	49.22	28.96

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IV) **Expenses recognised during the period/year**

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
In Income Statement		
Current Service Cost	9.35	3.01
Interest Cost	2.19	0.95
Past Service Cost	-	0.32
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	**11.53**	**4.28**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	24.34	14.59
Return on Plan Assets		
Net(Income)/Expenses for the period/year recognised in Other Comprehensive Income	**24.34**	**14.59**

V) **Investments details**

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Government securities	-	-
Public Securities	-	-
Others	-	-

VI) **Actuarial Assumptions**

MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY)	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.00%	7.55%
Withdrawal Rate	50% or lower services reducing to 2% at higher services	50% at lower services reducing to 2% at higher services
Salary escalation (p.a.)	4.50%	4.50%

A quantitative analysis for significant assumption is as shown below:

Indian gratuity plan: (Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Assumptions -Discount rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(47.39)	(29.75)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	51.20	32.86
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	51.24	32.83
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(47.33)	(29.75)

The estimates of rate of escalation in salary considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The aboue information is certified by the actuary.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plan in future years

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Within the next 12 months (next annual reporting period)	10.23	3.23
Between 2 and 5 years	18.76	6.82
Beyond 6 years	70.76	11.72
Total expected payments	**99.75**	**21.77**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	8 years	11.36 Years

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Note 29 : Earnings per share (EPS)

(Rs. In Million)

PARTICULARS	As at March 31 2019	As at March 31 2018
Face value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	28.59	22.87
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Millions)	667.51	533.89
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS #	2,33,47,200	2,33,47,200
Diluted Earnings per Share (Rs)	28.59	22.87
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Millions)	667.51	533.89
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS #	2,33,47,200	2,33,47,200
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	2,33,47,200	2,33,47,200
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,33,47,200	2,33,47,200

The Company has allotted 2,04,28,800 equity shares to the eligible holders of equity shares (i.e., August 16, 2018) towards bonus share.

2.7 Million Equity Shares issued to erstwhile Flair Writing Industires Limited Shareholders on May 26, 2018.

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Note 30 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2019 (Rs. in Million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	1,757.02	1,757.02	-	-	1,757.02	1,757.02
Cash and Cash Equivalents	-	-	18.29	18.29	-	-	18.29	18.29
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	5.84	5.84	-	-	5.84	5.84
Other Financial Assets	-	-	28.07	28.07	-	-	28.07	28.07
Total Financial Assets	-	-	1,809.21	1,809.21	-	-	1,809.21	1,809.21
Financial Liabilities								
Non-Current Borrowings	-	-	1,219.46	1,219.46	-	-	1,219.46	1,219.46
Current Borrowings	-	-	736.74	736.74	-	-	736.74	736.74
Trade Payables	-	-	847.24	847.24	-	-	847.24	847.24
Other Financial Liabilities	-	-	257.31	257.31	-	-	257.31	257.31
Total Financial Liabilities	-	-	3,060.75	3,060.75	-	-	3,060.75	3,060.75

As at March 31, 2018 (Rs. in million)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables		-	1,190.95	1,190.95	-	-	1,190.95	1,190.95
Cash and Cash Equivalents		-	14.54	14.54	-	-	14.54	14.54
Other Bank Balances		-	-	-	-	-	-	-
Loans		-	10.64	10.64	-	-	10.64	10.64
Other Financial Assets		-	17.76	17.76	-	-	17.76	17.76
Total Financial Assets		-	1,233.90	1,233.90	-	-	1,233.90	1,233.90
Financial Liabilities								
Non-Current Borrowings		-	999.74	999.74	-	-	999.74	999.74
Current Borrowings		-	691.58	691.58	-	-	691.58	691.58
Trade payables		-	607.58	607.58	-	-	607.58	607.58
Other Financial Liabilities	-	-	137.10	137.10	-	-	137.10	137.10
Total Financial Liabilities	-	-	2,435.99	2,435.99	-	-	2,435.99	2,435.99

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

d) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis

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FLAIR WRITING INDUSTRIES LIMITED

Note 31 : Financial Risk Management

Risk Management Framework

The Group's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Group's Financial Risk Management Policy is set and governed by the Managing Director under the overall directions of the Board of Directors of the Group.

Market Risk is the risk of loss of future earnings, fair values or future cash flows, that may result from a change in the price of a Financial instrument. The value of a Financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes, that affect market risk sensitive instruments. Market Risk is attributable to all the market risk sensitive Financial Instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group Board of Directors are responsible for the day to day working of the management and the overall working of the Group Risk Management framework.

i) Credit Risk

Credit Risk is the risk that a customer or counterparty to a Financial instrument fails to perform or pay the amounts due causing financial loss to the Group. Credit Risk arises from Group outstanding receivables from Customers.

The Group exposure to Credit Risk is influenced mainly by the individual characteristics of each Customer. Credit Risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the Customers, to whom the Group grants credit in accordance with the terms and conditions and in ordinary course of its business.

The Risk Management Committee has established a Credit Policy under which each new customer is analysed individually for creditworthiness, before the Group standard payment and delivery terms and conditions are offered. Further for domestic sales, the Group segments its Customers into Super Stockiest/ Distributors and Others, for credit monitoring.

For Trade Receivables, the Group individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Group makes specific provisions against such Trade Receivables, wherever required and monitors the same at periodic intervals.

The Group monitors each Loan and advance given and makes any specific provision, as and when required.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables and Loans and Advances.

Trade Receivables

Customer Credit Risk is managed by the Group established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The Group is receiving payments from customers within due dates and therefore the Group has no significant Credit Risk related to these parties. The Group evaluates the concentration of risk with respect to trade receivables as low.

Ageing of Trade Receivables are as follows:

(Rs. in Million)

Due from the date of invoice	As at March 31,2019	As at March 31,2018
0-3 months	1,626.97	1,054.78
3-6 months	101.49	3.94
6 months to 12 months	22.31	123.67
beyond 12 months	6.25	8.56
Total	1,757.02	1,190.95

ii) Liquidity Risk

Liquidity Risk arises from the Group's inability to meet its cash flow commitments on time. Prudent Liquidity Risk Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. In addition, processes and policies related to such risk are overseen by the Senior Management. Management monitors the Group net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

As of 31st March,2019, 31st March, 2018 the Company had unutilized credit limits from banks of **Rs. 316.41 million and Rs. 132.25 million** respectively.

The Current Ratio of the Group as at 31st March, 2019 is 1.51 (as at 31st March, 2018 is 1.54), whereas the Liquid Ratio of the Group as at 31st March, 2019 is 0.77 (as at 31st March, 2018 is 0.83) .

Exposure to 0quidity risk

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the reporting date:

As at March 31, 2019

(Rs. In Million)

PARTICULARS	As at March 31, 2019					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yerps	TOTAL
Non-derivative financial liabilities						
Borrowings	650.69	86.05	157.89	100.92	960.64	1,956.20
Trade payables	847.24	-	-	-	-	847.24
Other financial liabilities	164.75	43.66	-	-	-	208.41
	1,662.68	129.71	157.89	100.92	960.64	3,011.85
Derivative Liabilities	-					-
TOTAL	1,662.48	129.71	157.89	100.92	960.64	3,011.85

As at March 31, 2018

(Rs. In Million)

PARTICULARS	As at March 31, 2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Yerps	TOTAL
Non-derivative financial liabilities						
Borrowings	474.42	241.41	502.35	472.94	-	1,491.32
Trade payables	407.58	-	-	-	-	407.58
Other financial liabilities	79.51	1.65	-	-	-	81.16
	1,161.50	243.26	502.35	472.94	-	2,380.05
Derivative Liabilities	1.05					1.05
TOTAL	1,162.56	243.26	502.35	472.94	-	2,381.11

iii) Market Risk- Interest Risk

MInterest Rate Risk can be either Fair Value Interest Rate Risk or Cash Flow Interest Rate Risk. Fair Value Interest Rate Risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash Flow Interest Rate Risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Interest Rate Exposure

(Rs. in Million)

PARTICULARS	As at March 31,2019	As at March 31,2018
Interest Expense		
Loan from Banks	61.48	34.92
Unsecured loan from Directors & their relatives	96.08	129.86
Others	6.34	-
Total	**163.90**	**164.78**

(b) Sensitivity

Impact on interest Expenses for the year on 1% change in Interest Rate

(Rs. in Million)

PARTICULARS	As at March 31,2019	As at March 31,2018
1% Change in increase in Interest Rate	1.73	1.65
1% Change in decrease in Interest Rate	(1.73)	(1.65)

As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

iv) Market risk- Currency Risk

The Group operates internationally and a portion of the business is transacted in several currencies. Consequently, the Group is exposed to foreign exchange risk through its sales to overseas markets and purchases from overseas suppliers in various foreign currencies. The following table shows Foreign Currency exposures in USD, GBP, JPY and EUR on Financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

Exposure to currency risk

The details of unhegded foreign currency at the exchange rate at reporting date are:

(Rs. in Million)

PARTICULARS	As at March 31,2019				As at March 31,2018			
	USD	EURO	GBP	JPY	USD	EURO	GBP	JPY
Financial assets								
Trade receivables	240.45	7.31	6.06	-	319.70	19.92	1.33	-
Other assets	69.13	0.08	-	1.52	36.18	32.23	-	-
Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	36.74	23.60	0.44	5.32	41.28	31.82	0.17	4.90
Others	17.75	-	-	-	25.36			
Net Exposure	**255.10**	**(16.21)**	**5.62**	**(3.80)**	**289.24**	**20.33**	**1.16**	**(4.90)**

SENSITIVITY ANALYSIS

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges

(Rs. in Million)

PARTICULARS	As at March 31,2019				As at March 31,2018			
	USD	EURO	GBP	JPY	USD	EURO	GBP	JPY
1% Depreciation in INR								
Impact on Profit & Loss	2.55	(0.16)	0.06	(0.04)	1.14	0.20	0.01	(0.05)
TOTAL	**2.55**	**(0.16)**	**0.06**	**(0.04)**	**1.14**	**0.20**	**0.01**	**(0.05)**
1% Appreciation in INR								
Impact on Profit & Loss	(2.55)	0.16	(0.06)	0.04	(1.14)	(0.20)	(0.01)	0.05
TOTAL	**(2.55)**	**0.16**	**(0.06)**	**0.04**	**(1.14)**	**(0.20)**	**(0.01)**	**0.05**

Sensitivity analysis is computed based on the changes in the receivables and payables in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

v) Commodity Risk

The Group's principle raw material(s) are a variety of Plastic Polymers which are primarily derivatives of Crude Oil. Group sources its raw material requirement from across the globe. Domestic market prices generally remains in sync with the international market prices.

Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent Currencies coupled with demand–supply scenario in the world market, affect the effective price and availability of Polymers for the Group. Group effectively manages availability of material as well as price volatility by expanding its source base, having appropriate contracts and commitments in place and planning its procurement and inventory strategy.The Group financial risk management have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

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Note 32 : Movement in deferred tax

Movement in deferred tax balances for the year ended March 31, 2019

(Rs. in Million)

Particulars	As at April 1, 2018	Recognised in profit or loss	Recognised in OCI	As at March 31, 2019
Deferred Tax Assets(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-
Financial Assets	-	-	-	-
Provision for Gratuity	8.19	1.93	7.09	17.20
Expenses allowable on payment basis	10.09	3.52	-	13.17
Others	0.75	4.97	-	6.16
Deferred Tax Assets(Net)	19.02	10.42	7.89	36.52
Deferred Tax Liabilities(Net) in relation to :				
Property,Plant and Equipment and other Intangibles Assets	96.23	20.86	-	117.08
Financial Assets	-	-	-	-
Provision for Gratuity	-	-	-	-
Expenses allowable on payment basis	-	-	-	-
Others	-	-	-	-
Deferred Tax Liabilities(Net)	96.23	20.86	-	117.08
Net Deferred tax Asset/ (Liabilities) Total (A)	(77.21)	(18.44)	7.09	(80.56)
AMT-MAT Receivables	136.00	(18.14)	-	117.86
Total (B)	136.00	(18.14)	-	117.86
Total (A+B)	58.79	(28.58)	7.89	37.30

Movement in deferred tax balances for the year ended 31 March 2018

(Rs. in Million)

Particulars	As at April 1, 2017	Transfer on account of merger	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Deferred Tax Assets(Net) in relation to :						
Property,Plant and Equipment and other Intangibles Assets	-	-	-	-	-	-
Financial Assets	-	-	-	-	-	-
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowable on payment basis	4.01	2.07	4.01	-	-	10.09
others		20.72	0.35	-	(20.32)	0.75
						-
Deferred Tax Assets(Net)	8.86	22.78	4.25	4.25	(20.32)	19.82
Deferred Tax Liabilities(Net) in relation to :						
Property,Plant and Equipment and other Intangibles Assets	86.71	17.58	11.39	-	(19.46)	96.23
Financial Assets	-	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-	-
others	-	-	-	-	-	-
Deferred Tax Liabilities(Net)	86.71	17.58	11.39	-	(19.46)	96.23
Net Deferred tax Asset/ (Liabilities) Total (A)	(78.66)	5.20	(7.14)	4.25	(8.85)	(77.21)
AMT-MAT Receivables	-	98.35	37.65	-	-	136.00
Total (B)	-	98.35	37.65	-	-	136.00
Total (A+B)	(78.66)	103.55	30.51	4.25	(8.85)	58.79

The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT of Rs. 18.14 Million for the year ended March 30,2019 is not reflected in Statement of Profit and Loss.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

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Note 33 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	213.64	168.93
Deferred income tax liability / (asset), net	10.44	7.14
Excess Provision of Tax	(8.04)	(37.63)
Tax expense	**216.04**	**138.45**

(b) Amounts recognised in other comprehensive income

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement on defined benefit liability		
Before tax	(24.34)	(14.59)
Tax (expense)/ benefit	7.09	4.25
Net of tax	(17.25)	(10.34)

(c) Reconciliation of effective income tax rate

(Rs. in Million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax - FWIL	859.72	672.34
Profit before tax - FDPL	24.53	-
Company's domestic tax rate - FWIL	29.12%	34.61%
Company's domestic tax rate - FDPL	27.82%	-
Income tax using the Company's tax rate	257.17	232.68
Tax effect of:		
Permanent disallowances	(13.17)	(22.25)
Tax on exempted Income	(30.37)	(43.51)
Deferred income tax liability / (asset), net	10.44	7.14
Excess Provision	(8.04)	(35.61)
Income tax as per Profit & Loss Account	**216.04**	**138.45**

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Note 34: Related Party Disclosure

(a) Related Parties with whom transactions have taken place:

Nature of Relationship	Name of Related Party
(i) Key Managerial Personnel (KMP)	Khubilal Rathad
	Vimalchand Rathad
	Mohit Rathad
	Rajesh Rathad
	Sumitkumar Rathad
	Ratanchand Jivraj Oswal
	Punit Saxena
	Sangeeta Sethi
	Rajneesh Bhandari
	Bishan Singh Rawat
	Mayur Gala
	Vishal Chanda
(ii) Relatives of Key Managerial Personnel	Nirmala Rathad
	Manjula Rathad
	Sangita Rathod
	Sholini Rathad
	Sonal Rathod
	Kiemaya Rathod
	Sunita Jain
	Vimalchand Rothad (HUF)
	Jayesh Jain
(iii) Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):	Flair Pens Ltd.
	Flair Kenya Ltd.
	Stypen Manufacturing Company (India) Pvt. Ltd.
	Pentel Stationery (India) Pvt. Ltd.
	Flair Pen & Plastic Industries
	Hauser Lifestyle Products
	Rathod N Rathad

(c)

(Rs. in Million)

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Sale of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	25.27	20.97
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	11.49	5.58
	Flair Kenya Ltd.		9.82	3.97
2	**Purchase of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	35.78	23.76
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	4.99
	Hauser Lifestyle Products		2.53	3.12
3	**Purchase of Fixed Assets**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2.36	12.00
4	**Rent Expense**			
	Khubilal J. Rathad	Key Managerial Personnel	0.61	0.25
	Vimalchand J. Rathad	Key Managerial Personnel	0.61	0.25
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	15.32	4.51
	Stypen Mfg. Co (India) Pvt. Ltd.		1.20	0.60
	Flair Writing Aids		-	0.15
	Flair Pen & Plastic Industries		9.60	7.88
	Rathod N Rathod		0.18	0.18
	Nirmala Rathod	Relative of KMP	2.29	2.31
	Manjula Rathad	Relative of KMP	2.29	2.31
	Vimalchand Rathad (HUF)	Relative of KMP	0.92	0.96
5	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	16.95	4.19

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6	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.80	0.92
7	**Re-Imbursement of Expenses (Paid)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.85	16.19
	Stypen Mfg. Co (India) Pvt. Ltd.		-	0.08
8	**Sales Incentives**			
	Jayesh Jain	Relative of KMP	1.43	-
9	**Re-Imbursement of Expenses (Received)**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.04
	Stypen Mfg. Co (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.10
	Hauser Lifestyle Products		-	0.02
10	**Interest Expenses**			
	Khubilal Rathod	Key Managerial Personnel	12.56	20.67
	Vimalchand Rathod	Key Managerial Personnel	8.26	12.60
	Rajesh Rathod	Key Managerial Personnel	14.48	18.93
	Mohit Rathod	Key Managerial Personnel	15.78	19.61
	Sumitkumar Rathod	Key Managerial Personnel	16.90	20.22
	Nirmala Rathod	Relative of KMP	4.98	7.18
	Manjula Rathod	Relative of KMP	1.53	4.73
	Sangita Rathod	Relative of KMP	8.33	10.13
	Shalini Rathod	Relative of KMP	9.37	10.37
	Sonal Rathod	Relative of KMP	3.42	4.64
	Sunita Jain	Relative of KMP	0.26	0.36
	Kiemaya Rathod	Relative of KMP	0.18	0.16
11	**Director/Managerial Remuneration**			
	Khubilal Rathod	Key Managerial Personnel	3.60	1.80
	Vimalchand Rathod	Key Managerial Personnel	3.60	1.80
	Rajesh Rathod	Key Managerial Personnel	2.40	1.80
	Mohit Rathod	Key Managerial Personnel	2.40	1.80
	Sumitkumar Rathod	Key Managerial Personnel	2.40	1.80
	Mayur Gala	Key Managerial Personnel	3.13	2.28
	Vishal Chanda	Key Managerial Personnel	0.42	-
	Jayesh Jain	Relative of KMP	4.80	2.14
12	**Sitting Fees**			
	Ratanchand Jivraj Oswal	Key Managerial Personnel	0.09	-
	Punit Saxena	Key Managerial Personnel	0.15	-
	Sangeeta Sethi	Key Managerial Personnel	0.20	-
	Rajneesh Bhandari	Key Managerial Personnel	0.03	-
	Bishan Singh Rawat	Key Managerial Personnel	0.08	-
13	**Loan Taken**			
	Khubilal Rathod	Key Managerial Personnel	2.13	108.78
	Vimalchand Rathod	Key Managerial Personnel	11.90	44.67
	Rajesh Rathod	Key Managerial Personnel	8.15	90.77
	Mohit Rathod	Key Managerial Personnel	1.07	59.11
	Sumitkumar Rathod	Key Managerial Personnel	6.03	66.24
	Nirmala Rathod	Relative of KMP	0.35	13.01
	Manjula Rathod	Relative of KMP	-	17.36
	Shalini Rathod	Relative of KMP	-	21.07
	Sonal Rathod	Relative of KMP	-	18.76
14	**Loan Repaid**			
	Khubilal Rathod	Key Managerial Personnel	31.26	227.33
	Vimalchand Rathod	Key Managerial Personnel	17.46	120.69
	Rajesh Rathod	Key Managerial Personnel	38.63	185.12
	Mohit Rathod	Key Managerial Personnel	12.18	137.06
	Sumitkumar Rathod	Key Managerial Personnel	28.43	119.24
	Nirmala Rathod	Relative of KMP	2.38	53.94
	Manjula Rathod	Relative of KMP	8.36	68.70
	Sangita Rathod	Relative of KMP	4.56	69.13
	Shalini Rathod	Relative of KMP	5.35	50.76
	Sonal Rathod	Relative of KMP	1.40	42.55
15	**Issue of Share**			
	Khubilal Rathod	Key Managerial Personnel	40.86	80.02
	Vimalchand Rathod	Key Managerial Personnel	30.64	60.02

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	Rajesh Rathod	Key Managerial Personnel	20.43	40.01
	Mohit Rathod	Key Managerial Personnel	20.43	40.01
	Sumitkumar Rathod	Key Managerial Personnel	20.43	40.01
	Nirmala Rathod	Relative of KMP	20.43	40.01
	Manjula Rathod	Relative of KMP	20.43	40.01
	Sangita Rathod	Relative of KMP	10.21	20.01
	Shalini Rathod	Relative of KMP	10.21	20.01
	Sanal Rathod	Relative of KMP	10.21	20.01

(d) Outstanding balances as at the year/period end (Rs. in Million)

Sr.No.	Nature of Balance Outstanding	Type	As at March 31, 2019	As at March 31, 2018
1	**Trade Payables**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	9.90	4.80
	Flair Pen & Plastic Industries	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	1.36
	Flair Pens Ltd.		7.20	11.42
	Stypen Mfg. Co (India) Pvt. Ltd.		-	0.01
	Hauser Lifestyle Products		0.62	2.42
	Rathod N Rathod		0.08	0.03
2	**Trade Receivables**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	7.11	2.78
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7.84	6.22
	Flair Kenya Ltd.		4.81	2.70
3	**Loan Outstanding (Liability)**			
	Khubilal Rathod	Key Managerial Personnel	135.15	152.97
	Vimalchand Rathod	Key Managerial Personnel	93.79	91.93
	Mohit Rathod	Key Managerial Personnel	173.45	170.12
	Rajesh Rathod	Key Managerial Personnel	152.67	170.34
	Sumitkumar Rathod	Key Managerial Personnel	182.70	189.90
	Nirmala Rathod	Relative of KMP	56.20	53.74
	Manjula Rathod	Relative of KMP	12.66	19.64
	Sangita Rathod	Relative of KMP	93.01	90.08
	Shalini Rathod	Relative of KMP	103.38	100.31
	Sanal Rathod	Relative of KMP	38.59	36.91
	Sunita Jain	Relative of KMP	3.04	3.05
	Kiemaya Rathod	Relative of KMP	2.03	1.87
4	**Rent Payable**			
	Khubilal Rathod	Key Managerial Personnel	0.13	0.14
	Vimalchand Rathod	Key Managerial Personnel	0.18	0.14
	Nirmala Rathod	Relative of KMP	0.67	0.73
	Manjula Rathod	Relative of KMP	0.69	0.69
	Vimalchand Rathod (HUF)	Relative of KMP	0.04	-

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Note 35 : Capital Management

The Group's Capital Management is driven by the Group policy to maintain a sound capital base to support the continuous development of its Business. The Board of Directors seek to maintain a prudent balance between different components of the Group Capital. The Management monitors the Capital Structure and the Net Financial Debt at individual currency level. Net Financial Debt is defined as Current and Non-Current Financial Liabilities less Cash and Cash Equivalents and Short Term Investments.

(Rs. in Million)

Particulars	As at March 31,2019	As at March 31,2018
Gross Debt	1,956.20	1,691.32
Less: Cash and Cash Equivalents	18.29	14.54
Net Debt (A)	**1,937.91**	**1,676.77**
Total Equity (As per Balance Sheet) (B)	**2,236.33**	**1,586.07**
Net Gearing Ratio (A/B)	**0.87**	**1.06**

Note 36 : Segment Reporting

Segment Information is presented in respect of the Group's key operating segments. The operating segments are based on the Group Management and Internal Reporting Structure.

The Group Managing Director has been identified as the Chief Operating Decision Maker ('CODM'), since he is responsible for all major decisions with respect to the preparation and execution of Business Plan, preparation of Budget, Planning, alliance, Joint Venture, Merger and Acquisition, and expansion of any new facility.

Board of Directors review the operating results of its "Writing Instruments and its Allieds" business at Group level to assess its performance. Accordingly, there is only one reportable segment for the Group which is "Writing Instruments and its Allieds", involved in manufacturing and dealing in writing instruments and its allieds. Hence, no specific disclosures have been made.

Note 37 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 (1) of the Companies Act, 2013, Group has a formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.

Sub section (5) of section 135 states that "The Board of every Group referred to in sub-section (1) shall ensure that the Group spends in every financial year at least two per cent of the average net profits of the Group, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".

The Group has been advised that, sub section (5) of section 135 of the Act is not applicable to the Group in the relevant financial year and hence the Group has not made any provision for CSR Expenditure

The Group has been advised that, sub section (5) of section 135 of the Act is not applicable to the Group in the relevant financial year and hence the Group has not made any provision for CSR Expenditure

Note 38 : Leases

The Holidng Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The Holidng Company has paid sub-lease consideration in Advance. The said lease being operating in nature ,the advance lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

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Note 39 : Capital and Other Commitments

(Rs. in Million)

Particulars	As at March 31,2019	As at March 31,2018
a) Letter of Credit	0.83	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided for:	153.91	138.27

Note 40 : Contingent Liability

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Entity.

(Rs. in Million)

Particulars	As at March 31,2019	As at March 31,2018
a) Disputed Excise and Service Tax Matters	1.21	1.21
b) Income Tax Matters	2.12	2.12
c) Bank Guarantee outstanding	-	0.45

The Group usually fulfills the obligation(s) in the subsequent years in ordinary course of business and hence no provision, for any contingent liability which would have arisen on completion of export obligations,has been made.

Note 41 : Arrangement of Sales made to [Reynolds Pens India Private Limited] (RIPL) by the Company and correspondng purchases made by Flair Distributor Private Limited (the 'Subsidiary') from [Reynolds India Private Limited] RIPL

As per the agreement(s) entered between the Company and RIPL and the Subsidiary, the Company manufactures products under the brand name 'Reynolds' ('Products') and sells them to RIPL. The Subsidiary thereafter buys the said Products from RIPL for sales and distribution. All these transactions are at arms length price. In these [Consolidated Financial Statements] the sale of these Products are considered by the Company and the Subsidiary. If the sales of Products made by the Company to RIPL are excluded then the total [Sale of Products] as referred to in Note 18[a] would be Rs 6334.66 million, instead of Rs 7323.89 million. The inclusion and/or exclusion of the sale of these Products, however, has no impact on the Consolidated results of the Group.

Note 42

The figure for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

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Note 43 : Salient Features of Financial Statements of Subsidiaries as per Companies Act, 2013

Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as subsidiary Company:

(Rs in Millions)

Name of the Entity	As at March 31,2019							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
Flair Writing Industries Ltd	99.15%	2,217.28	97%	649.41	100%	(17.25)	97.22%	632.16
Indian Subsidiary								
Flair Distributor Private Limited	0.85%	19.04	3%	18.09	-	-	2.78%	18.09
TOTAL	100%	2,236.33	100%	667.51	100%	(17.25)	100%	650.26
Non Controlling Interest	-	-	-	-	-	-	-	-

(Rs in Millions)

Name of the Entity	As at March 31,2018							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
Flair Writing Industries Ltd(Formerly Known as Flair Writing Industries Pvt Ltd)	99.94%	1,585.12	100%	533.94	100.0%	(10.34)	100%	523.60
Indian Subsidiary								
Flair Distributor Private Limited	0.06%	0.95	0.00%	(0.05)	0.0%	-	(0.00)	(0.05)
TOTAL	100%	1,586.07	100%	533.99	100%	(10.34)	100%	523.55
Non Controlling Interest	-	-	-	-	-	-	-	-

The above figures are after eliminating intra- group transactions and intra-group balances.

Salient features of the Financial Statements of Subsidiary (Pursuent to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 -AOC-1)

Subsidiary

(Rs in Millions)

Name of Subsidiary	Flair Distributor Private Limited	
Reporting Period	As at March 31,2019	As at March 31,2018
The Date since which Subsidiary was acquired	FEBRUARY 21, 2017	
Reporting Currency	INR	INR
Equity Share Capital	1.00	1.00
Other Equity	18.04	(0.05)
Total Assets	275.57	78.57
Total Liabilities	256.52	78.57
Investments	-	-
Revenue from Operation/Total Income	1256.52	715.65
Profit Before Tax	24.53	(0.07)
Provision for Tax	6.44	0.02
Profit After Tax	18.09	(0.05)
Other Comprehensive Income	-	-
Total Comprehensive Income	18.09	(0.05)
Proposed Dividend	-	-
% of Share Holding	100%	100%

As per our Report of even date

For Jeswani & Rathore

(Firm Reg. No.D1D22D2W)

K.L.Rathore
(Partner)
M.No. D128D7

JESWANI & RATHORE CHARTERED ACCOUNTANTS MUMBAI

Place: Mumbai
Date: 03 JUN 2019

For and on behalf of the Board of Directors
Flair Writing Industries Limited

Sumitkumar Rathod
Director
(DIN. 02987687)

Vimalchand Rathod
Director
(DIN. DD123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary