# 5th ANNUAL REPORT

# FOR THE YEAR ENDED 31-03-2021

## FLAIR WRITING INDUSTRIES LIMITED

CIN: U51100MH2016PLC284727

**63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai-400067**

**Tel.: (+91-22) 28683084/42030405 Fax: (+91-22) 28689318**

## DIRECTOR'S REPORT

Dear Members,
**FLAIR WRITING INDUSTRIES LIMITED**

Your Directors have pleasure in presenting this 5th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2021.

### 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, 2021are as follows:

(Rs in Lakhs)

| PARTICULARS | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| Revenue from Operations | 28,917.84 | 58,117.72 | 29,798.94 | 72,515.41 |
| Other Income | 1,188.46 | 532.75 | 1,288.46 | 533.80 |
| Total Income | **30,106.29** | **58,650.47** | **31,087.41** | **73,049.20** |
| Earnings before Finance Cost, Tax and Depreciation | 3,422.36 | 9,879.90 | 3,586.09 | 9,934.58 |
| Less: Finance Cost | 1,074.61 | 1,535.56 | 1,125.64 | 1,562.20 |
| Less: Depreciation & Preliminary expenses written off | 2,171.59 | 2,344.61 | 2,243.43 | 2,358.54 |
| **Profit / (Loss) before Taxation** | **176.15** | **5,999.72** | **217.02** | **6,013.83** |
| Less: Provision for Taxation | | | | |
| Current Tax | 9.10 | 2037.88 | 26.96 | 2055.78 |
| Deferred Tax | 116.01 | 148.11 | 91.76 | 157.34 |
| Tax adjustments for earlier year | 1.34 | 1.58 | 1.34 | 7.16 |
| **Profit / (Loss) after Taxation** | **49.71** | **3812.15** | **96.96** | **3793.55** |
| Add: Other Comprehensive Income | 19.38 | (54.46) | 19.38 | (54.46) |
| **Total Comprehensive Income for the year** | 69.09 | 3757.69 | 116.34 | 3739.09 |
| **Earnings per Equity Share of face value of Rs 10 each** | | | | |
| Basic(In Rs ) | 0.21 | 16.33 | 0.42 | 16.25 |
| Diluted (In Rs ) | 0.21 | 16.33 | 0.42 | 16.25 |

### 2. Financial Operations

During the year under review, the Company's standalone revenue from operations was Rs. 28,917.84 Lakhs as against Rs. 58,117.72 Lakhs in the previous year. The Company has generated Net Profit after tax of Rs. **49.71** Lakhs as against Rs. **3812.15** Lakhs in the previous year.

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

During the year under review, the Company's total revenue from operations was Rs. 160.88 Lakhs as against revenue of Rs. 14964.48 for the previous year. The Company has generated Net Loss of Rs. 137.10 Lakhs as against Net Profit after tax of Rs. 46.32 Lakhs for the previous year.

Financial Performance of Flair Writing Equipments Private Limited (FWEPL), a wholly-owned subsidiary of the Company.

During the year under review, the Company's total revenue from operations was Rs. 1187.53 Lakhs as against revenue of Rs. 64.29 for the previous year. The Company has generated Net Profit of Rs. 172.31 Lakhs as against Net Loss after tax of Rs. 61.94 Lakhs for the previous year.

## 3. COVID-19

Covid-19 pandemic has been an unprecedented crisis for every individual across the world. FLAIR spent the first few months of FY 2020-21 adapting to the new normal, ensuring business continuity, employee collaboration and stakeholder engagement.

As we move through the phase of COVID-19 pandemic and its consequential changes in the macro-economic factors, the Indian Corporates have witnessed major changes in their operations, use of technology and other business activities. With the unprecedented challenges and risks expected from this pandemic, during the year, the Company have ensured smooth functioning of operations which amongst other things included effective implementation of the business continuity plan. Several precautionary measures have been implemented for essential staff working in the offices, including, fumigation, temperature checks, supplying and wearing of masks and use if sanitizers, among others. The Company also promoted work from home extending necessary facilities to ensure safety of its employees.

The Company aims to resume operations in a calibrated manner while continuing to exercise all necessary precautions and measures at work in the post Covid-19 scenario. This will be done in accordance with various directives of the state and central governments regarding the resumption of operations in accordance with the guidelines/precautionary measures framed by the Company.

## 4. 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.

## 5. 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 2020-21. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

## 6. 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.

During the year under review, there have been no changes in the paid-up share capital of the Company. The Equity Share capital of the Company is 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, 2021.

## 7. Subsidiary/Joint Ventures/Associate Companies

The Company has two subsidiary company viz., Flair Distributor Private Limited and Flair Writing Equipments Private Limited. A Statement containing salient features of the financial statements of both 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, 2021 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 2020-21 is set out at 'Annexure 1' forming a part of this Report.

The Secretarial Audit Report for the financial year ended March 31, 2021 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.

**10. Internal Auditors:**

Mr. Ramesh Suthar, Chartered Accountant and an employee of the Company have been appointed as Internal Auditors of the Company for the financial 2020-21.

**11. 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 2019-20.

**12. 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. The provisions of Section 135(5) of the Companies Act, 2013, in respect of the expenditure on CSR activities are provided in the financial statements of the Company.

## 13. 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.

## 14. 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/

## 15. Directors and Key Managerial Personnel

a) Directors:

During the FY 2020-21 under review, there were following changes in the composition of the Board of Directors of the Company.

| Sr. No. | Name of Director | DIN | Particulars | w.e.f. |
|---|---|---|---|---|
| 1 | Mr. Rajneesh Bhandari | 00094089 | Resignation | June 17, 2020 |
| 2 | Mr. Ratanchand Oswal | 00425184 | Resignation | June 17, 2020 |
| 3 | Mr. Punit Saxena | 01057161 | Resignation | June 30, 2020 |
| 4 | Mr. Khubilal Rathod | 00122867 | Re-appointment and Change in Designation | July 10, 2020 |

After the year under review, the Independent Directors viz., Mrs. Sangeeta Sethi, have resigned from the directorship of the Company w.e.f August 16, 2021 and Mr. Arun Mohan Jain (DIN- 05290974) and Mrs. Sangita Rathod (DIN- 02928019) was appointed as an Additional Independent Director of the Company w.e.f. August 28, 2021 and September 23, 2021 respectively. Presently, the Board of Directors comprises of Four Executive Directors, Two Non-Executive Director and Two Independent Directors. The present composition of the Board is in compliance with the provisions of Section 149 of the Companies Act, 2013.

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:

During the year under review, Mr. Vishal Chanda, Company Secretary & Compliance officer of the Company have resigned from the Company w.e.f. August 12, 2020 and Mr. Prakash Gupta, an associate member from the Institute of Company Secretaries of India holding Membership No. A54581 was appointed as a Company Secretary and Compliance officer of the Company w.e.f. February 05, 2021.

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, 2021, 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, 2021 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:

Four Meetings of the Board of Directors were held during the financial year ended March 31, 2021. 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 | 13.07.2020 | 6 |
| 2 | 28.09.2020 | 6 |
| 3 | 07.12.2021 | 5 |
| 4 | 23.03.2021 | 5 |

e) Disclosure of composition of Committee(s)

During the year under review, the Company has re-constituted Audit Committee, and Nomination and Remuneration Committee and re-constitution are in compliance 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 other applicable law. Since the provisions for Stakeholders Relationship Committee are not applicable to the Company, the Board of Directors in their meeting held on July 13, 2020, have dissolved Stakeholders Relationship Committee with immediate effect.

However due resignation of Independent directors after the financial year ended, the Committees were reconstituted by the Board of Directors in the board meeting held on July 13, 2020 as follows:

**Audit Committee:**

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

Meetings of Audit Committee

| Sr. No. | Date of Audit Committee Meeting | No. of Directors Present |
|---|---|---|
| 1 | 13.07.2020 | 2 |
| 2 | 28.09.2020 | 2 |
| 3 | 07.12.2021 | 2 |
| 4 | 23.03.2021 | 2 |

**Nomination and Remuneration Committee:**

| Sr. No. | Name of the Directors | Category |
|---|---|---|
| 1 | Mr. Khubilal Jugraj Rathod | Non- executive Director |
| 2 | Mr. Bishan Singh Rawat | Independent Director |
| 3 | Mrs. Sangeeta Sethi | Independent Director |

Meetings of Nomination and Remuneration Committee:

| Sr. No. | Date of Nomination and Remuneration Committee Meeting | No. of Directors Present |
|---|---|---|
| 1 | 22.03.2021 | 2 |

**Corporate Social Responsibility (CSR) Committee**

Company has constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Khubilal J. Rathod, Mr. Vimalchand J. Rathod and Mrs. Sangeeta Sethi. The CSR Committee met once during the year on March 21, 2021.

## 16. 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 Lakhs)

| 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 | 1,237.52 | 97.50 | 238.24 | 74.13 | 1,170.91 |
| 2 | Vimalchand Rathod | 1,176.91 | 1,225.58 | 1,144.44 | 74.36 | 1,332.41 |
| 3 | Rajesh Rathod | 1,607.82 | 84.68 | 403.47 | 89.79 | 1,378.82 |
| 4 | Mohit Rathod | 1,591.87 | 92.47 | 362.85 | 91.37 | 1,412.86 |
| 5 | Sumit Rathod | 1,783.89 | 274.12 | 508.62 | 104.30 | 1,653.69 |
| 6 | Nirmala Rathod | 486.03 | - | 12.15 | 28.96 | 502.84 |
| 7 | Manjula Rathod | 102.83 | - | 30.57 | 5.71 | 77.97 |
| 8 | Sangita Rathod | 957.19 | - | 30.18 | 0.00 | 983.76 |
| 9 | Shalini Rathod | 1,050.46 | - | 42.71 | 56.75 | 1,069.62 |
| 10 | Sonal Rathod | 386.07 | - | 21.13 | 61.87 | 387.52 |
| 11 | Sunita Jain | 30.20 | - | - | 22.58 | 30.41 |
| 12 | Keimaya Rathod | 21.63 | - | - | 0.21 | 22.92 |

**17. 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 2020-21, no cases under this mechanism were reported to the Company.

**18. 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.

**19. 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, 2021, except the merger application of wholly owned subsidiary Flair Distributor Private Limited with Flair Writing Industries Limited has been filed with the Hon'ble NCLT, Mumbai Bench is still under consideration and approval of Hon'ble NCLT. 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, 2021 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<br>Managing Director<br>DIN: 00123007 | Khubilal Jugraj Rathod<br>Non- Executive Director<br>DIN: 00122867 |

Place: Mumbai
Date: November 06, 2021

**Annexure 1**
**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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, 2021 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, 2021 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 nor the 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, 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 not increased its authorised share capital and also not issued the bonus shares to the shareholders of the Company.
6. During the year under review, the Company has altered its object clause by addition of point 3 and point 4 after the existing object clause no. 1 and 2.

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**

**Heena Madan**
**M. No.: 40297; C.P. No.: 17010**
**UDIN: A040297C001929241**
**Date: 07/11/2021**
**Place: Mumbai**
**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.

HEENA & ASSOCIATES
C-602 Raj Florenza Vijay Park Mira Road-Thane-401107
Contact: -+91-8286303006, E-Mail: - pcsheena.madaan@gmail.com

Annexure A

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 2020-21 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**

**Heena Madan**
**M. No.: 40297; C.P. No.: 17010**
**UDIN: A040297C001929241**
**Date: 07/11/2021**
**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 Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---|---|---|
| Actual Foreign Exchange Earnings | 10808.91 | 11431.4 |
| Actual Foreign Exchange Outgo | 4546.37 | 5274.7 |

For and on behalf of the Board of Directors

Khubilal Jugraj

Vimalchand Jugraj Rathod
Managing Director
DIN: 00123007

Khubilal Jugraj Rathod
Non- Executive Director
DIN: 00122867

Place: Mumbai
Date: November 06, 2021

'ANNEXURE 3' TO DIRECTORS' REPORT

# FORM NO. MGT 9
# EXTRACT OF ANNUAL RETURN
## As on Financial Year ended 31.03.2021

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 | U51100MH2016PLC284727 |
| 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.<br>Tel: 022-28683876<br>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 Limited | U74999MH2016PTC289111 | Wholly Owned Subsidiary | 100% | 2(87) |
| 2 | Flair Writing Equipments Private Limited | U36991DD2019PTC009856 | Wholly Owned Subsidiary | 100% | 2(87) |

**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 | 23347200 | - | 233470200 | 100 | 23347200 | - | 233470000 | 100 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1) | 23347200 | - | 23347200 | 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)** | 23347200 | - | 23347200 | 100 | 23347200 | - | 23347200 | 100 | - |
| | | | | | | | | | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign | - | - | - | - | - | - | - | - | - |

| 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 | |
| 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 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 | - | - | - | - | - | - | - | - | - |

| 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 | |
| Custodian for GDRs & ADRs | | | | | | | | | |
| | | | | | | | | | |
| Grand Total (A+B+C) | 23347200 | - | 23347200 | 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 Jugraj Rathod | 4669440 | 20% | - | 4669440 | 20% | - | - |
| 2 | Shri Vimalchand Jugraj Rathod | 3502080 | 15% | - | 3502080 | 15% | - | - |
| 3 | Shri Rajesh Khubilal Rathod | 2334720 | 10% | - | 2334720 | 10% | - | - |
| 4 | Shri Sumit Vimalchand Rathod | 2334720 | 10% | - | 2334720 | 10% | - | - |
| 5 | Shri Mohit Khubilal Rathod | 2334720 | 10% | - | 2334720 | 10% | - | - |
| 6 | Smt. Nirmala Khubilal Rathod | 2334720 | 10% | - | 2334720 | 10% | - | - |
| 7 | Smt. Manjula Vimalchand Rathod | 2334720 | 10% | - | 2334720 | 10% | - | - |

| S N | 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 | |
| 8 | Smt. Sangita Rajesh Rathod | 1167360 | 5% | - | 1167360 | 5% | - | - |
| 9 | Smt. Shalini Mohit Rathod | 1167360 | 5% | - | 1167360 | 5% | - | - |
| 10 | Smt. Sonal Sumit Rathod | 1167360 | 5% | - | 1167360 | 5% | - | - |
| | **Total** | **23347200** | **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 | 4669440 | 20% | 4669440 | 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) | NA | - | NA | - |
| | At the end of the year | 4669440 | 20% | 4669440 | 20% |
| 2 | **Mr. Vimalchand J. Rathod** | | | | |
| | At the beginning of the year | 3502080 | 15% | 3502080 | 15% |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat | NA | | NA | |

| 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) | | | | |
| | At the end of the year | 3502080 | 15% | 3502080 | 15% |
| 3 | **Mr Rajesh K. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 4 | **Mr Mohit K. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 5 | **Mr Sumitkumar V. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 6 | **Smt. Nirmala Khubilal Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |

| 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 |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 7 | **Smt. Manjula Vimalchand Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 8 | **Smt. Sangita Rajesh Rathod** | | | | |
| | At the beginning of the year | 1167360 | 5% | 1167360 | 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) | NA | | NA | |
| | At the End of the year | 1167360 | 5% | 1167360 | 5% |
| 9 | **Smt. Shalini Mohit Rathod** | | | | |
| | At the beginning of the year | 1167360 | 5% | 1167360 | 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) | NA | | NA | |
| | At the End of the year | 1167360 | 5% | 1167360 | 5% |
| 10 | **Smt. Sonal Sumit Rathod** | | | | |
| | At the beginning of the year | 1167360 | 5% | 1167360 | 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) | NA | | NA | |

| 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 |
| | 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 | 4669440 | 20% | 4669440 | 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) | NA | - | NA | - |
| | At the end of the year | 4669440 | 20% | 4669440 | 20% |
| 2 | **Mr. Vimalchand J. Rathod** | | | | |
| | At the beginning of the year | 3502080 | 15% | 3502080 | 15% |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat | NA | | NA | |

| 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 |
| | equity etc) | | | | |
| | At the end of the year | 3502080 | 15% | 3502080 | 15% |
| 3 | **Mr. Rajesh K. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 4 | **Mr. Mohit K. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 5 | **Mr. Sumitkumar V. Rathod** | | | | |
| | At the beginning of the year | 2334720 | 10% | 2334720 | 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) | NA | | NA | |
| | At the End of the year | 2334720 | 10% | 2334720 | 10% |
| 6 | **Mr. Sangeeta Sethi** | | | | |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | NA | | NA | |
| | At the End of the year | NIL | NIL | NIL | NIL |

| 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 |
| 6 | **Mr. Bishan Singh Rawat** | | | | |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | NA | | NA | |
| | At the End of the year | NIL | NIL | NIL | NIL |
| 6 | **Mr. Mayur Gala (CFO)** | | | | |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | NA | | NA | |
| | At the End of the year | NIL | NIL | NIL | NIL |
| 7 | **Mr. Prakash Gupta (CS)** | | | | |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | NA | | NA | |
| | At the End of the year | NIL | NIL | NIL | NIL |

V) INDEBTEDNESS

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

(Amt in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 6,335.56 | 10,432.43 | NIL | 16,767.99 |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | 6,335.56 | 10,432.43 | NIL | 16,767.99 |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | NIL | 1,769.35 | NIL | 1,769.35 |
| * Reduction | 4,128.66 | 2,789.35 | NIL | 6918.01 |
| Net Change | (4,128.66) | (1,020.00) | NIL | (6918.01) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2206.90 | 9412.41 | NIL | 11,619.31 |
| ii) Interest due but not paid | 11.82 | 611.32 | NIL | 6,23.14 |
| iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | 2,218.72 | 10,023.73 | NIL | 12,242.46 |

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

## 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 | 10,50,000 | 34,40,323 | 22,93,548 | 22,93,548 | 22,93,548 | 1,13,70,967 |
| | (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) | 10,50,000 | 34,40,323 | 22,93,548 | 22,93,548 | 22,93,548 | 1,13,70,967 |

**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 2020-21 |
|---|---|---|
| 1 | Mr. Bishan Singh Rawat | Rs. 30,000/- |
| 2 | Mrs. Sangeeta Sethi | Rs. 70,000/- |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:
*(Amount in Rs.)*

| SN. | Particulars of Remuneration | Name of Chief Financial Officer | Name of Company Secretary and Compliance Officer | | Total Amount |
|---|---|---|---|---|---|
| | | Mr. Mayur Gala | Mr. Vishal Chanda* | Mr. Prakash Gupta | |
| 1 | *Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 20,06,857/- | 1,24,758/- | 20,920/- | 21,52,535/- |
| | (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) | 20,06,857/- | 1,24,758/- | 20,920/- | 21,52,535/- |

*Mr. Vishal Chanda, Company Secretary and Compliance officer has resigned from the Company w.e.f. August 12, 2020 and Mr. Prakash Gupta was appointed as Company Secretary w.e.f. February 05, 2021.

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

Khubilal Jugraj Rathod
Non-Executive Director
DIN: 00122867

Place: Mumbai
Date: November 06, 2021

# Flair Writing Industries Limited

63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai-400 067
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Flair®

## 5th ANNUAL REPORT

### FOR THE PERIOD ENDED APRIL 01, 2020 to MARCH 31, 2021


## JESWANI & RATHORE

CHARTERED ACCOUNTANTS

408/C, Niranjan, 99, Marine Drive, Mumbai-400 002.
TEL No. +91 22 22834451/22816968/22819435/40066968
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# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/34451, FAX: +91 22 22819435
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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 **FlairWriting Industries Limited ("the Company")** which comprise the Balance Sheet as at 31st March, 2021, 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, 2021, 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.

| Sr. No. | Key Audit Matter | Auditor's Report |
|---|---|---|
| 1 | **Revenue recognition (Refer note 2.8 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 | **Recoverability of Indirect tax and Insurance Claim receivables (Refer note 6 of the Standalone Financial Statements)** | |
| | As at March 31, 2021, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 153.59 Lakhs which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 164.12 Lakh 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 ofassurance 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 ourknowledge 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 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 throughoutthe 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 areappropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion onwhether 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 relateddisclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the auditevidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt onthe Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required todraw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosuresare inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of ourauditor'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 achievesfair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makesit 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 theresults 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 theaudit 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 requirementsregarding independence, and to communicate with them all relationships and other matters that may reasonably be thoughtto 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 significancein the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describethese matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremelyrare circumstances, we determine that a matter should not be communicated in our report because the adverse consequencesof 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 IndAS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

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, 2021.

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**
**(FRN: 104202W)**

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

**K.L.Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:** 21012807AAAABX5159

**Place: Mumbai**
**Date: 06/11/2021**

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
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## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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")**

We have audited the internal financial controls over financial reporting of **Flair Writing Industries Limited** ("the Company") as of March 31, 2021 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 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, 2021, 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-02 CHARTERED ACCOUNTANTS

**K.L.Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:** 21012807AAAABX5159

**Place: Mumbai**
**Date: 06/11/2021**

# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

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## Annexure –B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' of our Report 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 andexplanations 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 (iii) a, b and c of Paragraph 3 of the order are not applicable to the Company.

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, the provision of clause (v) of paragraph 3of 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 (vi) of paragraph 3 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, 2021 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 atMarch 31, 2021 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 (FWIL-DDN) | Central Sales Tax | 56,047 | 2012-13 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Central Sales Tax Act,1956 (DDN I) | Central Sales Tax | 3,11,891 | 2012-13 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Central Sales Tax Act,1956 (DDN I) | Central Sales Tax | 5,54,652 | 2013-14 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Central Sales Tax Act,1956 (DDN I) | Central Sales Tax | 5,07,780 | 2014-15 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Central Sales Tax Act,1956 (DDN I) | Central Sales Tax | 10,31,223 | 2016-17 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Central Sales Tax Act,1956 (FWIL-DDN) | Central Sales Tax | 73,629 | 2016-17 | Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun |
| Income tax act 1961 | Income Tax | 2,07,21,060 | 2018-19 | Commissioner of Income-tax (Appeals) |
| Income tax act 1961 | Income Tax | 10,53,830 | 2017-18 | Commissioner of Income-tax (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.

MUMBAI-02.
CHARTERED ACCOUNTANTS

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 utilisedthe 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.

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 (xii) of paragraph 3 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 (xiv) of paragraph 3 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 (xv) of paragraph 3 of the Order are not applicable to the company.

xvi. In our opinionand 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-02
CHARTERED ACCOUNTANTS

**K.L.Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:** 21012807AAAABX5159

**Place: Mumbai**
**Date: 06/11/2021**

FLAIR WRITING INDUSTRIES LIMITED

## Balance Sheet as at March 31, 2021

(Rs. In Lakhs)

| | PARTICULARS | NOTES | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 1 | 16,904.19 | 18,303.33 |
| b) | Intangible Assets | 1 | 273.69 | 312.50 |
| c) | Right-of-Use of Leased Assets | 1 | 651.55 | 904.59 |
| d) | Financial Assets | | | |
| | i) Investments | 2 | 11.00 | 11.00 |
| | ii) Loans | 3 | 1.03 | 1.09 |
| | iii) Other Financial Assets | 4 | 203.38 | 202.17 |
| f) | Deferred Tax Assets (Net) | 5 | - | 60.63 |
| g) | Other Non-Current Assets | 6 | 656.64 | 492.55 |
| | **Total Non-Current Assets** | | **18,701.48** | **20,287.85** |
| | | | | |
| | **Current Assets** | | | |
| a) | Inventories | 7 | 12,838.45 | 14,887.71 |
| b) | Financial Assets | | | |
| | i) Investments | 2 | 1,626.71 | - |
| | ii) Trade Receivables | 8 | 11,011.57 | 16,357.06 |
| | iii) Cash and Cash Equivalents | 9 | 59.09 | 317.69 |
| | iv) Loans | 3 | 21.15 | 28.75 |
| | v) Other Financial Assets | 4 | 17.83 | 3.40 |
| c) | Other Current Assets | 6 | 2,465.27 | 2,048.08 |
| | **Total Current Assets** | | **28,040.07** | **33,642.69** |
| | **Total Assets** | | **46,741.55** | **53,930.54** |
| | | | | |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| a) | Equity Share Capital | 11 | 2,334.72 | 2,334.72 |
| b) | Other Equity | 12 | 23,621.54 | 23,552.45 |
| | **Total Equity** | | **25,956.26** | **25,887.17** |
| | | | | |
| | **Liabilities** | | | |
| I | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 10,421.65 | 11,404.33 |
| | ii) Other Financial Non-Current Liabilities | 19 | 319.41 | 403.68 |
| b) | Government Grants | 14 | 26.28 | 33.15 |
| c) | Provisions | 15 | 530.47 | 520.78 |
| d) | Lease Liabilities | 16 | 755.55 | 1,000.50 |
| e) | Deferred Tax Liabilities (Net) | 5 | 1,046.72 | - |
| | **Total Non-Current Liabilities** | | **13,100.08** | **13,362.44** |
| | | | | |
| | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 1,101.44 | 4,502.60 |
| | ii) Trade Payables | | | |
| | Dues to Micro and Small Enterprises | 18 | 816.07 | 1,455.31 |
| | Other than Micro and Small Enterprises | 18 | 2,990.99 | 4,425.70 |
| | iii) Other Financial Liabilities | 19 | 1,763.38 | 2,410.93 |
| b) | Government Grants | 14 | 6.89 | 7.19 |
| c) | Other Current Liabilities | 17 | 316.03 | 520.64 |
| d) | Provisions | 15 | 468.42 | 373.85 |
| e) | Current Tax Liabilities (Net) | 10 | - | 986.73 |
| | **Total Current Liabilities** | | **7,485.22** | **14,680.94** |
| | **Total Liabilities** | | **20,785.30** | **28,043.38** |
| | **Total Equity and Liabilities** | | **46,741.55** | **53,930.54** |

Significant Accounting Policies
The accompanying Notes form an integral part of these Standalone Financial Statements **(Note 1 to 43)**

As per our attached Report of even date

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104202W)**

MUMBAI-02
CHARTERED ACCOUNTANTS

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

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

**Khubilal Rathod**
**Director**
**(DIN. 00122867)**

**Vimalchand Rathod**
**Director**
**(DIN. 00123007)**

**Mayur Gala**
**Chief Financial Officer**

**Prakash Gupta**
**Company Secretary**

**Place: Mumbai**
**Date: 06/11/21**

FLAIR WRITING INDUSTRIES LIMITED

Statement of Profit & Loss for the period ended March 31, 2021

(Rs. in Lakhs)

| PARTICULARS | | NOTES | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from Operations | | 20 | 28,917.84 | 58,117.72 |
| Other Income | | 21 | 1,188.46 | 532.75 |
| **Total Income** | (A) | | 30,106.29 | 58,650.47 |
| **EXPENSES** | | | | |
| Cost of Material Consumed | | 22 | 14,316.73 | 31,666.45 |
| Purchase of Stock-in-Trade | | 23 | 324.32 | 821.50 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | 24 | 1,674.73 | (2,225.83) |
| Employee Benefits Expense | | 25 | 5,714.99 | 9,478.91 |
| Finance Costs | | 26 | 1,074.61 | 1,535.56 |
| Depreciation/Amortisation Expense | | 27 | 2,171.59 | 2,344.61 |
| Other Expenses | | 28 | 4,653.16 | 9,029.52 |
| **Total Expenses** | (B) | | 29,930.14 | 52,650.73 |
| **Profit Before Tax** | (C=A-B) | | 176.15 | 5,999.72 |
| **Tax Expense** | | | | |
| Current Tax | | | 9.10 | 2,037.88 |
| Deferred Tax | | 5 | 116.01 | 148.11 |
| Tax Adjustments for earlier years | | | 1.34 | 1.58 |
| **Total Tax Expense** | (D) | | 126.45 | 2,187.58 |
| **Profit for the Year/Period** | (E=C-D) | | 49.71 | 3,812.15 |
| **Other Comprehensive Income** | | | | |
| **Items that will not be reclassified to Statement Of Profit Or Loss** | | | | |
| i) Actuarial Loss on Defined Benefit Plan | | | 25.90 | (72.78) |
| ii) Income Tax on the above | | | (6.52) | 18.32 |
| **Items that will be reclassified to Statement of Profit Or Loss** | | | | |
| **Total Other Comprehensive Income for the Year/Period (Net of Tax)** | (F) | | 19.38 | (54.46) |
| **Total Comprehensive Income for the Year/Period** | (G=E+F) | | 69.09 | 3,757.69 |
| **Earnings Per Equity Share of face value of Rs.10/- each** | | | | |
| Basic(In Rs.) | | 30 | 0.21 | 16.33 |
| Diluted (In Rs.) | | 30 | 0.21 | 16.33 |

Significant Accounting Policies

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

As per our attached Report of even date

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104202W)**

K.L.Rathore
(Partner)
M.No. 012507

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 06/11/2021

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Prakash Gupta
Company Secretary

FLAIR WRITING INDUSTRIES LIMITED

Statement of Cash Flows for the year ended March 31, 2021

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit for the Year | 176.15 | 3,999.72 |
| **Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities** | | |
| Depreciation Expenses | 2,171.59 | 2,344.61 |
| Interest Expenses | 998.36 | 1,438.73 |
| Interest on Leased Assets | 76.25 | 96.83 |
| Profit on sales of Liquid Fund | (1.72) | - |
| Interest income | (306.84) | (18.62) |
| Profit/(Loss) of sales of Property, Plant and Equipment | (207.99) | 3.56 |
| | | |
| **Changes in Assets and Liabilities** | | |
| (Increase)/Decrease in Inventories | 2,069.26 | (1,968.74) |
| (Increase)/Decrease in Trade Receivables | 5,365.49 | (274.14) |
| (Increase)/Decrease in Loans | 7.66 | 27.82 |
| (Increase)/Decrease in Other Financial Assets | (15.66) | 74.90 |
| (Increase)/Decrease in Other Non-Current/Current Assets | (579.22) | 1,918.39 |
| Increase/(Decrease in Trade Payables | (2,069.95) | (388.79) |
| Increase/(Decrease in Other Financial Liabilities | (711.82) | 333.44 |
| Increase/(Decrease in Government Grants | (7.17) | (8.26) |
| Increase/(Decrease in Provisions | 130.17 | (44.37) |
| Increase/(Decrease in Other Non-Current/Current Liabilities | (4.61) | (316.89) |
| Cash Generated from Operations | **7,049.96** | **9,017.99** |
| Income Taxes Paid | (14.41) | (1,311.49) |
| **NET CASH GENERATED BY OPERATING ACTIVITIES** | **7,035.55** | **7,706.50** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of Property, Plant and Equipment and Intangible Asset | (831.43) | (2,533.87) |
| Sales of Property, Plant and Equipment and Intangible Asset | 558.82 | 356.85 |
| Purchase of Mutual Fund | (2,176.71) | - |
| Sale of Mutual Fund | 551.72 | - |
| Investment in subsidiary | - | (1.00) |
| Interest Income | 306.84 | 18.62 |
| **NET CASH FROM / (USED IN) INVESTING ACTIVITIES** | **(1,590.76)** | **(2,159.41)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Loan Taken/(Repaid) | (4,383.83) | (3,655.03) |
| Interest on Loan | (998.36) | (1,438.73) |
| Payment of Lease Rent | (321.19) | (315.08) |
| **NET CASH USED IN FINANCING ACTIVITIES** | **(5,703.39)** | **(5,408.84)** |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (258.60) | 138.25 |
| Cash and Cash Equivalents at the Beginning of the Year | 317.69 | 179.44 |
| Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation | | |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **59.09** | **317.69** |

**Note:**

1) The cash flow statement has been prepared under the "Indirect Method" as set out Indian accounting Standard (Ind AS-7) statement of cash flow.

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

Significant Accounting Policies

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

As per our attached Report of even date

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104202W)**

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

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 06/11/2021

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

| | |
|---|---|
| Khubilal Rathod<br>Director<br>(DIN. 00122867) | Vimalchand Rathod<br>Director<br>(DIN. 00123007) |
| Mayur Gala<br>Chief Financial Officer | Prakash Gupta<br>Company Secretary |

FLAIR WRITING INDUSTRIES LIMITED

Statement of Changes in Equity

a. Equity share capital:

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| i) Equity Shares of INR 10 each Issued, Subscribed and Fully Paid Up | No. | Rs. | No. | Rs. |
| Balance at the beginning of the year | 2,33,47,200 | 2,334.72 | 2,33,47,200 | 2,334.72 |
| Change in Equity Share Capital during the year/period ( Refer Note 11 ) | - | - | - | - |
| **Balance at the end of the year/period** | **2,33,47,200** | **2,334.72** | **2,33,47,200** | **2,334.72** |

b. Other equity

(Rs. in Lakhs)

| Particulars | Retained Earning | Share Premium | Other Comprehensive Income | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2020** | 21,920.67 | 1,956.36 | (324.58) | 23,552.45 |
| Add : Profit for the period | 49.71 | - | - | 49.71 |
| Less : Other Comprehensive Income | - | - | 19.38 | 19.38 |
| **Balance as at March 31, 2021** | **21,970.37** | **1,956.36** | **(305.20)** | **23,621.54** |

(Rs. in Lakhs)

| Particulars | Retained Earning | Share Premium | Other Comprehensive Income | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | 18,108.52 | 1,956.36 | (270.12) | 19,794.76 |
| Add : Profit for the period | 3,812.15 | - | - | 3,812.15 |
| Less : Other Comprehensive Income | - | - | (54.46) | (54.46) |
| **Balance as at March 31, 2020** | **21,920.67** | **1,956.36** | **(324.58)** | **23,552.45** |

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No. 104202W)

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

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 06/11/2021

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

Khubilal Jugraj

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Prakash Gupta
Company Secretary

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.

The Company has Seven (7) manufacturing units. The Company is engaged in manufacturing of writing instruments and others allied.

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 Lakhs 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

MUMBAI-02
CHARTERED ACCOUNTANTS

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.

- **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

MUMBAI-02 CHARTERED ACCOUNTANTS

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 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.

MUMBAI-02

- **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 Part C of Schedule II of Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Part C of 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 |

MUMBAI-02

| | |
|---|---|
| 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:

| **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.

Depreciation on addition to assets or on sale/discardment of assets, is calculated pro rata from the date of such addition or upto the date of sale/discardment, as the case may be.

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 CGU 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 CGU 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.

MUMBAI-02 CHARTERED ACCOUNTANTS

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 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

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 models are from observable markets where possible, but where this is not feasible, a degree of

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

judgment is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments

2.8. **Revenue Recognition**

The Company derives revenues from sale of manufactured goods, traded goods and related services.

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 products 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.

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

- **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 liabilties and assets are reviewed at the end of each reporting period.

**2.10. Inventories**

Inventories include Raw Materials, Packing Materials, Stores and Spares, Traded Goods are measured at cost and Finished Goods 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. Cost is determined on first in first out basis.

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**

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.12. Contingent Liabilities and Commitments

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

## 2.13. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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 Employee Benefits

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 Benefits

#### 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, Superannuation Fund, Employees' State Insurance Corporation and Pension Scheme. The Company's contribution is recognised 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 benefits. The obligation towards the same is measured at the expected cost of

JESWANI & RATHORE
MUMBAI-02.
CHARTERED ACCOUNTANTS

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

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 Subsidiaries**

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. **Investment in Mutual Fund**

Mutual Funds are measured at fair value through profit and loss (FVTPL), with value changes recognised in Statement of Profit and Loss. However, profit and Loss on mutual fund is recognised in the Statement of Profit and loss at time of redemptions.

f. **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.

**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

MUMBAI-02

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. |
| Loans to employees | The Company avails guarantee for loan provided to employees. In case of default in repayment of loan, the same is recovered from the salary of the guarantor. |

(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.

JESWANI & RATHORE MUMBAI-02. CHARTERED ACCOUNTANTS

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 with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

2.18. **Earnings Per Share**

**Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net profit after tax 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**

Diluted Earnings Per Share is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all dilutive potential Equity shares into Equity shares.

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.

2.21. **Global Health Pandemic on COVID -19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operation and revenue during the period were impacted due to COVID -19. The Company has taken into account the possible impact of COVID -19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions

## Note 1 : Property, Plant and Equipment

(Rs In Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01,2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01,2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as at March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Land - Freehold | 342.93 | - | - | 342.93 | - | - | - | - | 342.93 | 342.93 |
| Buildings | 4,674.66 | 298.99 | 339.09 | 4,634.56 | 392.08 | 150.96 | 109.01 | 434.03 | 4,200.53 | 4,282.59 |
| Plant and Machinery | 11,702.58 | 135.62 | 161.15 | 11,677.04 | 3,215.38 | 733.10 | 56.50 | 3,891.99 | 7,785.05 | 8,487.19 |
| Office Equipment | 95.51 | 8.02 | 0.78 | 102.74 | 54.75 | 15.94 | 0.78 | 69.91 | 32.84 | 40.76 |
| Factory Equipments | 447.43 | 29.96 | 2.44 | 474.95 | 178.96 | 78.75 | 2.44 | 255.27 | 219.67 | 268.47 |
| Computer Equipment | 161.62 | 11.44 | - | 173.06 | 113.46 | 25.83 | - | 139.29 | 33.77 | 48.16 |
| Furniture & Fixtures | 532.66 | 7.09 | 21.36 | 518.40 | 157.75 | 54.89 | 19.46 | 193.18 | 325.21 | 374.91 |
| Mould | 5,252.50 | 251.91 | - | 5,504.41 | 1,765.09 | 651.22 | - | 2,416.31 | 3,088.10 | 3,487.41 |
| Electrical Installation | 803.68 | 0.57 | 46.11 | 758.15 | 230.23 | 81.98 | 34.92 | 277.29 | 480.86 | 573.45 |
| Two Wheeler | 5.17 | 10.70 | - | 15.86 | 1.89 | 1.13 | - | 3.01 | 12.85 | 3.28 |
| Vehicles | 512.70 | 67.79 | 35.25 | 545.24 | 118.52 | 76.60 | 32.25 | 162.87 | 382.37 | 394.19 |
| **Total** | **24,531.45** | **822.08** | **606.18** | **24,747.35** | **6,228.11** | **1,870.39** | **255.35** | **7,843.16** | **16,904.19** | **18,303.33** |

Note: Movable Fixed Assets are hypothecated against cash credit facilities availed by the company amounting to Rs. 8850 Lakhs.

## Note 1 : Intangible Assets

(Rs In Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01,2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01,2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as at March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Trade Mark | 437.54 | 9.35 | - | 446.89 | 128.28 | 47.41 | - | 175.70 | 271.19 | 309.26 |
| Web Designing | 5.86 | - | - | 5.86 | 2.62 | 0.74 | - | 3.36 | 2.50 | 3.24 |
| **TOTAL** | **443.40** | **9.35** | **-** | **452.75** | **130.90** | **48.15** | **-** | **179.06** | **273.69** | **312.50** |

## Note 1 : Rights-of-Use Assets

(Rs In Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01,2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01,2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as at March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Leased Assets | 1,420.54 | - | - | 1,420.54 | 515.95 | 253.05 | | 769.00 | 651.55 | 904.59 |
| **TOTAL** | **1,420.54** | **-** | **-** | **1,420.54** | **515.95** | **253.05** | **-** | **769.00** | **651.55** | **904.59** |

MUMBAI
CHARTERED ACCOUNTANTS

Note 2 : Investments

Non-Current

(Rs. in Lakhs)

| PARTICULARS | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Qty. | Amount | Qty. | Amount |
| **Unquoted Investments** | | | | |
| Investment in Equity Shares of Subsidiary Company | | | | |
| Flair Distributor Pvt Ltd (Refer Note 35) | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Flair Writing Equipments Pvt Ltd. (Refer Note 35) | 10,000 | 1.00 | 10,000 | 1.00 |
| **Total non-current investments** | **1,10,000** | **11.00** | **1,10,000** | **11.00** |
| **Aggregate Carrying Value of Unquoted Investments** | - | **11.00** | - | **11.00** |
| **Aggregate Carrying Value of Unquoted Investments measured at cost** | - | **11.00** | - | **11.00** |
| **Investment measured at Fair Value Through Profit and Loss (FVTPL)** | | | | |
| **Quoted fully paid up** | | | | |
| **Investment in Mutual Fund** | | | | |
| 32647.58 Units of Nippon India Liquid Fund-Growth Plan-Growth Option | - | **1,626.71** | - | - |
| **Total current investments** | - | **1,626.71** | - | - |
| **Aggregate amount of Quoted Investments** | - | **1,626.71** | - | - |
| **Aggregate amount of Quoted Investments - Market Value** | - | **1,631.54** | - | - |
| **Aggregate amount of Quoted Investments measured at Amortised Cost** | - | **1,626.71** | - | - |

Note 3 : Loans

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non- Current** | | |
| **Unsecured, Considered good** | | |
| Loans and Advances to Employees # | 1.03 | 1.09 |
| Total | **1.03** | **1.09** |
| Current | | |
| **Unsecured, Considered good** | | |
| Loans and Advances to Employees # | 21.15 | 28.75 |
| Total | **21.15** | **28.75** |

# 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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non- Current** | | |
| Security and Other Deposits | 189.51 | 199.78 |
| Fixed Deposits # | 2.50 | 2.38 |
| Other Deposits | 11.37 | - |
| Total | **203.38** | **202.17** |
| Current | | |
| Security and Other Deposits | 2.38 | 2.30 |
| Interest Accrued on Fixed Deposits | 0.71 | 1.10 |
| Derivatives Financial Assets | 14.75 | - |
| Total | **17.83** | **3.40** |
| **# Includes deposits having restrictive use on account of:** | | |
| Pledged with Government Authorities | 2.50 | 2.38 |

MUMBAI-02

CHARTERED ACCOUNTANTS

**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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred Tax (Liabilities) / Assets | (1,046.72) | 60.63 |
| | **(1,046.72)** | **60.63** |

**2020-21**

Deferred tax assets/(liabilities) in relation to:

(Rs. In Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| Property, Plant and Equipment | (1,341.74) | (87.98) | - | (1,429.73) |
| Expenses Allowed on Payment Basis | 58.63 | 3.24 | - | 61.87 |
| Gratuity | 166.53 | 29.52 | (6.52) | 189.53 |
| Others | 174.68 | (60.78) | - | 113.90 |
| **Total (A)** | **(941.90)** | **(116.01)** | **(6.52)** | **(1,064.43)** |
| AMT-MAT Receivables # | 1,002.53 | (984.83) | | 17.70 |
| **Total (B)** | **1,002.53** | **(984.83)** | **-** | **17.70** |
| **Total (A+B)** | **60.63** | **(1,100.83)** | **(6.52)** | **(1,046.72)** |

**2019-20**

Deferred tax assets/(liabilities) in relation to:

(Rs. In Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| Property, Plant and Equipment | (1,170.83) | (170.91) | - | (1,341.74) |
| Expenses Allowed on Payment Basis | 131.66 | (73.03) | - | 58.63 |
| Gratuity | 172.00 | (23.78) | 18.32 | 166.53 |
| Others | 55.07 | 119.61 | - | 174.68 |
| **Total (A)** | **(812.11)** | **(148.11)** | **18.32** | **(941.90)** |
| AMT-MAT Receivables # | 1,178.60 | (176.08) | - | 1,002.53 |
| **Total (B)** | **1,178.60** | **(176.08)** | **-** | **1,002.53** |
| **Total (A+B)** | **366.50** | **(324.19)** | **18.32** | **60.63** |

# The above movment in unused Tax credit includes adjustment of MAT/AMT i.e., net of created is not reflected in Statement of Profit & Loss.

MUMBAI-32 LAWANI & RATHORE CHARTERED ACCOUNTANTS

## Note 6 : Other Assets

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non- Current** | | |
| Capital Advances | 327.55 | 168.00 |
| Balance with Government Authorities | 153.59 | 151.44 |
| Others # | 175.51 | 173.11 |
| **Total** | **656.64** | **492.55** |
| **Current** | | |
| Advances to Suppliers and Others | | |
| - MSME | 37.18 | - |
| - Others | 402.33 | 444.23 |
| Balance with Government Authorities | 1,224.17 | 1,358.81 |
| Others | 801.58 | 245.05 |
| **Total** | **2,465.27** | **2,048.08** |

# Others includes Insurance Claim Receivables amount to Rs. 164.12 Lakhs in F.Y. 20-21 (Rs. 164.12 Lakhs in F.Y. 19-20).

## Note 7 :Inventories

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Inventories #** | | |
| Raw and Packing Materials & Others | 4,619.35 | 4,843.46 |
| Raw and Packing Materials (In Transit) | 157.11 | 310.67 |
| Semi-Finished Goods | 4,629.20 | 5,357.91 |
| Semi-Finished Goods (In Transit) | 1.87 | - |
| Finished Goods | 3,160.25 | 4,034.08 |
| Stock of Spares | 148.59 | 145.46 |
| Finished Goods (Traded Goods) | 122.07 | 196.13 |
| **Total** | **12,838.45** | **14,887.71** |

# The Inventories has been valued as per Note 2(10) of Significant Accounting Policies.
# Inventories are hypothecated against cash credit facilities availed by the company amounting to Rs. 8850 Lakhs.

## Note 8 :Trade Receivables

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured, Considered good** | | |
| Trade Receivables # | | |
| - Others | 10,932.88 | 16,250.11 |
| - Related Parties (Refer Note 35) | 78.69 | 106.95 |
| **Total** | **11,011.57** | **16,357.06** |

# Refer Note 32 for Ageing of Trade Receivable
# Trade Receivable are hypothecated against cash credit facilites availed by the company amouning to Rs. 8850 Lakhs.

## Note 9 : Cash and Cash Equivalents

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cash on Hand | 12.04 | 9.67 |
| | | - |
| Balances with Banks | | - |
| - In Current Accounts | 14.83 | 73.34 |
| - In EEFC Accounts | 32.22 | 234.68 |
| **Total** | **59.09** | **317.69** |

## Note 10 : Current Tax Liabilities (Net)

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Tax Expenses (Net of Advance Tax) | - | 986.73 |
| **Total** | **-** | **986.73** |

## Note 11 : Equity Share Capital

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised Share Capital** | | |
| 3,00,00,000 Equity Shares of Rs 10/- each | 3,000.00 | 3,000.00 |
| | **3,000.00** | **3,000.00** |
| **Issued, Subscribed and Fully paid up** | | |
| 2,33,47,200 Equity Shares of Rs 10/- each | 2,334.72 | 2,334.72 |
| | **2,334.72** | **2,334.72** |

Note: There is no change in Authorised, Issued, Subscribed and paid up share capital during the financial year.

**a) Reconciliation of number of Shares outstanding**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Equity Shares :** | | | | |
| Balance as at the beginning of the year | 2,33,47,200 | 2,334.72 | 2,33,47,200 | 2,334.72 |
| Add: Shares issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | **2,33,47,200** | **2,334.72** | **2,33,47,200** | **2,334.72** |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number of Shares | % of share Holding | Number of Shares | % of share Holding |
| **Equity Shares** | | | | |
| Khubilal J. Rathod | 46,69,440 | 20% | 46,69,440 | 20% |
| Vimalchand J. Rathod | 35,02,080 | 15% | 35,02,080 | 15% |
| Rajesh K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Mohit K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Sumit V. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Nirmala K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Manjula V. Rathod | 23,34,720 | 10% | 23,34,720 | 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 12: Other Equity

(Rs. In Lakhs)

| PARTICULARS | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **i) Retained Earnings** | | | |
| Balance at the beginning of the year | | 21,920.67 | 18,108.52 |
| Add: Profit for the year | | 49.71 | 3,812.15 |
| Balance at the end of the year | (a) | **21,970.37** | **21,920.67** |
| | | | |
| **ii) Other Comprehensive Income** | | | |
| Balance at the beginning of the year | | (324.58) | (270.12) |
| Re-measurement gains/ (losses) on Defined Benefit Plans | | 19.38 | (54.46) |
| Balance at the end of the year | (b) | **(305.20)** | **(324.58)** |
| | | | |
| **iii) Securities Premium** | | | |
| Balance at the beginning of the year | | 1,956.36 | 1,956.36 |
| Balance at the end of the year | (c) | **1,956.36** | **1,956.36** |
| | | | |
| **Balance at the end of the year of Other Equity** | (a+b+c) | **23,621.54** | **23,552.45** |

## Note 13 : Borrowings

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non - Current | | |
| **Secured - at Amortised cost** | | |
| Term Loan - from Bank | 1,728.59 | 2,581.29 |
| Less: Current maturities of long-term debt (Refer Note 19) | 719.97 | 852.70 |
| Term Loan - from Others | - | 8.37 |
| Less: Current maturities of long-term debt (Refer Note 19) | - | 8.37 |
| | | |
| **Unsecured - at Amortised cost** | | |
| Loan from Directors & their relatives (Refer Note 35) | 9,360.60 | 9,622.91 |
| Loan from Related Parties (Refer Note 35) | 51.83 | 51.83 |
| | | |
| Total | 10,421.65 | 11,404.33 |
| Current | | |
| **Secured - at Amortised cost** | | |
| Packing Credit - from Bank | - | 2,721.79 |
| Working Capital Loan- Cash Credit | 490.14 | 1,024.12 |
| | | |
| **Unsecured - at Amortised cost** | | |
| Loan from Directors & their relatives (Refer Note 35) | 611.31 | 756.69 |
| | | |
| Total | 1,101.44 | 4,502.60 |

| Nature of Borrowing | Name of the lender | Nature of Borrowing | Loan Currency | Amount outstanding as on March 31, 2021 (Rs. in Lakhs) | Rate of Interest | Repayment terms |
|---|---|---|---|---|---|---|
| Term Loan against Plant & Machineries and Other Equipments | Citi Bank N.A. | Term Loan | INR | 444.44 | 9% | End to End tenor of 5 Years with quarterly rest and no moratorium |
| Term Loan - from Bank | Citi Bank N.A. | Term Loan | INR | 22.06 | 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 | 275.00 | 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 | 157.14 | 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 | 65.00 | 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 | 280.00 | 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 | 85.00 | 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 | 200.00 | 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 | 200.00 | TBILL+3.71 | End to End tenor of 5 Years with quarterly rest and no moratorium |
| Cash Credit - from Bank | Citi Bank N.A. | Cash Credit | INR | 490.14 | 8.50% | 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:**
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 @ 6.50% p.a. The same is repayable upto Financial Year ending March 31, 2030.

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

**Note 14 : Government Grants**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non-Current | | |
| Government Grants # | 26.28 | 33.15 |
| | 26.28 | 33.15 |
| Current | | |
| Government Grants # | 6.89 | 7.15 |
| Total | 6.89 | 7.15 |

# Government Grants includes Subsidy Received on Capital Goods.

**Note 15 : Provisions**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non-Current | | |
| Provision for Employee Benefits (Refer Note 29) | 530.47 | 520.78 |
| | 530.47 | 520.78 |
| | | |
| Current | | |
| Provision for Employee Benefits (Refer Note 29) | 468.42 | 373.85 |
| Total | 468.42 | 373.85 |

**Note 16 : Leased Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non-Current | | |
| Leased Liabilities | 755.55 | 1,000.50 |
| | 755.55 | 1,000.50 |

**Note 17 : Other Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current | | |
| Payables on account of Purchase of Property, Plant and Equipment (including MSME Creditors) | 301.56 | 282.39 |
| Statutory Remittances | 163.79 | 145.13 |
| Revenue received in advance | | |
| - Others | 50.68 | 93.12 |
| Total | 516.03 | 520.64 |

**Note 18 : Trade Payables**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - Micro, Small and Medium Enterprises | 818.07 | 1,453.31 |
| - Others | 2,882.61 | 4,077.89 |
| - Related Parties (Refer Note 35) | 108.38 | 347.81 |
| Total | 3,809.06 | 5,879.01 |

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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) Principal amount payable | 818.07 | 1,453.31 |
| (ii) Interest amount due and remaining unpaid | - | 14.37 |
| (iii) Interest paid | 0.18 | - |
| (iv) Payment Beyond the appointed day during the year | - | - |
| (v) Interest due and payable for the period of delay | - | - |
| (vi) Interest Accrued and remaining unpaid | - | - |
| (vii) Amount of further interest remaining due and payable succeeding year | - | - |

**Note 19 : Other Financial Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non-Current | | |
| Revenue received in advance | 319.41 | 403.68 |
| | 319.41 | 403.68 |
| | | |
| Current | | |
| Current maturities of long-term debt | 719.37 | 861.27 |
| Security Deposit Received | 7.50 | 7.50 |
| Other Payables | 1,056.51 | 1,467.70 |
| Derivatives Financial Liabilities | - | 74.46 |
| | 1,783.38 | 2,410.93 |

## Note 20 : Revenue From Operations

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **a) Sale of Products** | | |
| Domestic | 17,359.15 | 43,503.03 |
| Export | 10,817.11 | 13,605.31 |
| **b) Sale of Services** | 7.05 | 1.18 |
| **c) Other Operating Revenue** | | |
| Sale of Scrap | 122.05 | 161.67 |
| Export Incentives | 612.47 | 846.53 |
| **Total** | **28,917.84** | **58,117.72** |

## Note 21 : Other Income

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest | | |
| - Others (including Bank Interest) | 306.84 | 18.62 |
| Other Non-Operating Revenue | 881.62 | 514.13 |
| **Total** | **1,188.46** | **532.75** |

## Note 22 : Cost of Materials Consumed

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening stock | 5,154.12 | 5,474.99 |
| Add. Purchase | 13,939.07 | 31,345.59 |
| Less. Closing stock | 4,776.47 | 5,154.12 |
| **Total** | **14,316.73** | **31,666.45** |

## Note 23 : Purchase of Stock-In-Trade

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Purchase of Stock-In-Trade | 324.32 | 821.53 |
| | **324.32** | **821.53** |

## Note 24 : Changes in Inventories of Finished Goods, Stock-in Trade and Work-In-Progress

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening Stock** | | |
| Semi- Finished Goods | 5,357.91 | 4,338.96 |
| Finished Goods | 4,230.21 | 3,023.33 |
| **Total (A)** | **9,588.12** | **7,362.30** |
| **Closing Stock** | | |
| Semi- Finished Goods | 4,631.07 | 5,357.91 |
| Finished Goods | 3,282.32 | 4,230.21 |
| **Total (B)** | **7,913.39** | **9,588.12** |
| | **1,674.73** | **(2,225.83)** |

## Note 25 : Employee Benefits Expense

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries, Wages and Bonus | 5,389.03 | 8,891.90 |
| Contribution to Provident and other Funds(Refer Note 29) | 280.88 | 497.43 |
| Staff Welfare Expenses | 45.08 | 89.59 |
| **Total** | **5,714.99** | **9,478.91** |

MUMBAI-02 CHARTERED ACCOUNTANTS

**Note 26 : Finance Costs**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Bank Interest | 332.75 | 663.79 |
| Interest on Right of Use Assets | 76.25 | 96.83 |
| Other Borrowing Cost | 665.61 | 774.94 |
| **Total** | **1,074.61** | **1,535.56** |

**Note 27 : Depreciation and Amortisation Expense**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation and Amortisation Expense (Refer Note 1) | 2,171.59 | 2,344.61 |
| **Total** | **2,171.59** | **2,344.61** |

**Note 28 : Other Expenses**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumable Expenses | 132.29 | 261.60 |
| Electric Power, Fuel and Water | 833.46 | 1,292.05 |
| Freight Inward | 59.28 | 87.32 |
| Job Work and Other Related Expenditure | 912.66 | 2,065.07 |
| Loading and Unloading Expenses | 7.59 | 14.47 |
| Machine and Mould Maintenance | 292.61 | 457.43 |
| Factory Expenses | 173.48 | 316.83 |
| **Establishment Expenses** | | |
| Bank Charges | 25.87 | 33.06 |
| Charity and Donation | 121.78 | 11.42 |
| Electricity Charges | 18.61 | 29.85 |
| Insurance Expenses | 97.21 | 110.35 |
| Legal & Professional Fees | 190.06 | 703.73 |
| Merger Expenses | - | 39.16 |
| Rent | 1.39 | 3.80 |
| Rates & Taxes | - | 93.33 |
| Postage & Courier | 18.90 | 37.04 |
| Printing and Stationery | 17.07 | 34.39 |
| Miscellaneous Expenses | 66.09 | 23.91 |
| Repairs & Maintenance | | |
| Computer | 47.76 | 60.90 |
| Vehicles | 38.00 | 67.26 |
| Others | 112.53 | 90.61 |
| Telephone & Communication Charges | 31.52 | 39.24 |
| Travelling & Conveyance | 439.35 | 697.80 |
| Director's Travelling & Conveyance | 7.67 | 105.37 |
| Director's Sitting Fees | 1.00 | 5.40 |
| Payment to Auditor **(Refer Note 28.1)** | 16.15 | 61.30 |
| **Selling and Distribution Expenses** | | |
| Advertisement Expenses | 142.40 | 883.84 |
| Sales Promotion & Marketing Expenses | 37.10 | 78.80 |
| Commission & Brokerage | 44.01 | 87.51 |
| Freight, Clearing & Forwarding Charges | 319.70 | 351.49 |
| Freight Outward | 417.39 | 855.97 |
| Service Tax Expenses | - | 1.35 |
| Export Expenses | 29.92 | 27.86 |
| **Total** | **4,653.16** | **9,029.52** |

**Note 28.1 Payment to Auditor**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **As Auditors:** | | |
| Statutory Audit Fees | 13.00 | 50.30 |
| Taxation Matters | 3.15 | 11.00 |
| **Total** | **16.15** | **61.30** |

MUMBAI
ERED ACCOUNTA

## 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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Employer's Contribution to Provident Fund | 98.09 | 186.68 |
| Employer's Contribution to Employee State Insurance Scheme | 8.02 | 16.06 |
| Employer's Contribution to Pension Scheme | 174.58 | 294.21 |
| **Total** | **280.68** | **496.95** |

**(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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Defined Benefit obligation at beginning of the year | 661.69 | 492.21 |
| Add: Current Service Cost | 133.35 | 121.09 |
| Interest Cost | 37.36 | 34.53 |
| Remeasurement during the period due to : | | - |
| Actuarial loss / (gain) arising from change in financial assumptions | - | 61.60 |
| Actuarial loss / (gain) arising from change in demographic assumption | - | (0.15) |
| Actuarial loss / (gain) arising on account of experience changes | (25.90) | 11.33 |
| Past Service Cost | | - |
| Benefits paid | (53.42) | (58.91) |
| **Defined Benefit obligation at end of the year** | **753.08** | **661.69** |
| | | |
| **Net liability is bifurcated as follows :** | | |
| Current | 222.61 | 140.91 |
| Non-current | 530.47 | 520.78 |
| **Net liability** | **753.08** | **661.69** |

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

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| 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 | - | - |

MUMBAI

CHARTERED ACCOUNTANTS

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Fair Value of Plan Assets | - | - |
| Present Value of Obligation | 753.08 | 661.69 |
| Amount Recognised in Balance Sheet Surplus/(Deficit) | **753.08** | **661.69** |

IV) Expenses recognised during the year

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **In Income Statement** | | |
| Current Service Cost | 133.35 | 121.09 |
| Interest Cost | 37.36 | 34.53 |
| Past Service Cost | | - |
| Return on Plan Assets | | - |
| Actuarial (Gain)/Loss | | - |
| **Net Cost** | **170.71** | **155.62** |
| | | |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain)/Loss | (25.90) | 72.78 |
| Return on Plan Assets | | |
| | | |
| **Net(Income)/Expenses for the year recognised in Other Comprehensive Income** | **(25.90)** | **72.78** |

V) Investments details

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Government securities | - | - |
| Public Securities | - | - |
| Others | - | - |

VI) Actuarial Assumptions

| MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY) | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| | (Ultimate) | (Ultimate) |
| Discount rate (p.a.) | 5.65% | 5.65% |
| 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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Assumptions - Discount rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | (732.18) | (637.42) |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | 775.40 | 687.89 |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | 775.55 | 688.06 |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | (731.86) | (637.05) |

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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 222.61 | 140.91 |
| Between 2 and 5 years | 334.99 | 257.81 |
| Beyond 5 years | 574.79 | 735.35 |
| **Total expected payments** | **1,132.39** | **1,134.06** |
| The weighted average duration of the defined benefit plan obligation at the end of the reporting period | 6 years | 8 years |

FLAIR WRITING INDUSTRIES LIMITED

## Note 30 : Earnings per share (EPS)

(Rs. in Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Face value per Equity Share (Rs)** | 10.00 | 10.00 |
| **Basic Earnings per Share (Rs)** | 0.21 | 16.33 |
| Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lakhs) | 49.71 | 3,812.15 |
| 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)** | 0.21 | 16.33 |
| Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lakhs) | 49.71 | 3,812.15 |
| 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 |

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MUMBAI-02
CHARTERED ACCOUNTANTS

## Note 31 : Financial Instruments

**Fair Value Measurement Hierarchy**

**As at March 31, 2021**

(Rs. in Lakhs)

| PARTICULARS | Carrying amount | | | | Fair Value Measurement Hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Investments | 1,626.71 | - | 11.00 | 1,637.71 | 1,626.71 | - | 11.00 | 1,637.71 |
| Trade Receivables | - | - | 11,011.57 | 11,011.57 | - | - | 11,011.57 | 11,011.57 |
| Cash and Cash Equivalents | - | - | 59.09 | 59.09 | - | - | 59.09 | 59.09 |
| Loans | - | - | 22.18 | 22.18 | - | - | 22.18 | 22.18 |
| Other Financial Assets | - | - | 221.22 | 221.22 | - | - | 221.22 | 221.22 |
| **Total Financial Assets** | **1,626.71** | - | **11,325.06** | **12,951.76** | **1,626.71** | - | **11,325.06** | **12,951.76** |
| **Financial Liabilities** | | | | | | | | |
| Non-Current Borrowings | - | - | 10,421.65 | 10,421.65 | - | - | 10,421.65 | 10,421.65 |
| Current Borrowings | - | - | 1,101.44 | 1,101.44 | - | - | 1,101.44 | 1,101.44 |
| Trade payables | - | - | 3,809.06 | 3,809.06 | - | - | 3,809.06 | 3,809.06 |
| Other Financial Liabilities | - | - | 2,102.78 | 2,102.78 | - | - | 2,102.78 | 2,102.78 |
| **Total Financial Liabilities** | - | - | **17,434.94** | **17,434.94** | - | - | **17,434.94** | **17,434.94** |

**As at March 31, 2020**

(Rs. in Lakhs)

| PARTICULARS | Carrying amount | | | | Fair Value Measurement Hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Investments | - | - | 11.00 | 11.00 | - | - | 11.00 | 11.00 |
| Trade Receivables | - | - | 16,357.06 | 16,357.06 | - | - | 16,357.06 | 16,357.06 |
| Cash and Cash Equivalents | - | - | 317.69 | 317.69 | - | - | 317.69 | 317.69 |
| Loans | - | - | 29.84 | 29.84 | - | - | 29.84 | 29.84 |
| Other Financial Assets | - | - | 205.56 | 205.56 | - | - | 205.56 | 205.56 |
| **Total Financial Assets** | - | - | **16,921.16** | **16,921.15** | - | - | **16,921.15** | **16,921.15** |
| **Financial Liabilities** | | | | | | | | |
| Non-Current Borrowings | - | - | 11,404.33 | 11,404.33 | - | - | 11,404.33 | 11,404.33 |
| Current Borrowings | - | - | 4,502.60 | 4,502.60 | - | - | 4,502.60 | 4,502.60 |
| Trade payables | - | - | 5,879.01 | 5,879.01 | - | - | 5,879.01 | 5,879.01 |
| Other Financial Liabilities | - | - | 2,814.61 | 2,814.61 | - | - | 2,814.61 | 2,814.61 |
| **Total Financial Liabilities** | - | - | **24,600.54** | **24,600.54** | - | - | **24,600.54** | **24,600.54** |

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) The fair value of investment in Mutual Fund is measured at cost quoted price or NAV.
e) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis

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MUMBAI-02
CHARTERED ACCOUNTANTS

## 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. Futher 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 Lakhs)

| Due from the date of Invoice | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-3 months | 9,200.05 | 10,684.45 |
| 3-6 months | 1,166.75 | 5,000.56 |
| 6 months to 12 months | 172.13 | 503.51 |
| beyond 12 months | 472.64 | 168.53 |
| **Total** | **11,011.57** | **16,357.06** |

**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.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Unutilised credit limit from bank (Rs. in Lakhs) | 8,839.53 | 5,568.81 |
| Current Ratio (In Times) | 3.65 | 2.29 |
| Liquid Ratio (In Times) | 1.78 | 1.19 |

**Contractual Maturity profile of Financial Liabilities:**

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, 2021

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Yeras | TOTAL |
| **Financial liabilities** | | | | | | |
| Borrowings | 1,101.44 | - | 1,009.22 | - | 9,412.43 | 11,523.09 |
| Trade payables | 3,809.06 | - | - | - | - | 3,809.06 |
| Other financial liabilities | 1,423.69 | 359.68 | 319.41 | - | - | 2,102.78 |
| | **6,334.20** | **359.68** | **1,328.63** | - | **9,412.43** | **17,434.94** |
| **Derivative Liabilities** | - | - | - | - | - | - |
| **TOTAL** | **6,334.20** | **359.68** | **1,328.63** | - | **9,412.43** | **17,434.94** |

As at March 31, 2020

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Yeras | TOTAL |
| **Financial liabilities** | | | | | | |
| Borrowings | 4,502.60 | - | 1,438.73 | 289.86 | 9,675.74 | 15,906.92 |
| Trade payables | 5,879.01 | - | - | - | - | 5,879.01 |
| Other financial liabilities | 1,910.12 | 426.35 | 403.68 | - | - | 2,740.14 |
| | **12,291.72** | **426.35** | **1,842.41** | **289.86** | **9,675.74** | **24,526.08** |
| **Derivative Liabilities** | 74.46 | - | - | - | - | 74.46 |
| **TOTAL** | **12,366.19** | **426.35** | **1,842.41** | **289.86** | **9,675.74** | **24,600.54** |

**iii) Market Risk- Interest Risk**

Interest 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 Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Interest Expense | | |
| Loan from Banks | 332.75 | 663.79 |
| Unsecured loan from Directors & their relatives | 665.32 | 759.21 |
| Others | 76.54 | 112.56 |
| Total | 1,074.61 | 1,535.56 |

**(b) Sensitivity**

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

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1% Change in increase in Interest Rate | 10.75 | 15.36 |
| 1% Change in decrease in Interest Rate | (10.75) | (15.36) |

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 Lakhs)

| PARTICUALRS | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | JPY | USD | EURO | GBP | JPY |
| **Financial assets** | | | | | | | | |
| Trade receivables | 2,627.35 | 57.91 | - | - | 1,541.32 | 120.90 | 33.87 | - |
| Other assets | 447.68 | 19.92 | - | 44.27 | 470.06 | 32.36 | - | 15.20 |
| **Financial liabilities** | | | | | | | | |
| Trade payables | 600.90 | 243.77 | - | 15.31 | 754.36 | 357.08 | 0.37 | - |
| Other liabilities | 35.45 | - | - | - | 68.92 | - | 6.69 | - |
| **Net Exposure** | **2,438.67** | **(165.94)** | **-** | **28.96** | **1,188.10** | **(203.81)** | **26.82** | **15.20** |

**SENSITIVITY ANALYSIS**

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

(Rs. In Lakhs)

| PARTICUALRS | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | JPY | USD | EURO | GBP | JPY |
| **1% Depreciation in INR** | | | | | | | | |
| Impact on Profit & Loss | 24.39 | (1.66) | - | 0.29 | 11.88 | (2.04) | 0.27 | 0.15 |
| TOTAL | **24.39** | **(1.66)** | **-** | **0.29** | **11.88** | **(2.04)** | **0.27** | **0.15** |
| **1% Appreciation in INR** | | | | | | | | |
| Impact on Profit & Loss | (24.39) | 1.66 | - | (0.29) | (11.88) | 2.04 | (0.27) | (0.15) |
| TOTAL | **(24.39)** | **1.66** | **-** | **(0.29)** | **(11.88)** | **2.04** | **(0.27)** | **(0.15)** |

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.

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The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT of Rs. 984.53 lakhs for the year ended March 31, 2021 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

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.

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

## Note 33 : Movement in deferred tax

Movement in deferred tax balances for the year ended March 31, 2021

(Rs. in Lakhs)

| Particulars | As at April 1, 2020 | Recognised in profit or loss | Recognised in OCI | As at March 31, 2021 |
|---|---|---|---|---|
| **Defered Tax Assets(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | - | - | - | - |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | 166.53 | 29.52 | (6.52) | 189.53 |
| Expenses allowable on payment basis | 58.63 | 3.24 | - | 61.87 |
| Others | 174.68 | (60.78) | - | 113.90 |
| **Deferred Tax Assets(Net)** | **399.84** | **(28.02)** | **(6.52)** | **365.30** |
| **Defered Tax Liabilities(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | 1,341.74 | 87.98 | - | 1,429.73 |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | - | - | - | - |
| Expenses allowable on payment basis | - | - | - | - |
| Others | - | - | - | - |
| **Deferred Tax Liabilities(Net)** | **1,341.74** | **87.98** | **-** | **1,429.73** |
| | | | | |
| **Net Deferred tax Asset/ (Liabilities) Total (A)** | **(941.90)** | **(116.01)** | **(6.52)** | **(1,064.43)** |
| AMT-MAT Receivables | 1,002.53 | (984.83) | - | 17.70 |
| **Total (B)** | **1,002.53** | **(984.83)** | **-** | **17.70** |
| | | | | |
| **Total (A+B)** | **60.63** | **(1,100.83)** | **(6.52)** | **(1,046.72)** |

Movement in deferred tax balances for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | As at April 1, 2019 | Recognised in profit or loss | Recognised in OCI | As at March 31, 2020 |
|---|---|---|---|---|
| **Defered Tax Assets(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | - | - | - | - |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | 172.00 | (23.78) | 18.32 | 166.53 |
| Expenses allowable on payment basis | 131.66 | (73.03) | - | 58.63 |
| Others | 55.07 | 119.61 | - | 174.68 |
| **Deferred Tax Assets(Net)** | **358.72** | **22.80** | **18.32** | **399.84** |
| **Defered Tax Liabilities(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | 1,170.83 | 170.91 | - | 1,341.74 |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | - | - | - | - |
| Expenses allowable on payment basis | - | - | - | - |
| Others | - | - | - | - |
| **Deferred Tax Liabilities(Net)** | **1,170.83** | **170.91** | **-** | **1,341.74** |
| | | | | |
| **Net Deferred tax Asset/ (Liabilities) Total (A)** | **(812.11)** | **(148.11)** | **18.32** | **(941.90)** |
| AMT-MAT Receivables | 1,178.60 | (176.08) | - | 1,002.53 |
| **Total (B)** | **1,178.60** | **(176.08)** | **-** | **1,002.53** |
| | | | | |
| **Total (A+B)** | **366.50** | **(324.19)** | **18.32** | **60.63** |

FLAIR WRITING INDUSTRIES LIMITED

**Note 34 : Income tax expense**

**(a) Amounts recognised in profit and loss**

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current tax | 9.10 | 2,037.88 |
| Deferred income tax liability / (asset), net | 116.01 | 148.11 |
| Excess Provision of Tax | 1.34 | 1.58 |
| **Tax expense** | **126.45** | **2,187.58** |

**(b) Amounts recognised in other comprehensive income**

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Re-measurement on defined benefit liability | | |
| Before tax | 25.90 | (72.78) |
| Tax (expense)/ benefit | (6.52) | 18.32 |
| **Net of tax** | 19.38 | (54.46) |

**(c) Reconciliation of effective income tax rate**

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Profit before tax | 176.15 | 5,999.72 |
| Company's domestic tax rate | 25.17% | 34.94% |
| Income tax using the Company's tax rate | 44.33 | 2,096.54 |
| | | |
| **Tax effect of:** | | |
| Permanent disallowances | 31.56 | 9.78 |
| Timming Difference | (66.80) | 67.83 |
| Tax on exempted Income | - | (136.27) |
| Deferred income tax liability / (asset), net | 116.01 | 148.11 |
| Excess Provision | 1.34 | 1.58 |
| **Income tax as per Profit & Loss Account** | **126.45** | **2,187.58** |
| **Effective Tax Rate** | **71.79%** | **36.46%** |

JESWANI & RATHORE * MUMBAI-02 * CHARTERED ACCOUNTANTS

**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. |
| | | Flair Writing Equipments 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 J. Rathod |
| | | Vimalchand J. Rathod |
| | | Rajesh Rathod |
| | | Mohit Rathod |
| | | Sumit Rathod |
| | | Ratanchand Jivraj Oswal |
| | | Punit Saxena |
| | | Sangeeta Sethi |
| | | Rajneesh Bhandari |
| | | Bishan Singh Rawat |
| | | Mayur Gala |
| | | Prakash Gupta |
| | | Vishal Chanda |
| (ii) | **Relatives of Key Managerial Personnel** | Nirmala Rathod |
| | | Manjula Rathod |
| | | Sangita Rathod |
| | | Shalini Rathod |
| | | Sonal Rathod |
| | | Hemaya Rathod |
| | | Sunita 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. |
| | | Pentel Stationery (India) Pvt. Ltd. |
| | | Flair Pen & Plastic Industries |
| | | Hauser Lifestyle Products |
| | | Rathod N Rathod |

**(c) Transactions with Related Parties**

(Rs. in Lakhs)

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | **Sale of Goods** | | | |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 8.75 | 3.02 |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 370.72 | 44.46 |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 56.75 | 109.36 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 54.18 | 64.57 |
| | Flair Kenya Ltd. | | - | 92.98 |
| 2 | **Sale of Fixed Assets** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 42.21 | - |
| 3 | **Purchase of Goods** | | | |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 49.31 | 582.02 |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 38.52 | 1.58 |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 145.59 | 406.83 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.22 | 26.90 |
| 4 | **Purchase of Fixed Assets** | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | - | 0.41 |
| 5 | **Rent Expense** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 6.08 | 6.08 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 10.44 | 6.08 |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 158.01 | 155.61 |
| | Flair Pen & Plastic Industries | | 98.42 | 96.02 |
| | Rathod N Rathod | | 1.80 | 1.80 |
| | Nirmala Rathod | Relative of KMP | 22.26 | 21.72 |
| | Manjula Rathod | Relative of KMP | 22.26 | 21.72 |
| | Vimalchand Rathod (HUF) | Relative of KMP | 4.93 | 9.06 |

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 6 | **Rent Income** | | | |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | - | 6.24 |
| | Flair Writing Equipments Pvt Ltd | Subsidiary Company | 15.00 | 6.23 |
| 7 | **Advertisement and Sales promotion expenses** | | | |
| | Houser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 22.01 | 195.68 |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 0.17 | - |
| 8 | **Labour and Moulding Charges (Received)** | | | |
| | Houser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.50 | 1.18 |
| 9 | **Sales Incentives** | | | |
| | Jayesh Jain | Relative of KMP | - | 5.79 |
| 10 | **Re-imbursement of Expenses (Paid)** | | | |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 9.70 | 14.84 |
| | Houser Lifestyle Products | | - | 0.48 |
| 11 | **Re-imbursement of Expenses (Received)** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 1.42 | 5.91 |
| | Houser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.70 | - |
| 12 | **Interest Income** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 24.01 | - |
| 13 | **Interest Expenses** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 80.37 | 91.50 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 80.63 | 76.71 |
| | Rajesh Rathod | Key Managerial Personnel | 97.33 | 110.43 |
| | Mohit Rathod | Key Managerial Personnel | 99.06 | 121.31 |
| | Sumit Rathod | Key Managerial Personnel | 113.08 | 154.36 |
| | Nirmala Rathod | Relative of KMP | 31.40 | 40.73 |
| | Manjula Rathod | Relative of KMP | 6.18 | 8.61 |
| | Sangita Rathod | Relative of KMP | 61.53 | 67.79 |
| | Shalini Rathod | Relative of KMP | 67.09 | 75.61 |
| | Sonal Rathod | Relative of KMP | 24.48 | 27.83 |
| | Sunita Jain | Relative of KMP | 2.77 | 2.80 |
| | Klemaya Rathod | Relative of KMP | 1.41 | 1.52 |
| 14 | **Director/Managerial Remuneration** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 10.50 | 36.00 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 34.40 | 36.00 |
| | Rajesh Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Mohit Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Sumit Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Mayur Gala | Key Managerial Personnel | 20.07 | 36.62 |
| | Vishal Chanda | Key Managerial Personnel | 1.25 | 5.99 |
| | Prakash Gupta | Key Managerial Personnel | 0.21 | - |
| | Jayesh Jain | Relative of KMP | 27.67 | 33.73 |
| 15 | **Director Commission** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 12.00 | - |
| 16 | **Sitting fees** | | | |
| | Ratanchand Jivraj Oswal | Key Managerial Personnel | - | 1.50 |
| | Punit Saxena | Key Managerial Personnel | - | 1.20 |
| | Sangeeta Sethi | Key Managerial Personnel | 0.70 | 1.60 |
| | Rajneesh Bhandari | Key Managerial Personnel | - | 0.30 |
| | Bishan Singh Rawat | Key Managerial Personnel | 0.30 | 1.00 |
| 17 | **Loan Taken** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 97.50 | 97.70 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,225.58 | 261.25 |
| | Rajesh Rathod | Key Managerial Personnel | 84.68 | 409.49 |
| | Mohit Rathod | Key Managerial Personnel | 92.47 | 25.65 |
| | Sumit Rathod | Key Managerial Personnel | 274.12 | 134.70 |
| 18 | **Loan Repaid** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 238.24 | 294.05 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,144.44 | 91.40 |
| | Rajesh Rathod | Key Managerial Personnel | 403.47 | 427.75 |

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| | Mohit Rathod | Key Managerial Personnel | 343.85 | 272.51 |
| | Sumit Rathod | Key Managerial Personnel | 508.62 | 298.75 |
| | Nirmala Rathod | Relative of KMP | 12.15 | 112.65 |
| | Manjula Rathod | Relative of KMP | 30.07 | 31.50 |
| | Sangita Rathod | Relative of KMP | 30.18 | 33.93 |
| | Shalini Rathod | Relative of KMP | 42.71 | 51.41 |
| | Sonal Rathod | Relative of KMP | 21.13 | 24.91 |
| | | | | |
| 19 | **Loan Given** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 965.60 | 79.95 |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 616.37 | - |
| | | | | |
| 20 | **Loan Received** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 466.00 | - |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 588.90 | - |

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

(Rs. in Lakhs)

| Sr. No. | Nature of Balance Outstanding | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | **Investment** | | | |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 10.00 | 10.00 |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 1.00 | 1.00 |
| | | | | |
| 2 | **Trade Payables** | | | |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 3.59 | 195.61 |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 25.76 | 73.67 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | - | 25.26 |
| | | | | |
| 3 | **Trade Recievables** | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 7.97 | - |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 18.32 | 58.35 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 52.40 | - |
| | Flair Kenya Ltd. | | - | 46.10 |
| | | | | |
| 4 | **Loan Outstanding (Liability)** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 1,170.91 | 1,237.50 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,332.41 | 1,176.91 |
| | Mohit Rathod | Key Managerial Personnel | 1,412.86 | 1,591.87 |
| | Rajesh Rathod | Key Managerial Personnel | 1,378.82 | 1,607.82 |
| | Sumit Rathod | Key Managerial Personnel | 1,653.69 | 1,783.89 |
| | Nirmala Rathod | Relative of KMP | 502.84 | 486.03 |
| | Manjula Rathod | Relative of KMP | 77.97 | 102.83 |
| | Sangita Rathod | Relative of KMP | 983.76 | 957.19 |
| | Shalini Rathod | Relative of KMP | 1,069.62 | 1,050.46 |
| | Sonal Rathod | Relative of KMP | 387.52 | 386.07 |
| | Suntia Jain | Relative of KMP | 30.41 | 30.20 |
| | Kemaya Rathod | Relative of KMP | 22.92 | 21.43 |
| | | | | |
| 5 | **Rent Payable** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 2.72 | 1.37 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 6.48 | 1.37 |
| | Nirmala Rathod | Relative of KMP | 16.09 | - |
| | Manjula Rathod | Relative of KMP | 11.76 | - |
| | Vimalchand Rathod (HUF) | Relative of KMP | - | 1.79 |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 36.61 | 38.95 |
| | Flair Pen & Plastic Industries | | 5.38 | 11.78 |
| | | | | |
| 6 | **Loan Outstanding (Assets)** | | | |
| | Flair Writing Equipments Pvt Ltd. | Subsidiary Company | 602.45 | 79.95 |
| | Flair Distributor Pvt. Ltd. | Subsidiary Company | 27.47 | - |

## 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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Gross Debt | 11,523.09 | 15,906.92 |
| Less: Cash and Cash Equivalents | 59.09 | 317.69 |
| **Net Debt (A)** | **11,464.00** | **15,589.24** |
| **Total Equity (As per Balance Sheet) (B)** | **25,956.26** | **25,887.17** |
| **Net Gearing Ratio (A/B)** | **0.44** | **0.60** |

## 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)

CSR amount required to be spent as per section 135 of the companies Act, 2013 during the year Rs. 142.14 Lakhs (Previous Year Rs. 132.57 Lakhs).

Amount spent during the year on :

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| 1) Construction/Acquisition of any asset | - | - |
| 2) On purpose other than (1) above | 121.78 | 11.05 |
| | **121.78** | **11.05** |

## Note 39 : Leases

Lease expenses which were recognized as other Expenses has been substituted with depreciation expense for right of use asset and finance cost for interest accrued on lease liability. The impact of adoption of this standard on Profits is as follows-

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| (A) Reduction in Lease Rental | (321.19) | (315.08) |
| (B) Increase in Depreciation | 253.05 | 253.05 |
| (C) Increase in Interest | 76.25 | 96.83 |
| **(D) Net Impact on Profit before Tax** | **(8.10)** | **(34.80)** |

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

**Note 40 : Capital and Other Commitments**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| a) Letter of Credit | 10.47 | 212.93 |
| | | |
| b) Estimated amount of contracts remaining to be executed on capital account and not provided for; | 256.35 | 594.88 |

**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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| a) Disputed Excise and Service Tax Matters | 25.35 | 12.07 |
| | | |
| b) Income Tax Matters | 217.75 | 193.47 |
| | | |
| c) GST | - | 551.47 |

The Company usually fulfils 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 : Scheme of Amalgamation**

The Board of Directors of Flair Distributor Private Limited ("Transferor Company") and Flair Writing Industries Limited ("Transferee Company") or the "Company") in their meeting held on 13th July, 2020 had approved a Scheme of Amalgamation ("Scheme") for merger of transferor companies with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date being 01st April, 2020. The said scheme is pending for the Honourable Members of National Company Law Tribunal, Mumbai Bench. The Effect of Scheme will be given when the scheme will be approved by Honourable Members of National Company Law Tribunal, Mumbai Bench.

**Note 43**

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. 104202W)**

MUMBAI-02

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

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

**Khubilal Rathod**
**Director**
**(DIN. 00122867)**

**Vimalchand Rathod**
**Director**
**(DIN. 00123007)**

**Mayur Gala**
**Chief Financial Officer**

**Prakash Gupta**
**Company Secretary**

**Place: Mumbai**
**Date: 06/11/2021**

# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

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

## 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 **FlairWriting Industries Limited** (hereinafter referred to as the **Holding Company**)and its subsidiaries- Flair Distributor Private Limited and Flair Writing Equipments Private Limited(the Holding Company and its subsidiaries together referred to as **"the Group")** which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated 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 (hereinafter referred to as "the Consolidated Financial Statements").

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated financial performance (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity 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 (SAs), as specified under section 143(10) of the Act. 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 for the year ended March 31, 2021. 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.

| Sr. No. | Key Audit Matter | Auditor's Report |
|---|---|---|
| 1 | **Revenue recognition (Refer note 2.7of 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 | **Recoverability of Indirect tax and Insurance Claim receivables (Refer note 6 of the Consolidated Financial Statements)** | |
| | As at March 31, 2021, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 153.59 Lakhs which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 164.12 Lakhwhich 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 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 ofassurance 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 ourknowledge 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 arerequired 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 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 records, relevant to the preparation and presentation of theConsolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidatedfinancial 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 theConsolidated 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 theseConsolidatedfinancial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughoutthe 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 areappropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion onwhether 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 relateddisclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the auditevidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt onthe Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required todraw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosuresare inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of ourauditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

• 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 achievesfair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makesit 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 theresults 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 theaudit 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 requirementsregarding independence, and to communicate with them all relationships and other matters that may reasonably be thoughtto 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 significancein the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describethese matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremelyrare circumstances, we determine that a matter should not be communicated in our report because the adverse consequencesof 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 ConsolidatedBalance Sheet, the ConsolidatedStatement of Profit and Loss including other comprehensive income, ConsolidatedStatement of Changes in Equity and the ConsolidatedStatement 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 IndAS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

MUMBAI-02 CHARTERED ACCOUNTANTS

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.

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 Statementsdisclosed the impact of pending litigations on the consolidated financial position.

   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 subsidiaries company during the year ended March 31, 2021.

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

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

**K.L.Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:** 21012807AAAABY2056

**Place: Mumbai**
**Date: 06/11/2021**

# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

**408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002**
**TEL NO: +91 22 22816968/34451, FAX: +91 22 22819435**
**Email: jeswani_rathore@vsnl.net**


## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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")**

We have audited the internal financial controls over financial reporting of **Flair Writing Industries Limited** ("the Company") and its subsidiaries – Flair Distributor Private Limited and Flair Writing Equipments Private Limited (the Company and the Subsidiaries together referred to as "the **Group**") as of March 31, 2021 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 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 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 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 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, 2021, 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-02 CHARTERED ACCOUNTANTS

**K.L.Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:** 21012807AAAABY2056

**Place: Mumbai**
**Date: 06/11/2021**

FLAIR WRITING INDUSTRIES LIMITED

## Consolidated Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

| | PARTICULARS | NOTES | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 1 | 17,643.69 | 18,759.91 |
| b) | Capital Work-in-Progress | 1 | - | 108.25 |
| c) | Intangible Assets | 1 | 273.69 | 312.50 |
| d) | Right-of-Use of Leased Assets | 1 | 651.55 | 904.59 |
| e) | Financial Assets | | | |
| | i) Loans | 3 | 1.03 | 1.07 |
| | ii) Other Financial Assets | 4 | 203.71 | 202.47 |
| f) | Deferred Tax Assets (Net) | 5 | - | 58.61 |
| g) | Other Non-Current Assets | 6 | 656.64 | 492.55 |
| | **Total Non-Current Assets** | | **19,430.30** | **20,839.97** |
| | | | | |
| | **Current Assets** | | | |
| a) | Inventories | 7 | 13,136.49 | 15,017.84 |
| b) | Financial Assets | | | |
| | i) Investments | 2 | 1,626.71 | 270.00 |
| | ii) Trade Receivables | 8 | 11,580.99 | 17,847.89 |
| | iii) Cash and Cash Equivalents | 9 | 65.98 | 358.27 |
| | iv) Loans | 3 | 21.15 | 29.09 |
| | v) Other Financial Assets | 4 | 17.83 | 3.40 |
| c) | Other Current Assets | 6 | 2,180.09 | 2,103.98 |
| | | | | |
| | **Total Current Assets** | | **28,634.24** | **35,630.46** |
| | **Total Assets** | | **48,064.54** | **56,470.43** |
| | | | | |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| a) | Equity Share Capital | 11 | 2,334.72 | 2,334.72 |
| b) | Other Equity | 12 | 23,823.56 | 23,707.22 |
| | **Total Equity** | | **26,158.28** | **26,041.94** |
| | | | | |
| | **Liabilities** | | | |
| 1 | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 11,161.15 | 11,894.30 |
| | ii) Other Financial Non-Current Liabilities | 19 | 319.41 | 403.66 |
| b) | Government Grants | 14 | 24.28 | 33.15 |
| c) | Provisions | 15 | 530.47 | 520.78 |
| d) | Lease Liabilities | 16 | 755.55 | 1,000.50 |
| e) | Deferred Tax Liabilities (Net) | 5 | 1,024.49 | - |
| | **Total Non-Current Liabilities** | | **13,817.35** | **13,852.44** |
| | | | | |
| | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 1,150.68 | 4,513.71 |
| | ii) Trade Payables | | | |
| | Dues to Micro and Small Enterprises | 18 | 859.19 | 1,473.27 |
| | Other than Micro and Small Enterprises | 18 | 3,249.64 | 5,850.38 |
| | iii) Other Financial Liabilities | 19 | 1,808.16 | 2,491.56 |
| b) | Government Grants | 14 | 6.89 | 7.19 |
| c) | Other Current Liabilities | 17 | 532.16 | 901.67 |
| d) | Provisions | 15 | 475.93 | 376.13 |
| e) | Current Tax Liabilities (Net) | 10 | 6.27 | 962.14 |
| | | | | |
| | **Total Current Liabilities** | | **8,088.91** | **16,576.06** |
| | **Total Liabilities** | | **21,906.26** | **30,428.50** |
| | **Total Equity and Liabilities** | | **48,064.54** | **56,470.43** |

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements (Note 1 to 44)

As per our attached Report of even date

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No. 104202W)

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

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Prakash Gupta
Company Secretary

Place: Mumbai
Date: 06/11/21

**FLAIR WRITING INDUSTRIES LIMITED**

**Consolidated of Profit & Loss for the period ended March 31, 2021**

(Rs. In Lakhs)

| PARTICULARS | | NOTES | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from Operations | | 20 | 29,798.94 | 72,515.41 |
| Other Income | | 21 | 1,288.46 | 533.80 |
| **Total Income** | (A) | | **31,087.41** | **73,049.20** |
| **EXPENSES** | | | | |
| Cost of Material Consumed | | 22 | 14,410.38 | 31,717.28 |
| Purchase of Stock-in-Trade | | 23 | 475.90 | 12,830.09 |
| Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | 24 | 1,156.08 | (1,339.58) |
| Employee Benefits Expense | | 25 | 5,838.70 | 10,323.47 |
| Finance Costs | | 26 | 1,125.64 | 1,562.20 |
| Depreciation/Amortisation Expense | | 27 | 2,243.43 | 2,358.54 |
| Other Expenses | | 28 | 5,620.25 | 9,583.37 |
| **Total Expenses** | (B) | | **30,870.38** | **67,035.37** |
| **Profit Before Tax** | (C=A-B) | | **217.02** | **6,013.83** |
| **Tax Expense** | | | | |
| Current Tax | | | 26.96 | 2,055.78 |
| Deferred Tax | | 5 | 91.76 | 157.34 |
| Tax Adjustments for earlier years | | | 1.34 | 7.16 |
| **Total Tax Expense** | (D) | | **120.07** | **2,220.28** |
| **Profit for the Year/Period** | (E=C-D) | | **96.96** | **3,793.55** |
| **Other Comprehensive Income** | | | | |
| **Items that will not be reclassified to Statement Of Profit Or Loss** | | | | |
| i) Actuarial Loss on Defined Benefit Plan | | | 25.90 | (72.78) |
| ii) Income Tax on the above | | | (6.52) | 18.32 |
| **Items that will be reclassified to Statement of Profit Or Loss** | | | | |
| **Total Other Comprehensive Income for the Year/Period (Net of Tax)** | (F) | | **19.38** | **(54.46)** |
| **Total Comprehensive Income for the Year/Period** | (G=E+F) | | 116.34 | 3,739.09 |
| **Earnings Per Equity Share of face value of Rs.10/- each** | | | | |
| Basic(In Rs.) | | 30 | 0.42 | 16.25 |
| Diluted (In Rs.) | | 30 | 0.42 | 16.25 |

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements (Note 1 to 44)

As per our attached Report of even date

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104202W)**

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

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

**Place: Mumbai**
**Date: 06/11/2021**

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

Khubilal Jugraj

| | |
|---|---|
| **Khubilal Rathod** | **Vimalchand Rathod** |
| **Director** | **Director** |
| **(DIN. 00122867)** | **(DIN. 00123007)** |

M D Gala Prakash Gupta

| | |
|---|---|
| **Mayur Gala** | **Prakash Gupta** |
| **Chief Financial Officer** | **Company Secretary** |

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Cash Flows for the year ended March 31, 2021

(Rs. in lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit for the Year | 217.02 | 6,013.83 |
| **Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities** | | |
| Depreciation Expenses | 2,243.43 | 2,358.54 |
| Interest Expenses | 1,049.39 | 1,465.37 |
| Interest on Leased Assets | 76.25 | 96.83 |
| Profit on sales of Liquid Fund | (5.62) | - |
| Interest Income | (307.52) | (18.65) |
| Profit/(Loss) of sales of Property, Plant and Equipment | (214.91) | 3.56 |
| **Changes in Assets and Liabilities** | | |
| (Increase)/Decrease in Inventories | 1,879.35 | (1,119.54) |
| (Increase)/Decrease in Trade Receivables | 6,263.90 | (277.67) |
| (Increase)/Decrease in Loans | 8.00 | 28.21 |
| (Increase)/Decrease in Other Financial Assets | (15.67) | 74.89 |
| (Increase)/Decrease in Other Non-Current/Current Assets | (215.61) | 1,930.66 |
| Increase/ Decrease in Trade Payables | (3,214.83) | (1,148.73) |
| Increase/ Decrease in Other Financial Liabilities | (767.67) | 322.17 |
| Increase/ Decrease in Government Grants | (7.17) | (8.26) |
| Increase/ Decrease in Provisions | 135.39 | (58.63) |
| Increase/ Decrease in Other Non-Current/Current Liabilities | (369.51) | (148.92) |
| Cash Generated From Operations | **4,754.22** | **9,513.81** |
| Income Taxes Paid | (23.95) | (1,397.62) |
| **NET CASH GENERATED BY OPERATING ACTIVITIES** | **4,730.27** | **8,116.20** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of Property, Plant and Equipment and Intangible Asset | (1,036.79) | (3,111.93) |
| Sales of Property, Plant and Equipment and Intangible Asset | 524.59 | 356.85 |
| Investment in Mutual Fund | (1,351.09) | (270.00) |
| Interest Income | 307.52 | 18.65 |
| **NET CASH FROM / (USED IN) INVESTING ACTIVITIES** | **(1,555.77)** | **(3,006.44)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Loan Taken/(Repaid) | (4,096.21) | (3,153.91) |
| Interest on Loan | (1,049.39) | (1,465.37) |
| Payment of Lease Rent | (321.19) | (315.08) |
| **NET CASH USED IN FINANCING ACTIVITIES** | **(5,466.80)** | **(4,934.36)** |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (272.29) | 175.39 |
| Cash and Cash Equivalents at the Beginning of the Year | 358.27 | 182.89 |
| Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation | | |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **85.98** | **358.27** |

**Note:**

1) The cash flow statement has been prepared under the "Indirect Method" as set out Indian accounting Standard (Ind AS-7) statement of cash flow.

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

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements (Note 1 to 44)

As per our attached Report of even date

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104202W)**

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

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

**Place: Mumbai**
**Date: 06/11/2021**

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

**Khubilal Rathod**
**Director**
**(DIN. 00122867)**

**Vimalchand Rathod**
**Director**
**(DIN. 00123007)**

**Mayur Gala**
**Chief Financial Officer**

**Prakash Gupta**
**Company Secretary**

FLAIR WRITING INDUSTRIES LIMITED

Statement of Changes in Equity

a. Equity share capital:

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| i) Equity Shares of INR 10 each Issued, Subscribed and Fully Paid Up | No. | Rs. | No. | Rs. |
| Balance at the beginning of the year | 2,33,47,200 | 2,334.72 | 2,33,47,200 | 2,334.72 |
| Change in Equity Share Capital during the year | - | - | - | - |
| **Balance at the end of the year** | **2,33,47,200** | **2,334.72** | **2,33,47,200** | **2,334.72** |

b. Other equity

(Rs. In Lakhs)

| Particulars | Retained Earning | Share Premium | Other Comprehensive Income | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2020** | 22,075.44 | 1,956.36 | (324.58) | 23,707.22 |
| Add : Profit for the period | 96.96 | - | - | 96.96 |
| Less : Other Comprehensive Income | - | - | 19.38 | 19.38 |
| **Balance as at March 31, 2021** | **22,172.39** | **1,956.36** | **(305.20)** | **23,823.56** |

(Rs. In Lakhs)

| Particulars | Retained Earning | Share Premium | Other Comprehensive Income | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | 18,281.89 | 1,956.36 | (270.12) | 19,968.12 |
| Add : Profit for the period | 3,793.55 | - | - | 3,793.55 |
| Less : Other Comprehensive Income | - | - | (54.46) | (54.46) |
| **Balance as at March 31, 2020** | **22,075.44** | **1,956.36** | **(324.58)** | **23,707.22** |

For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No. 104202W)

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

JESWANI & RATHORE * MUMBAI-02 * CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 06/11/2021

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

Khubilal Jugraj

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Prakash Gupta
Company Secretary

FLAIR WRITING INDUSTRIES LIMITED

## 1. A. GROUP OVERVIEW

The Consolidated Financial Statement comprises financial statements of "Flair Writing Industries Limited" ('Holding Company') and its subsidiaries – Flair Distributor Private Limited and Flair Writing Equipments Private Limited (Collectively referred as "the Group") for the year ended March 31, 2021.

**Flair Writing Industries Limited** ("the Company") is incorporated in India and has registered office at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai-400067. It is incorporated under the Companies Act, 2013.

**Group Structure**

| Name of Company | Country of Incorporation | % Ownership held as at March 31, 2021 | % Ownership held as at March 31, 2020 |
|---|---|---|---|
| Flair Distributor Pvt. Ltd. | India | 100% | 100% |
| Flair Writing Equipments Pvt. Ltd. | India | 100% | 100% |

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

#### a) Compliance 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.

#### b) Principle of Consolidation

i) The Financial Statements of the holding Company and its subsidiariesare 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.

MUMBAI-02
CHARTERED ACCOUNTANTS

iii) The Audited Financial Statements of subsidiarieshave 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) TheConsolidated 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 subsidiariesis offset (eliminated) against the parent's portion of equity in subsidiaries.

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 theGroup'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 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.

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**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 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.

- **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 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.

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MUMBAI-02
CHARTERED ACCOUNTANTS

- **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.

- **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.

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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.

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:

| Assets | Amortised (in years) |
|---|---|
| Trademarks | 10 |
| Others | 10 |

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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 CGU 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 CGU 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'sfinancial 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.

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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 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 Group.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a Non-Financial Asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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MUMBAI-02
CHARTERED ACCOUNTANTS

- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

External valuer's are involved for valuation of significant assets, such as properties, unquoted financial assets etc. if needed. Involvement of independent external valuers is decided upon 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 quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow 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 assumptions could affect the reported value of fair value of financial instruments

**2.7. <u>Revenue Recognition</u>**

The Company derives revenues from sale of manufactured goods, traded goods and related services.

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.

MUMBAI-02
CHARTERED ACCOUNTANTS

**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 etcare 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.

**2.9. Inventories**

Inventories include Raw Materials, Packing Materials, Stores and Spares, Traded Goods are measured at cost and Finished Goods Inventories are measured at lower of, cost and net realisable value after providing for obsolescence, if any.

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MUMBAI-02
CHARTERED ACCOUNTANTS

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. Cost is determined on first in first out basis.

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**

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination

MUMBAI-02 CHARTERED ACCOUNTANTS

option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.11. Contingent Liabilities and Commitments**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of whichwill be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within thecontrol of the Company or a present obligation that arises from past events where it is either not probable that an outflow ofresources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**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.

SWANI & RATHORE * MUMBAI-02 * CHARTERED ACCOUNTANTS

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.

(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. Investment in Mutual Fund**

Mutual Funds are measured at fair value through profit and loss (FVTPL), with value changes recognised in Statement of Profit and Loss. However, profit and Loss on mutual fund is recognised in the Statement of Profit and loss at time of redemptions.

**e. 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)

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

**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. |
| Loans to employees | The Company avails guarantee for loan provided to employees. In case of default inrepayment of loan, the same is recovered from the salary of the guarantor. |

MUMBAI-02 CHARTERED ACCOUNTANTS

**i. 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.

**ii. 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 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. **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.

2.16. **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 with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.17. **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 Group by the weighted average number of equity shares outstanding during the period.

**Diluted earnings per share**

Diluted Earnings Per Share is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all dilutive potential Equity shares into Equity shares.

2.18. **Segment Reporting**

The Group has 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.

2.19. **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 Loanor 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.

### 2.20. Global Health Pandemic on COVID -19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operation and revenue during the period were impacted due to COVID -19. The Company has taken into account the possible impact of COVID -19 in preparations of financial statements, including its assessment of recoverable value of its assets based on internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions

**FLAIR WRITING INDUSTRIES LIMITED**

**Note 1 : Property, Plant and Equipment**

(Rs in Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01, 2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01, 2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as of March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Land - Freehold | 342.93 | - | - | 342.93 | - | - | - | - | 342.93 | 342.93 |
| Buildings | 4,674.66 | 298.99 | 339.09 | 4,634.56 | 392.08 | 150.96 | 109.01 | 434.03 | 4,200.53 | 4,282.57 |
| Plant and Machinery | 12,037.17 | 292.68 | 112.25 | 12,217.60 | 3,225.23 | 784.62 | 48.74 | 3,961.11 | 8,256.48 | 8,811.94 |
| Office Equipment | 93.82 | 8.02 | 0.78 | 103.05 | 54.92 | 16.00 | 0.78 | 70.14 | 32.91 | 40.89 |
| Factory Equipments | 448.23 | 33.85 | 2.44 | 479.64 | 179.00 | 79.27 | 2.44 | 255.83 | 223.81 | 269.23 |
| Computer Equipment | 162.98 | 11.44 | - | 174.43 | 114.76 | 25.83 | - | 140.59 | 33.84 | 46.23 |
| Furniture & Fixtures | 533.24 | 20.69 | 21.36 | 532.57 | 157.76 | 55.30 | 19.46 | 193.61 | 338.96 | 375.48 |
| Mould | 5,348.97 | 385.51 | - | 5,734.48 | 1,767.81 | 666.95 | - | 2,434.76 | 3,299.72 | 3,581.16 |
| Electrical Installation | 841.07 | 4.04 | 46.11 | 800.99 | 231.06 | 85.57 | 34.92 | 281.71 | 519.28 | 610.01 |
| Two Wheeler | 5.17 | 10.70 | - | 15.86 | 1.89 | 1.13 | - | 3.01 | 12.85 | 3.28 |
| Vehicles | 512.70 | 67.79 | 35.25 | 545.24 | 118.52 | 76.40 | 32.25 | 162.67 | 382.57 | 394.19 |
| Total | 25,002.74 | 1,135.69 | 557.28 | 25,581.34 | 6,243.03 | 1,942.23 | 247.60 | 7,937.46 | 17,643.69 | 18,759.91 |

Note: Movable Fixed Assets are hypothecated against cash credit facilities availed by the company amounting to Rs. 9000 Lakhs.

**Note 1 : Intangible Assets**

(Rs in Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01, 2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01, 2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as of March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Trade Mark | 437.54 | 9.35 | - | 446.89 | 128.28 | 47.41 | - | 175.70 | 271.19 | 309.26 |
| Web Designing | 5.86 | - | - | 5.86 | 2.62 | 0.74 | - | 3.36 | 2.50 | 3.24 |
| TOTAL | 443.40 | 9.35 | - | 452.75 | 130.90 | 48.15 | - | 179.06 | 273.69 | 312.50 |

**Note 1 : Rights-of-Use Assets**

(Rs in Lakhs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Value as of April 01, 2020 | Additions | Deletions | Gross Carrying Value as of March 31, 2021 | Balance as on April 01, 2020 | Depreciation | Accumulated Depreciation on Deletions | Balance as of March 31, 2021 | WDV as on March 31, 2021 | WDV as on March 31, 2020 |
| Leased Assets | 1,420.54 | - | - | 1,420.54 | 515.95 | 253.05 | - | 769.00 | 651.55 | 904.59 |
| TOTAL | 1,420.54 | - | - | 1,420.54 | 515.95 | 253.05 | - | 767.00 | 651.55 | 904.59 |

**Note 1 : Capital Work-in-Progress**

(Rs in Lakhs)

| PARTICULARS | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|
| Mould | - | - |
| Factory Equipment | - | - |
| Electrical Installation | - | - |
| Factory Building | - | - |
| Machinery | - | 108.25 |
| TOTAL | - | 108.25 |

JESWANI & RATHORE * CHARTERED ACCOUNTANTS * MUMBAI-02

## Note 2 : Investments

Non-Current

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Quoted Investments | | |
| 32647.58 Units (P.Y. 5631.43Units) of Nippon India Liquid Fund-Growth Plan-Growth Option | 1,626.71 | 270.00 |
| | | |
| Total current investments | 1,626.71 | 270.00 |
| | | |
| Aggregate Carrying Value of Quoted Investments | 1,626.71 | 270.00 |
| Aggregate amount of Quoted Investments - Market Value | 1,631.54 | 271.58 |
| Aggregate Carrying Value of Quoted Investments measured at cost | 1,626.71 | 270.00 |

## Note 3 : Loans

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Non- Current | | |
| | | |
| Unsecured, Considered good | | |
| Loans and Advances to Employees # | 1.03 | 1.09 |
| | | |
| Total | 1.03 | 1.09 |
| | | |
| Current | | |
| | | |
| Unsecured, Considered good | | |
| Loans and Advances to Employees # | 21.15 | 29.09 |
| | | |
| Total | 21.15 | 29.09 |

# 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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| Non- Current | | |
| Security and Other Deposits | 189.52 | 199.79 |
| Fixed Deposits # | 2.82 | 2.68 |
| Other Deposits | 11.37 | |
| | | |
| Total | 203.71 | 202.47 |
| | | |
| Current | | |
| Security and Other Deposits | 2.38 | 2.30 |
| Interest Accrued on Fixed Deposits | 0.71 | 1.10 |
| Derivatives Financial Assets | 14.75 | - |
| | | |
| Total | 17.83 | 3.40 |
| | | |
| # Includes deposits having restrictive use on account of: | | |
| Pledged with Government Authorities | 2.82 | 2.68 |

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

**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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred Tax (Liabilities) / Assets | (1,024.49) | 58.61 |
| | **(1,024.49)** | **58.61** |

**2020-21**

Deferred tax assets/(liabilities) in relation to:

(Rs. In Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| Property, Plant and Equipment | (1,346.49) | (96.89) | - | (1,443.38) |
| Expenses Allowed on Payment Basis | 59.02 | 4.14 | - | 63.15 |
| Gratuity | 166.53 | 29.52 | (6.52) | 189.53 |
| B/F Loss and Unabsorbed depreciation | - | 46.90 | - | 46.90 |
| Others | 177.02 | (75.43) | - | 101.59 |
| **Total (A)** | **(943.92)** | **(91.76)** | **(6.52)** | **(1,042.20)** |
| AMT-MAT Receivables # | 1,002.53 | (984.83) | - | 17.70 |
| **Total (B)** | **1,002.53** | **(984.83)** | **-** | **17.70** |
| **Total (A+B)** | **58.61** | **(1,076.59)** | **(6.52)** | **(1,024.49)** |

**2019-20**

Deferred tax assets/(liabilities) in relation to:

(Rs. In Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| Property, Plant and Equipment | (1,170.82) | (175.66) | - | (1,346.49) |
| Expenses Allowed on Payment Basis | 136.20 | (77.18) | - | 59.02 |
| Gratuity | 172.00 | (23.78) | 18.32 | 166.53 |
| Others | 57.73 | 119.29 | - | 177.02 |
| **Total (A)** | **(804.89)** | **(157.34)** | **18.32** | **(943.92)** |
| AMT-MAT Receivables # | 1,178.60 | (176.10) | - | 1,002.53 |
| **Total (B)** | **1,178.60** | **(176.10)** | **-** | **1,002.53** |
| **Total (A+B)** | **373.71** | **(333.44)** | **18.32** | **58.61** |

# The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created is not reflected in Statement of Profit and Loss.

JESHNANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

**Note 6 : Other Assets**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| **Non- Current** | | |
| Capital Advances | 327.55 | 168.00 |
| Balance with Government Authorities | 153.59 | 151.44 |
| Others # | 175.51 | 173.11 |
| | | |
| **Total** | **656.64** | **492.55** |
| | | |
| **Current** | | |
| Advances to Suppliers and Others | | |
| - MSME | 37.18 | |
| - Others | 533.26 | 446.67 |
| Balance with Government Authorities | 1,437.34 | 1,491.54 |
| Others | 172.30 | 165.78 |
| **Total** | **2,180.09** | **2,103.98** |

# Others includes Insurance Claim Receivables amount to Rs. 164.12 Lakhs in F.Y. 20-21 (Rs. 164.12 Lakhs in F.Y. 19-20).

**Note 7 :Inventories**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| **Inventories #** | | |
| Raw and Packing Materials & Others | 4,712.43 | 4,887.41 |
| Raw and Packing Materials (In Transit) | 158.45 | 310.67 |
| Semi-Finished Goods | 4,723.51 | 5,372.86 |
| Semi-Finished Goods (In Transit) | 1.87 | - |
| Finished Goods | 3,271.58 | 4,105.31 |
| Stock of Spares | 148.59 | 145.46 |
| Stock-in-Trade | 122.07 | 196.13 |
| **Total** | **13,138.49** | **15,017.84** |

# The inventories has been valued as per Note 2(10) of Significant Accounting Policies.
# Inventories are hypothecated against cash credit facilities availed by the company amounting to Rs. 9050 Lakhs.

**Note 8 :Trade Receivables**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| **Unsecured, Considered good** | | |
| Trade Receivables # | | |
| - Others | 11,523.61 | 17,799.28 |
| - Related Parties (Refer Note 35) | 60.37 | 48.60 |
| **Total** | **11,583.99** | **17,847.89** |

# Refer Note 32 for Ageing of Trade Receivable
# Trade Receivable are hypothecated against cash credit facilities availed by the company amouning to Rs. 9050 Lakhs.

**Note 9 : Cash and Cash Equivalents**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cash on Hand | 12.36 | 9.75 |
| | | |
| Balances with Banks | | |
| - In Current Accounts | 21.40 | 113.84 |
| - In EEFC Accounts | 32.22 | 234.68 |
| **Total** | **65.98** | **358.27** |

**Note 10 : Current Tax Liabilities (Net)**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Tax Expenses (Net of Advance Tax) | 6.27 | 962.14 |
| **Total** | **6.27** | **962.14** |

MUMBAI-02

**Note 11 : Equity Share Capital**

(Rs. In Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised Share Capital** | | |
| 3,00,00,000 Equity Shares of Rs 10/- each | 3,000.00 | 3,000.00 |
| | **3,000.00** | **3,000.00** |
| **Issued, Subscribed and Fully paid up** | | |
| 2,33,47,200 Equity Shares of Rs 10/- each | 2,334.72 | 2,334.72 |
| | **2,334.72** | **2,334.72** |

Note: There is no change in Authorised, Issued, Subscribed and paid up share capital during the financial year.

(Rs. In Lakhs)

**a) Reconciliation of number of Shares outstanding**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Equity Shares :** | | | | |
| Balance as at the beginning of the year | 2,33,47,200 | 2,334.72 | 2,33,47,200 | 2,334.72 |
| Add: Shares issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | **2,33,47,200** | **2,334.72** | **2,33,47,200** | **2,334.72** |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number of Shares | % of share Holding | Number of Shares | % of share Holding |
| **Equity Shares** | | | | |
| Khubilal J. Rathod | 46,69,440 | 20% | 46,69,440 | 20% |
| Vimalchand J. Rathod | 35,02,080 | 15% | 35,02,080 | 15% |
| Rajesh K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Mohit K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Sumit V. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Nirmala K. Rathod | 23,34,720 | 10% | 23,34,720 | 10% |
| Manjula V. Rathod | 23,34,720 | 10% | 23,34,720 | 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 12: Other Equity**

(Rs. In Lakhs)

| PARTICULARS | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **i) Retained Earnings** | | | |
| Balance at the beginning of the year | | 22,075.44 | 18,281.89 |
| Add: Profit/(loss) for the year | | 96.96 | 3,793.55 |
| Less: Effect of ROU Assets | | - | - |
| Balance at the end of the year | (a) | **22,172.39** | **22,075.44** |
| **ii) Other Comprehensive Income** | | | |
| Balance at the beginning of the year | | (324.58) | (270.12) |
| Re-measurement gains/ (losses) on Defined Benefit Plans | | 19.38 | (54.46) |
| Balance at the end of the year | (b) | **(305.20)** | **(324.58)** |
| **iii) Securities Premium** | | | |
| Balance at the beginning of the year | | 1,956.36 | 1,956.36 |
| Balance at the end of the year | (c) | **1,956.36** | **1,956.36** |
| **Balance at the end of the year of Other Equity** | (a+b+c) | **23,823.56** | **23,707.22** |

MUMBAI-02

FLAIR WRITING INDUSTRIES LIMITED

**Note 13 : Borrowings**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non - Current** | | |
| **Secured - at Amortised cost** | | |
| Term Loan - from Bank | 2,468.09 | 3,071.29 |
| Less: Current maturities of long-term debt (Refer Note 19) | 719.37 | 852.70 |
| Term Loan - from Others | - | 8.57 |
| Less: Current maturities of long-term debt (Refer Note 19) | - | 8.57 |
| | | - |
| **Unsecured - at Amortised cost** | | - |
| Loan from Directors & their relatives (Refer Note 35) | 9,360.60 | 9,623.91 |
| Loan from Related Parties (Refer Note 35) | 51.83 | 51.83 |
| **Total** | **11,161.15** | **11,894.33** |
| **Current** | | |
| **Secured - at Amortised cost** | | |
| Packing Credit - from Bank | - | 2,721.79 |
| Working Capital Loan- Cash Credit | 533.26 | 1,035.24 |
| | | - |
| **Unsecured - at Amortised cost** | | - |
| Loan from Directors & their relatives (Refer Note 35) | 647.22 | 756.68 |
| **Total** | **1,180.48** | **4,513.71** |

| Nature of Borrowing | Name of the lender | Nature of borrowing | Loan Currency | Amount outstanding as on March 31, 2021 (Rs. in Lakhs) | Rate of interest | Repayment terms |
|---|---|---|---|---|---|---|
| Term Loan against Plant & Machineries and Other Equipments | Citi Bank N.A. | Term Loan | INR | 444.44 | 9% | End to End tenor of 5 Years with quarterly rest and no moratorium |
| Term Loan - from Bank | Citi Bank N.A. | Term Loan | INR | 72.00 | 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 | 275.00 | 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 | 157.14 | 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 | 65.00 | 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 | 200.00 | 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 | 85.00 | 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 | 200.00 | 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 | 200.00 | 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 | 737.50 | 8.60% | End to End tenor of 5 Years with 18 months moratorium Repayment will be quarterly basis |
| Cash Credit - from Bank | Citi Bank N.A. | Cash Credit | INR | 13.23 | 8.60% | Revolving 365 days |
| Cash Credit - from Bank | Citi Bank N.A. | Cash Credit | INR | 490.14 | 8.50% | 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:**
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 @ 6.50% p.a. The same is repayable upto Financial Year ending March 31, 2030.

MUMBAI-02

**Note 14 : Government Grants**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| Government Grants # | 26.28 | 33.15 |
| | **26.28** | **33.15** |
| **Current** | | |
| Government Grants # | 6.89 | 7.19 |
| **Total** | **6.89** | **7.19** |

# Government Grants includes Subsidy Received on Capital Goods.

**Note 15 : Provisions**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| Provision for Employee Benefits (Refer Note 29) | 520.47 | 528.78 |
| | **520.47** | **528.78** |
| **Current** | | |
| Provision for Employee Benefits (Refer note 29) | 475.93 | 376.13 |
| **Total** | **475.93** | **376.13** |

**Note 16 : Leased Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| Leased Liabilities | 755.55 | 1,000.50 |
| | **755.55** | **1,000.50** |

**Note 17 : Other Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| Payables on account of Purchase of Property, Plant and Equipment (including MSME Creditors) | 311.84 | 446.57 |
| Statutory Remittances | 149.64 | 361.94 |
| Revenue received in advance - Others | 50.68 | 93.16 |
| **Total** | **532.16** | **901.67** |

**Note 18 : Trade Payables**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - Micro, Small and Medium Enterprises | 859.19 | 1,473.27 |
| - Others | 3,144.54 | 5,697.95 |
| - Related Parties (Refer Note 35) | 104.80 | 152.43 |
| **Total** | **4,108.83** | **7,323.66** |

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 Enterprises 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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Principal amount payable | 859.02 | 1,473.27 |
| (ii) Interest amount due and remaining unpaid | 0.16 | 14.54 |
| (iii) Interest paid | 0.18 | - |
| (iv) Payment beyond the appointed day during the year | - | - |
| (v) Interest due and payable for the period of delay | - | - |
| (vi) Interest Accrued and remaining unpaid | - | - |
| (vii) Amount of further interest remaining due and payable succeeding years | - | - |

**Note 19 : Other Financial Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| Revenue received in advance | 319.41 | 403.68 |
| | **319.41** | **403.68** |
| **Current** | | |
| Current maturities of long-term debt | 719.37 | 861.02 |
| Security Deposit Received | 7.50 | 7.50 |
| Other Payables | 1,081.30 | 1,548.34 |
| Derivatives Financial Liabilities | - | 74.46 |
| | **1,808.16** | **2,491.56** |

MUMBAI-02

CHARTERED ACCOUNTANTS

## Note 20 : Revenue From Operations

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| a) Sale of Products | | |
| Domestic | 18,240.26 | 57,473.11 |
| Export | 10,817.11 | 14,006.91 |
| b) Sale of Services | 7.05 | 1.18 |
| c) Other Operating Revenue | | |
| Sale of Scrap | 122.05 | 161.67 |
| Export incentives | 612.47 | 872.54 |
| Total | 29,798.94 | 72,515.41 |

## Note 21 : Other Income

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest | | |
| - Others (including Bank Interest) | 307.52 | 18.65 |
| Reimbursement Towards Special Discount | 128.64 | - |
| Other Non-Operating Revenue | 852.30 | 515.15 |
| Total | 1,288.46 | 533.80 |

## Note 22 : Cost of Materials Consumed

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening stock | 5,198.08 | 5,481.90 |
| Add. Purchase | 14,283.98 | 31,433.46 |
| Less. Closing stock | 4,871.68 | 5,198.08 |
| Total | 14,610.38 | 31,717.28 |

## Note 23 : Purchase of Stock-In-Trade

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Purchase of Stock-in-Trade | 475.90 | 12,830.09 |
| | 475.90 | 12,830.09 |

## Note 24 : Changes in Inventories of Finished Goods, Stock-In Trade and Work-In-Progress

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening Stock | | |
| Semi- Finished Goods | 5,372.86 | 4,338.96 |
| Finished Goods | 4,301.44 | 3,995.75 |
| Total (A) | 9,674.30 | 8,334.72 |
| Closing Stock | | |
| Semi- Finished Goods | 4,725.39 | 5,372.86 |
| Finished Goods | 3,392.84 | 4,301.44 |
| Total (B) | 8,118.22 | 9,674.30 |
| | 1,556.08 | (1,339.58) |

## Note 25 : Employee Benefits Expense

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries, Wages and Bonus | 5,502.79 | 9,689.82 |
| Contribution to Provident and other Funds(Refer Note 29) | 290.83 | 543.35 |
| Staff Welfare Expenses | 45.08 | 90.30 |
| Total | 5,838.70 | 10,323.47 |

MUMBAI-02 CHARTERED ACCOUNTANTS

**Note 26 : Finance Costs**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Bank Interest | 382.69 | 673.94 |
| Interest on Right of Use Assets | 76.25 | 96.83 |
| Other Borrowing Cost | 666.70 | 791.43 |
| **Total** | **1,125.64** | **1,562.20** |

**Note 27 : Depreciation and Amortisation Expense**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation and Amortisation Expense (Refer Note 1) | 2,243.43 | 2,358.54 |
| **Total** | **2,243.43** | **2,358.54** |

**Note 28 : Other Expenses**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumable Expenses | 134.48 | 261.60 |
| Electric Power, Fuel and Water | 844.07 | 1,297.22 |
| Freight Inward | 60.45 | 87.32 |
| Job Work and Other Related Expenditure | 988.67 | 2,069.28 |
| Loading and Unloading Expenses | 7.89 | 14.47 |
| Machine and Mould Maintenance | 295.01 | 457.57 |
| Factory Expenses | 174.00 | 316.97 |
| | | - |
| | | - |
| **Establishment Expenses** | | |
| Bank Charges | 25.96 | 33.06 |
| Charity and Donation | 121.78 | 11.42 |
| Electricity Charges | 18.61 | 29.99 |
| Insurance Expenses | 98.69 | 112.10 |
| Legal & Professional Fees | 196.15 | 741.07 |
| Merger Expenses | - | 39.16 |
| Rent | 1.39 | 4.77 |
| Rates & Taxes | - | 93.33 |
| Postage & Courier | 18.90 | 41.36 |
| Printing and Stationery | 17.41 | 35.13 |
| Miscellaneous Expenses | 325.94 | 25.63 |
| Pre operative expenses | - | 5.35 |
| Repairs & Maintenance | | |
| Computer | 47.76 | 60.90 |
| Others | 38.24 | 90.61 |
| Vehicles | 112.53 | 67.26 |
| | - | - |
| Telephone & Communication Charges | 31.59 | 45.44 |
| Travelling & Conveyance | 439.44 | 944.13 |
| Director's Travelling & Conveyance | 7.67 | 106.37 |
| Director's Sitting Fees | 1.00 | 5.40 |
| Payment to Auditor (Refer Note 28.1) | 18.45 | 64.05 |
| | | - |
| | | - |
| **Selling and Distribution Expenses** | | |
| Advertisement Expenses | 142.40 | 886.06 |
| Sales Promotion & Marketing Expenses | 37.10 | 78.80 |
| Commission & Brokerage | 44.01 | 87.51 |
| Freight, Clearing & Forwarding Charges | 319.70 | 351.49 |
| Freight outward | 421.04 | 1,090.32 |
| Service Tax Expenses | - | 1.35 |
| Export Expenses | 29.92 | 27.86 |
| **Total** | **5,020.25** | **9,583.37** |

**Note 28.1 Payment to Auditor**

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **As Auditors:** | | |
| Statutory Audit Fees | 14.75 | 5.21 |
| Taxation Matters | 3.70 | 1.20 |
| **Total** | **18.45** | **6.41** |

## 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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Employer's Contribution to Provident Fund | 101.53 | 203.40 |
| Employer's Contribution to Employee State Insurance Scheme | 8.02 | 16.06 |
| Employer's Contribution to Pension Scheme | 181.09 | 323.42 |
| Total | **290.64** | **542.87** |

**(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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Defined Benefit obligation at beginning of the year | 661.69 | 492.21 |
| Add: Current Service Cost | 133.35 | 121.09 |
| Interest Cost | 37.36 | 34.53 |
| Remeasurement during the period due to : | | - |
| Actuarial loss / (gain) arising from change in financial assumptions | - | 61.60 |
| Actuarial loss / (gain) arising from change in demographic assumption | - | (0.15) |
| Actuarial loss / (gain) arising on account of experience changes | (25.90) | 11.33 |
| Past Service Cost | | - |
| Benefits paid | (53.42) | (58.91) |
| **Defined Benefit obligation at end of the year** | **753.08** | **661.69** |
| | | - |
| **Net liability is bifurcated as follows :** | | - |
| Current | 222.61 | 140.91 |
| Non-current | 530.47 | 520.78 |
| **Net liability** | **753.08** | **661.69** |

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

(Rs. In Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| 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 Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Fair Value of Plan Assets | - | - |
| Present Value of Obligation | 753.08 | 661.69 |
| Amount Recognised in Balance Sheet Surplus/(Deficit) | **753.08** | **661.69** |

IV) **Expenses recognised during the year**

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **In Income Statement** | | |
| Current Service Cost | 133.35 | 121.09 |
| Interest Cost | 37.36 | 34.53 |
| Past Service Cost | | - |
| Return on Plan Assets | | - |
| Actuarial (Gain)/Loss | | - |
| **Net Cost** | **170.71** | **155.62** |
| | | |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain)/Loss | (25.90) | 72.78 |
| Return on Plan Assets | | |
| | | |
| **Net(Income)/Expenses for the year recognised in Other Comprehensive Income** | **(25.90)** | **72.78** |

V) **Investments details**

(Rs. in Lakhs)

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Government securities | - | - |
| Public Securities | - | - |
| Others | - | - |

VI) **Actuarial Assumptions**

| MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY) | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| | **(Ultimate)** | **(Ultimate)** |
| Discount rate (p.a.) | 5.65% | 5.65% |
| 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:**

(Rs. in Lakhs)

Indian gratuity plan:

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Assumptions -Discount rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | (732.18) | (637.42) |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | 775.40 | 687.89 |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | 775.55 | 688.06 |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | (731.86) | (637.05) |

MUMBAI-02
CHARTERED ACCOUNTANTS

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 Lakhs)**

| PARTICULARS | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 222.61 | 140.91 |
| Between 2 and 5 years | 334.99 | 257.81 |
| Beyond 5 years | 574.79 | 735.35 |
| **Total expected payments** | **1,132.39** | **1,134.06** |
| The weighted average duration of the defined benefit plan obligation at the end of the reporting period | 6 years | 8 years |

JESWANI & RATHORE * MUMBAI-02 * CHARTERED ACCOUNTANTS

## Note 30 : Earnings per share (EPS)

(Rs. in Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Face value per Equity Share (Rs)** | 10.00 | 10.00 |
| **Basic Earnings per Share (Rs)** | 0.42 | 16.25 |
| Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lakhss) | 96.96 | 3,793.55 |
| 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)** | 0.42 | 16.25 |
| Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lakhss) | 96.96 | 3,793.55 |
| 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 |

JESWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANT

## Note 31 : Financial Instruments

**Fair Value Measurement Hierarchy**
**As at March 31, 2021**

(Rs. in Lakhs)

| PARTICULARS | Carrying amount | | | | Fair Value Measurement Hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Investments in Mutual Fund | 1,626.71 | - | - | 1,626.71 | 1,626.71 | - | - | 1,626.71 |
| Trade Receivables | - | - | 11,583.99 | 11,583.99 | - | - | 11,583.99 | 11,583.99 |
| Cash and Cash Equivalents | - | - | 65.98 | 65.98 | - | - | 65.98 | 65.98 |
| Loans | - | - | 22.18 | 22.18 | - | - | 22.18 | 22.18 |
| Other Financial Assets | - | - | 221.54 | 221.54 | - | - | 221.54 | 221.54 |
| **Total Financial Assets** | 1,626.71 | - | 11,893.69 | 13,520.40 | 1,626.71 | - | 11,893.69 | 13,520.40 |
| **Financial Liabilities** | | | | | | | | |
| Non-Current Borrowings | - | - | 11,161.15 | 11,161.15 | - | - | 11,161.15 | 11,161.15 |
| Current Borrowings | - | - | 1,150.68 | 1,150.68 | - | - | 1,150.68 | 1,150.68 |
| Trade payables | - | - | 4,108.83 | 4,108.83 | - | - | 4,108.83 | 4,108.83 |
| Other Financial Liabilities | - | - | 2,127.57 | 2,127.57 | - | - | 2,127.57 | 2,127.57 |
| **Total Financial Liabilities** | - | - | 18,548.23 | 18,548.23 | - | - | 18,548.23 | 18,548.23 |

**As at March 31, 2020**

(Rs. in Lakhs)

| PARTICULARS | Carrying amount | | | | Fair Value Measurement Hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Investments in Mutual Fund | 270.00 | - | - | 270.00 | 270.00 | - | - | 270.00 |
| Trade Receivables | | - | 17,847.89 | 17,847.89 | - | - | 17,847.89 | 17,847.89 |
| Cash and Cash Equivalents | | - | 358.27 | 358.27 | - | - | 358.27 | 358.27 |
| Loans | | - | 30.18 | 30.18 | - | - | 30.18 | 30.18 |
| Other Financial Assets | | - | 205.87 | 205.87 | - | - | 205.87 | 205.87 |
| **Total Financial Assets** | 270.00 | - | 18,442.20 | 18,712.20 | 270.00 | - | 18,442.20 | 18,712.20 |
| **Financial Liabilities** | | | | | | | | |
| Non-Current Borrowings | | - | 11,894.33 | 11,894.33 | - | - | 11,894.33 | 11,894.33 |
| Current Borrowings | | - | 4,513.71 | 4,513.71 | - | - | 4,513.71 | 4,513.71 |
| Trade payables | | - | 7,323.66 | 7,323.66 | - | - | 7,323.66 | 7,323.66 |
| Other Financial Liabilities | | - | 2,895.24 | 2,895.24 | - | - | 2,895.24 | 2,895.24 |
| **Total Financial Liabilities** | | - | 26,626.94 | 26,626.94 | - | - | 26,626.94 | 26,626.94 |

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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MUMBAI-02
CHARTERED ACCOUNTANTS

**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 Stockist/ 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.

(Rs. In Lakhs)

**Ageing of Trade Receivables are as follows:**

| Due from the date of invoice | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-3 months | 9,642.55 | 12,086.02 |
| 3-6 months | 1,169.42 | 3,086.17 |
| 6 months to 12 months | 172.13 | 607.19 |
| beyond 12 months | 599.88 | 68.53 |
| **Total** | **11,583.99** | **17,847.89** |

**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.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Unutilized credit limit from bank (Rs. In Lakhs) | 9,039.53 | 5,762.81 |
| Current Ratio (In Times) | 3.54 | 2.15 |
| Liquid Ratio (In Times) | 1.80 | 1.18 |

**Contractual Maturity profile of Financial Liabilities:**

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:

(Rs. In Lakhs)

**As at March 31, 2021**

| PARTICULARS | As at March 31, 2021 | | | | | TOTAL |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | |
| **Financial Liabilities** | | | | | | |
| Borrowings | 1,203.50 | 105.64 | 1,431.79 | 158.46 | 9,412.43 | 12,311.83 |
| Trade payables | 4,108.83 | - | - | - | - | 4,108.83 |
| Other financial liabilities | 1,448.48 | 359.68 | 319.41 | - | - | 2,127.57 |
| | **6,760.81** | **465.33** | **1,751.20** | **158.46** | **9,412.43** | **18,548.23** |
| **Derivative liabilities** | - | - | - | - | - | - |
| TOTAL | **6,760.81** | **465.33** | **1,751.20** | **158.46** | **9,412.43** | **18,548.23** |

(Rs. In Lakhs)

**As at March 31, 2020**

| PARTICULARS | As at March 31, 2020 | | | | | TOTAL |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | |
| **Financial Liabilities** | | | | | | |
| Borrowings | 6,003.71 | - | 1,438.73 | 289.86 | 9,675.74 | 16,408.04 |
| Trade payables | 7,323.13 | - | 0.53 | - | - | 7,323.66 |
| Other financial liabilities | 1,990.70 | 426.35 | 403.73 | - | - | 2,920.78 |
| | **14,817.55** | **426.35** | **1,842.98** | **289.86** | **9,675.74** | **26,652.48** |
| **Derivative Liabilities** | 74.46 | - | - | - | - | 74.46 |
| TOTAL | **14,892.01** | **426.35** | **1,842.98** | **289.86** | **9,675.74** | **26,626.94** |

### 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 Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Interest Expense** | | |
| Loan from Banks | 382.69 | 673.94 |
| Unsecured loan from Directors & their relatives | 666.41 | 759.21 |
| Others | 76.54 | 129.05 |
| **Total** | 1,125.64 | 1,562.20 |

**(b) Sensitivity**

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

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 1% Change in increase in Interest Rate | 11.26 | 15.62 |
| 1% Change in decrease in Interest Rate | (11.26) | (15.62) |

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 of reporting date are:

(Rs. In Lakhs)

| PARTICUALRS | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | JPY | USD | EURO | GBP | JPY |
| **Financial assets** | | | | | | | | |
| Trade receivables | 2,627.35 | 57.91 | - | - | 1,591.91 | 120.90 | 33.87 | - |
| Other assets | 447.68 | 19.92 | - | 44.27 | 470.06 | 32.36 | - | 15.20 |
| | | | | | - | - | - | - |
| **Financial liabilities** | | | | | - | - | - | - |
| Trade payables | 611.19 | 243.77 | - | 15.31 | 754.36 | 357.08 | 0.37 | - |
| Other liabilities | 35.45 | - | - | - | 68.92 | - | 6.69 | - |
| | | | | | - | - | - | - |
| **Net Exposure** | 2,428.38 | (165.94) | - | 28.96 | 1,238.68 | (203.81) | 26.82 | 15.20 |

**SENSITIVITY ANALYSIS**

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

(Rs. In Lakhs)

| PARTICUALRS | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EURO | GBP | JPY | USD | EURO | GBP | JPY |
| **1% Depreciation in INR** | | | | | | | | |
| Impact on Profit & Loss | 24.28 | (1.66) | - | 0.29 | 12.39 | (2.04) | 0.27 | 0.15 |
| TOTAL | 24.28 | (1.66) | - | 0.29 | 12.39 | (2.04) | 0.27 | 0.15 |
| **1% Appreciation in INR** | | | | | | | | |
| Impact on Profit & Loss | (24.28) | 1.66 | - | (0.29) | (12.39) | 2.04 | (0.27) | (0.15) |
| TOTAL | (24.28) | 1.66 | - | (0.29) | (12.39) | 2.04 | (0.27) | (0.15) |

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.

MUMBAI-02.

**Note 33 : Movement in deferred tax**

**Movement in deferred tax balances for the year ended March 31st, 2021**

(Rs. in Lakhs)

| Particulars | As at April 1, 2020 | Recognised in profit or loss | Recognised in OCI | As at March 31, 2021 |
|---|---|---|---|---|
| **Defered Tax Assets(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | - | - | - | - |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | 166.53 | 29.52 | (6.52) | 189.53 |
| Expenses allowable on payment basis | 59.02 | 4.14 | - | 63.15 |
| B/F Loss and Unabsorbed depreciation | - | 46.90 | - | 46.90 |
| Others | 177.02 | (75.43) | - | 101.59 |
| **Deferred Tax Assets(Net)** | **402.57** | **5.13** | **(6.52)** | **401.18** |
| **Defered Tax Liabilities(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | 1,346.49 | 96.89 | - | 1,443.38 |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | - | - | - | - |
| Expenses allowable on payment basis | - | - | - | - |
| Others | - | - | - | - |
| **Deferred Tax Liabilities(Net)** | **1,346.49** | **96.89** | **-** | **1,443.38** |
| **Net Deferred tax Asset/ (Liabilities) Total (A)** | **(943.92)** | **(91.76)** | **(6.52)** | **(1,042.20)** |
| AMT-MAT Receivables | 1,002.53 | (984.83) | - | 17.70 |
| **Total (B)** | **1,002.53** | **(984.83)** | **-** | **17.70** |
| **Total (A+B)** | **58.61** | **(1,076.59)** | **(6.52)** | **(1,024.49)** |

**Movement in deferred tax balances for the year ended March 31, 2020**

(Rs. in Lakhs)

| Particulars | As at April 1, 2019 | Recognised in profit or loss | Recognised in OCI | As at March 31, 2020 |
|---|---|---|---|---|
| **Defered Tax Assets(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | - | - | - | - |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | 172.00 | (23.78) | 18.32 | 166.53 |
| Expenses allowable on payment basis | 136.20 | (77.18) | - | 59.02 |
| Others | 57.73 | 119.29 | - | 177.02 |
| **Deferred Tax Assets(Net)** | **365.93** | **18.33** | **18.32** | **402.57** |
| **Defered Tax Liabilities(Net) in relation to :** | | | | |
| Property,Plant and Equipment and other Intangibles Assets | 1,170.82 | 175.66 | - | 1,346.49 |
| Financial Assets | - | - | - | - |
| Provision for Gratuity | - | - | - | - |
| Expenses allowable on payment basis | - | - | - | - |
| Others | - | - | - | - |
| **Deferred Tax Liabilities(Net)** | **1,170.82** | **175.66** | **-** | **1,346.49** |
| **Net Deferred tax Asset/ (Liabilities) Total (A)** | **(804.89)** | **(157.34)** | **18.32** | **(943.92)** |
| AMT-MAT Receivables | 1,178.60 | (176.10) | - | 1,002.53 |
| **Total (B)** | **1,178.60** | **(176.10)** | **-** | **1,002.53** |
| **Total (A+B)** | **373.71** | **(333.44)** | **18.32** | **58.61** |

The above movement in unused Tax credit includes adjustment of MAT/AMT i.e., net of created and utilised MAT/AMT of Rs. 984.83 lakhs for the year ended March 31, 2021 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 liabilites 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.

MUMBAI-02

## Note 34 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current tax | 26.96 | 2,055.78 |
| Deferred income tax liability / (asset), net | 91.76 | 157.34 |
| Excess Provision of Tax | 1.34 | 7.16 |
| **Tax expense** | 120.07 | 2,220.28 |

(b) Amounts recognised in other comprehensive income

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Re-measurement on defined benefit liability | | |
| Before tax | 25.90 | (72.78) |
| Tax (expense)/ benefit | (6.52) | 18.32 |
| **Net of tax** | 19.38 | (54.46) |

(c) Reconciliation of effective income tax rate

(Rs. In Lakhs)

| PARTICULARS | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Profit before tax | 217.02 | 6,013.83 |
| Company's domestic tax rate | 25.17% | 34.94% |
| Income tax using the Company's tax rate | 54.62 | 2,101.47 |
| **Tax effect of:** | | |
| Permanent disallowances | 9.10 | (1.27) |
| Timming Difference | (66.80) | 67.83 |
| Tax on exempted Income | - | (136.27) |
| Deferred income tax liability / (asset), net | 138.66 | 157.34 |
| Excess Provision | 1.34 | 7.16 |
| Others | (16.85) | 24.02 |
| **Income tax as per Profit & Loss Account** | 120.07 | 2,220.28 |
| **Effective Tax Rate** | 55.33% | 36.92% |

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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) Key Managerial Personnel (KMP) | Khubilal J. Rathod<br>Vimalchand J. Rathod<br>Rajesh Rathod<br>Mohit Rathod<br>Sumit Rathod<br>Ratanchand Jivraj Oswal<br>Punit Saxena<br>Sangeeta Sethi<br>Rajnoosh Bhandari<br>Bishan Singh Rawat<br>Mayur Gala<br>Prakash Gupta<br>Vishal Chanda |
| (ii) Relatives of Key Managerial Personnel | Nirmala Rathod<br>Manjula Rathod<br>Sangita Rathod<br>Shalini Rathod<br>Sonal Rathod<br>Khemaya Rathod<br>Sunita Jain<br>Vimalchand Rathod (HUF)<br>Jayesh Jain |
| (iii) Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises): | Flair Pens Ltd.<br>Flair Kenya Ltd.<br>Pentel Stationery (India) Pvt. Ltd.<br>Flair Pen & Plastic Industries<br>Hauser Lifestyle Products<br>Rathod N Rathod |

(b) Transactions with Related Parties

(Rs. in Lakhs)

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | Sale of Goods | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 36.73 | 109.26 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 54.18 | 64.97 |
| | Flair Kenya Ltd. | | - | 92.98 |
| 2 | Purchase of Goods | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 145.59 | 406.63 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.22 | 26.90 |
| 3 | Purchase of Fixed Assets | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | - | 0.41 |
| 4 | Rent Expense | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 6.08 | 6.08 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 10.44 | 6.08 |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are | 158.01 | 156.32 |
| | Flair Pen & Plastic Industries | | 98.42 | 96.02 |
| | Rathod N Rathod | | 1.80 | 1.80 |
| | Nirmala Rathod | Relative of KMP | 22.26 | 22.92 |
| | Manjula Rathod | Relative of KMP | 22.26 | 22.92 |
| | Vimalchand Rathod (HUF) | Relative of KMP | 4.93 | 9.06 |
| | | | | - |
| 5 | Advertisement and Sales promotion expenses | | | - |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 22.01 | 195.68 |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 0.17 | - |
| 6 | Labour and Moulding Charges (Received) | | | |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.50 | 1.18 |
| 7 | Sales Incentives | | | |
| | Jayesh Jain | Relative of KMP | - | 5.79 |
| 8 | Re-imbursement of Expenses (Paid) | | | |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 9.70 | 15.00 |
| | Hauser Lifestyle Products | | - | 0.48 |

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| | | | | |
| 9 | **Re-imbursement of Expenses (Received)** | | | |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 2.70 | - |
| | | | | |
| 10 | **Interest Expenses** | | | - |
| | Khubilal J. Rathod | Key Managerial Personnel | 80.37 | 91.50 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 80.63 | 76.71 |
| | Rajesh Rathod | Key Managerial Personnel | 97.33 | 110.45 |
| | Mohit Rathod | Key Managerial Personnel | 100.15 | 121.31 |
| | Sumit Rathod | Key Managerial Personnel | 113.08 | 134.36 |
| | Nirmala Rathod | Relative of KMP | 31.40 | 40.73 |
| | Manjula Rathod | Relative of KMP | 8.18 | 8.61 |
| | Sangita Rathod | Relative of KMP | 61.53 | 67.79 |
| | Shalini Rathod | Relative of KMP | 67.09 | 75.61 |
| | Sonal Rathod | Relative of KMP | 24.48 | 27.83 |
| | Sunita Jain | Relative of KMP | 2.77 | 3.80 |
| | Kiemaya Rathod | Relative of KMP | 1.41 | 1.52 |
| | | | | |
| 11 | **Director/Managerial Remuneration** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 10.50 | 36.00 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 34.40 | 36.00 |
| | Rajesh Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Mohit Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Sumit Rathod | Key Managerial Personnel | 22.94 | 24.00 |
| | Mayur Gala | Key Managerial Personnel | 20.07 | 35.62 |
| | Vishal Chanda | Key Managerial Personnel | 1.29 | 5.99 |
| | Prakash Gupta | Key Managerial Personnel | 0.21 | - |
| | Jayesh Jain | Relative of KMP | 27.67 | 53.73 |
| | | | | |
| 12 | **Director Commission** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 12.00 | - |
| | | | | |
| 13 | **Sitting Fees** | | | |
| | Ratanchand Jivraj Oswal | Key Managerial Personnel | - | 1.30 |
| | Punit Saxena | Key Managerial Personnel | - | 1.20 |
| | Sangeeta Sethi | Key Managerial Personnel | 0.70 | 1.60 |
| | Rajneesh Bhandari | Key Managerial Personnel | - | 0.30 |
| | Bishan Singh Rawat | Key Managerial Personnel | 0.30 | 1.00 |
| | | | | - |
| 14 | **Loan Taken** | | | - |
| | Khubilal J. Rathod | Key Managerial Personnel | 97.50 | 97.70 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,225.58 | 261.25 |
| | Rajesh Rathod | Key Managerial Personnel | 84.68 | 409.45 |
| | Mohit Rathod | Key Managerial Personnel | 127.47 | 20.65 |
| | Sumit Rathod | Key Managerial Personnel | 274.12 | 124.70 |
| | | | | |
| 15 | **Loan Repaid** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 238.24 | 294.06 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,144.44 | 51.40 |
| | Rajesh Rathod | Key Managerial Personnel | 403.47 | 457.75 |
| | Mohit Rathod | Key Managerial Personnel | 562.85 | 272.51 |
| | Sumit Rathod | Key Managerial Personnel | 508.62 | 258.73 |
| | Nirmala Rathod | Relative of KMP | 12.15 | 112.68 |
| | Manjula Rathod | Relative of KMP | 30.57 | 31.50 |
| | Sangita Rathod | Relative of KMP | 30.18 | 35.95 |
| | Shalini Rathod | Relative of KMP | 42.71 | 31.41 |
| | Sonal Rathod | Relative of KMP | 21.13 | 24.91 |
| | | | | |

(c) **Outstanding balances as at the year**

(Rs. In Lakhs)

| Sr. No. | Nature of Balance Outstanding | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | **Trade Payables** | | | - |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 25.76 | 73.67 |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | - | 23.26 |
| | | | | |
| 2 | **Trade Receivables** | | | |
| | Pentel Stationery (India) Pvt. Ltd. | Other Related Party | 7.97 | - |
| | Hauser Lifestyle Products | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 52.40 | - |
| | Flair Kenya Ltd. | | - | 46.10 |
| | | | | |
| 3 | **Loan Outstanding (Liability)** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 1,170.91 | 1,237.52 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 1,332.41 | 1,176.91 |
| | Mohit Rathod | Key Managerial Personnel | 1,448.87 | 1,591.87 |
| | Rajesh Rathod | Key Managerial Personnel | 1,376.82 | 1,607.82 |
| | Sumit Rathod | Key Managerial Personnel | 1,653.69 | 1,783.89 |
| | Nirmala Rathod | Relative of KMP | 502.84 | 486.03 |
| | Manjula Rathod | Relative of KMP | 77.97 | 100.83 |
| | Sangita Rathod | Relative of KMP | 983.76 | 957.19 |
| | Shalini Rathod | Relative of KMP | 1,069.62 | 1,050.46 |
| | Sonal Rathod | Relative of KMP | 387.52 | 386.07 |

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| | Sunita Jain | Relative of KMP | 30.41 | 30.20 |
| | Kiemaya Rathod | Relative of KMP | 22.92 | 21.63 |
| | | | | |
| 4 | **Rent Payable** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | 2.73 | 1.37 |
| | Vimalchand J. Rathod | Key Managerial Personnel | 6.48 | 1.37 |
| | Nirmala Rathod | Relative of KMP | 16.09 | - |
| | Manjula Rathod | Relative of KMP | 11.76 | - |
| | Vimalchand Rathod (HUF) | Relative of KMP | - | 1.79 |
| | Flair Pens Ltd. | Enterprises over which Key Managerial Personnel are able to exercise significant influence | 36.61 | 31.20 |
| | Flair Pen & Plastic Industries | | 5.38 | 11.78 |
| | | | | |

JEEWANI & RATHORE
MUMBAI-02
CHARTERED ACCOUNTANTS

## 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 Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Gross Debt | 12,311.83 | 16,408.04 |
| Less: Cash and Cash Equivalents | 65.98 | 358.27 |
| **Net Debt (A)** | **12,245.85** | **16,049.77** |
| **Total Equity (As per Balance Sheet) (B)** | **26,158.28** | **26,041.94** |
| **Net Gearing Ratio (A/B)** | **0.47** | **0.62** |

## 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

## Note 38 : Corporate Social Responsibility Expenditure(CSR)

CSR amount required to be spent as per section 135 of the companies Act, 2013 during the year Rs. 142.14 Lakhs (Previous Year Rs. 132.57 Lakhs).

Amount spent during the year on :

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| 1) Construction/Acquisition of any asset | - | - |
| 2) On purpose other than (1) above | 121.78 | 11.05 |
| | **121.78** | **11.05** |

## Note 39 : Leases

Lease expenses which were recognized as other Expenses has been substituted with depreciation expense for right of use asset and finance cost for interest accrued on lease liability. The impact of adoption of this standard on Profits is as follows-

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| (A) Reduction in Lease Rental | (321.19) | (315.08) |
| (B) Increase in Depreciation | 253.05 | 253.05 |
| (C) Increase in Interest | 76.25 | 96.83 |
| **(D) Net Impact on Profit before Tax** | **(8.10)** | **(34.80)** |

**Note 40 : Capital and Other Commitments**

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| a) Letter of Credit | 10.47 | 212.93 |
| | | - |
| b) Estimated amount of contracts remaining to be executed on capital account and not provided for: | 256.35 | 594.88 |

**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 occurence or non-occurrence of one or more uncertain future events, not wholly within the control of the Entity.

(Rs. in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | | |
| a) Disputed Excise and Service Tax Matters | 25.35 | 12.07 |
| | | - |
| b) Income Tax Matters | 217.75 | 193.67 |
| | | - |
| c) GST | - | 551.47 |

The Company usually fulfils 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 : Scheme of Amalgamation**

The Board of Directors of Flair Distributor Private Limited ("Transferor Company") and Flair Writing Industries Limited ("Transferee Company") or the "Company") in their meeting held on 13th July, 2020 had approved a Scheme of Amalgamation ("Scheme") for merger of transferor companies with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date being 01st April, 2020. The said scheme is pending for the Honourable Members of National Company Law Tribunal, Mumbai Bench. The Effect of Scheme will be given when the scheme will be approved by Honourable Members of National Company Law Tribunal, Mumbai Bench.

JESWANI & RATHORE MUMBAI-02 CHARTERED ACCOUNTANTS

## Note 45 : 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 Lakhs)

| Name of the Entity | As at March 31, 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets Minus | | 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 | 99.32% | 25,958.25 | 63.68% | 61.75 | 100.00% | 19.38 | 69.73% | 81.13 |
| **Indian Subsidiary** | | | | | | | | |
| Flair Distributor Private Limited | 0.36% | 89.65 | -141.40% | (137.10) | 0.00% | - | -117.84% | (137.10) |
| **Indian Subsidiary** | | | | | | | | |
| Flair Writing Equipments Private Limited | 0.42% | 110.37 | 177.72% | 172.31 | 0.00% | - | 148.11% | 172.31 |
| **TOTAL** | 100% | 26,158.28 | 100% | 96.96 | 100% | 19.38 | 100% | 116.34 |
| **Non Controlling Interest** | - | - | - | - | - | - | - | - |

(Rs in Lakhs)

| Name of the Entity | As at March 31, 2020 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets Minus | | 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 | 99.37% | 25,877.13 | 100.41% | 3,809.17 | 100.00% | (14.45) | 100.42% | 3,754.71 |
| **Indian Subsidiary** | | | | | | | | |
| Flair Distributor Private Limited | 0.87% | 226.76 | 1.22% | 46.32 | - | - | 1.24% | 46.32 |
| **Indian Subsidiary** | | | | | | | | |
| Flair Writing Equipments Private Limited | -0.24% | (61.94) | -1.63% | (61.94) | - | - | -1.66% | (61.94) |
| **TOTAL** | 100% | 26,041.94 | 100% | 3,791.85 | 100% | (54.84) | 100% | 3,737.01 |
| **Non Controlling Interest** | - | - | - | - | - | - | - | - |

The above figures are after eliminating intra- group transactions and intra-group balances.

**Salient features of the financial Statements of Subsidiary (Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 -AOC-I)**

**Subsidiary**

| Name of Subsidiary | Flair Distributor Private Limited (Rs in Lakhs) | | Flair Writing Equipments Private Limited (Rs in Lakhs) | |
|---|---|---|---|---|
| **Reporting Period** | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| The Date since which Subsidiary was acquired | 20-Feb-17 | | 04-Nov-19 | |
| Reporting Currency | INR | INR | INR | INR |
| Equity Share Capital | 10.00 | 10.00 | 1.00 | 1.00 |
| Other Equity | 89.65 | 226.76 | 110.37 | -63.94 |
| Total Assets | 242.47 | 2,111.90 | 1,848.94 | 811.24 |
| Total Liabilities | 142.81 | 1,875.14 | 1,738.57 | 873.18 |
| Investments | - | 270.00 | - | - |
| Revenue from Operation/Total Income | 143.08 | 14,861.40 | 1,197.13 | 64.77 |
| Profit before Tax | (184.17) | 73.30 | 259.20 | (58.20) |
| Provision for Tax | (46.07) | 27.01 | 86.89 | 3.69 |
| Profit After Tax | (137.10) | 46.32 | 172.31 | (61.94) |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | (137.10) | 46.32 | 172.31 | (61.94) |
| Proposed Dividend | - | - | - | - |
| % of Share Holding | 100% | 100% | 100% | 100% |

**Note 46**

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

**As per our Report of even date**

**For Jeswani & Rathore**
**Chartered Accountants**
**(Firm Reg. No. 104332W)**

K.L. Rathore
(Partner)
M.No. 013857

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

Khubilal Rathod
Director
(DIN. 00122667)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Prakash Gupta
Company Secretary

Place: Mumbai
Date: 06/11/2021