7th ANNUAL REPORT
FOR THE YEAR ENDED 31-03-2023

FLAIR WRITING INDUSTRIES LIMITED

CIN: U51100MH2016PLC284727

63B/C, GOVERNMENT INDUSTRIAL ESTATE, CHARKOP, KANDIVALI (WEST), MUMBAI-400067

DIRECTOR'S REPORT

Dear Members,
FLAIR WRITING INDUSTRIES LIMITED

Your Directors have pleasure in presenting this 6th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2023.

1. Financial Summary or Performance of the Company

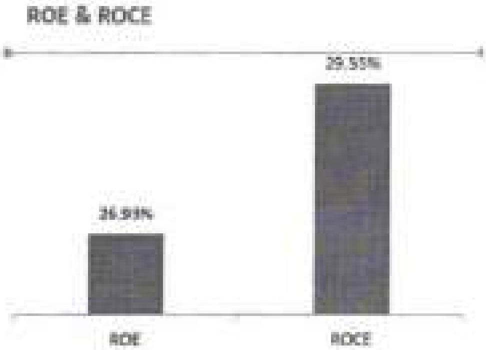
The Standalone and Consolidated Financial highlights of the Company's operations for the year ended March 31, 2023 are as follows:

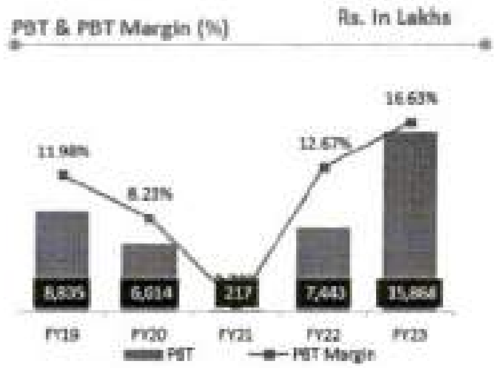
(Rs in Lakhs)

PARTICULARS	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	90387.17	55378.27	94265.99	57748.35
Other Income	1352.57	1082.77	1163.12	1015.81
Total Income	**91739.73**	**56461.04**	**95429.12**	**58764.15**
Earnings before Finance Cost, Tax and Depreciation	18424.40	10343.37	19514.36	10791.86
Less: Finance Cost	878.94	848.82	999.13	912.16
Less: Depreciation & Preliminary expenses written off	2420.08	2317.70	2734.14	2436.59
Profit / (Loss) before Taxation	**15125.38**	**7176.85**	**15781.09**	**7443.11**
Less: Provision for Taxation				
Current Tax	3946.91	1866.50	4049.79	1901.75
Deferred Tax	11.46	(77.06)	20.12	(79.29)
Tax adjustments for earlier year	7.24	(0.11)	7.24	(2.42)
Profit / (Loss) after Taxation	**11159.77**	**5387.53**	**11703.93**	**5623.07**
Add: Other Comprehensive Income	(16.01)	17.62	(16.01)	17.62
Total Comprehensive Income for the year	**11143.75**	**5405.14**	**11687.92**	**5640.68**
Transfer to General Reserve	NIL	NIL	NIL	NIL
Balance at the end of the year	**11143.75**	**5405.14**	**11687.92**	**5640.68**
Earnings per Equity Share of face value of Rs 10 each				
Basic(In Rs)	119.50	57.69	125.44	60.21
Diluted (In Rs)	119.50	57.69	125.44	60.21

Financial Performance of Flair Cyrosil Industries Private Limited (FCIPL), the subsidiary of the Company.

During the year under review, the Company has commenced manufacturing of steel bottles since March 2023. The Trail and Commercial production was successful and the products were approved by the esteemed customer. The Company has started its operations to fulfill the first commercial order at its unit in Valsad, Gujarat which is expected to deliver its first consignment in around June 2023. Hence the Company's Revenue from Operations in NIL during the year under review. The loss after Tax during the year was Rs. 81.01 Lakhs as compared to Rs. 45.02 Lakhs in the previous year.





3. Dividend

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

4. Share Capital

A. Authorised Capital:

The Authorised Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty-Five Crore) divided into 11,00,00,000 (Eleven Crore) Equity Shares of Rs. 5/- each.

During the year under review, pursuant to the approval on the merger scheme and order dated 17th February 2023 by the Hon'ble NCLT, the authorized share capital of wholly owned subsidiary- Flair Distributor Private Limited was combined with and added to the authorized share capital of our Company. Accordingly, the authorized share capital of our Company was increased from ₹300,000,000 divided into 30,000,000 Equity Shares of face value ₹10 each to ₹30,100,000 divided into 30,100,000 Equity Shares of face value ₹10 each.

The authorized share capital of our Company was increased from ₹301,000,000 divided into 30,100,000 Equity Shares of face value ₹10 each to ₹550,000,000 divided into 55,000,000 Equity Shares of face value of ₹10 each. Subsequently, the authorized share capital of our Company was sub-divided from equity shares of face value of ₹10 each to equity shares of face value of ₹5 each.

B. Paid up Capital:

During the year under review, Pursuant to resolutions passed by our Board at their meeting dated March 18, 2023 and the Shareholders at their extraordinary general meeting dated March 20, 2023, our Company has sub-divided 23,347,200 equity shares of face value of ₹10 each to 46,694,400 Equity Shares of face value of ₹5 each.

The Company has also allotted 46,694,400 bonus equity shares in the ratio of one Equity Share for every one Equity Share held by the Shareholders, authorized by a resolution passed by the Shareholders dated March 20, 2023 with the record date as March 24, 2023 by capitalization of the retained earnings and the securities premium account of our Company.

The Issued, Subscribed and Paid-up capital of the Company is ₹466,944,000/- divided into 93,388,800 Equity Shares of face value of ₹5/- each.

C. Issue of Shares with Differential Rights

The Company, under the provisions of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV], has not issued any shares with differential rights.

D. Issue of Sweat Equity Shares

The Company, under the provisions of Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014, has not issued any sweat equity shares.

E. Issue of Employee Stock Options

The Company, under rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, did not issue any shares with respect to any employee stock option scheme.

5. Details of subsidiary/joint ventures/associate companies

During the year under review, pursuant to the approval on the merger scheme and order dated 17th February 2023 by the Hon'ble NCLT, the wholly owned subsidiary M/s. Flair Distributor Private Limited is merged with Flair Writing Industries Limited. During the year, the Company has also acquired 90% of the equity shares of M/s. Flair Cyrosil Industries Private Limited.

The Company has two subsidiary companies viz. Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited. A Statement containing salient features of the financial statements of both subsidiaries is provided in the Annual Report is set out at 'Annexure 1' forming a part of this directors' report in a prescribed format of AOC-1.

6. 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 re-appointed as Statutory Auditors of the Company by the shareholders of the Company in its Sixth Annual General Meeting held on September 30, 2022, to hold office from the conclusion of the Sixth Annual General Meeting until the conclusion of the Seventh Annual General Meeting to be held in year 2023, for the period of one year.

The Auditor's Report for the Financial Year ended March 31, 2023 on the Financial Statements of the Company is part of this Annual Report and does not contain any reservation, qualification or adverse remark.

B. Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, The Company has obtained Secretarial Audit Report from M/s. Heena & Associates, Practicing Company Secretaries for the financial year 2022-23 is set out at 'Annexure 2' forming a part of this Report.

The Secretarial Audit Report for the financial year ended March 31, 2023 does not contain any reservation, qualification or adverse remark pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under.

C. Internal Auditors:

The Board of Directors of the Company has appointed M/s. ASA & Associates LLP, Chartered Accountants (Registered No. AAB- 7688) as the Internal Auditor of the Company for the Year 2022-23. The reports submitted by the Internal Auditor have been reviewed by the Statutory Auditor's and the Audit Committee on regular intervals.

D. Board's Comment on the Auditors' Report

There are no qualifications, reservations, adverse remarks or disclaimers made by the Auditors, in their Audit Report. None of the Auditors have not reported any reservation, qualification or adverse remark or any incident of fraud during the financial year 2022-23.

7. Directors and Key Managerial Personnel

a) Directors:

During the FY 2022-23 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	Appointment	May 04, 2022
2	Mr. Punit Saxena	01057161	Appointment	March 18, 2023
3	Mr. Manoj Vinod Lalwani	10077949	Appointment	March 18, 2023
4	Mrs. Sheetal Bhanot Shetty	10087870	Appointment	March 24, 2023

During the year under review, the Board of Directors comprises of Four Executive Directors, One Non-Executive Director and Five 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. Vimalchand Jugraj Rathod and Mr. Rajesh Khubilal Rathod, Directors of the Company 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. Prakash Gupta, an associate member from the Institute of Company Secretaries of India, holding Membership No. A54581, resigned with effect from 30th June 2022 from the Designation of Company Secretary and Compliance officer of the Company. Mr. Vishal Chanda was appointed as the Company Secretary and Compliance officer of the Company w.e.f. July 25, 2022.

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, 2023, 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, 2023 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:

7 (Seven) Meetings of the Board of Directors were held during the financial year ended March 31, 2023. 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	04th May 2022	6
2	25th July 2022	7
3	03rd September 2022	7
4	04th November 2022	6
5	30th January 2023	7
6	18th March 2023	7
7	24th March 2023	9

e) Disclosure of composition of Committee(s)

During the year under review, the Company has re-constituted Audit Committee, Nomination and Remuneration Committee and Corporate Responsibility Committee and the re-constitution of the Committees are in compliance with the provisions of Section 177, Section 178 and Section 135 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 provision of the Act.

Due to resignation of Independent directors, the Committees were reconstituted by the Board of Directors in the board meeting held on May 04, 2022 and the following are the present composition of the Committees:

Audit Committee:

Sr. No.	Name of the Directors	Category
1	Mr. Bishan Singh Rawat	Independent Director
2	Mr. Rajneesh Bhandari	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	04/05/2022	2
2	25/07/2022	2
3	03/09/2022	2
4	30/01/2023	3
5	18/03/2023	3

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	Mr. Rajneesh Bhandari	Independent Director

Meetings of Nomination and Remuneration Committee:

Sr. No.	**Date of Nomination and Remuneration Committee Meeting**	**No. of Directors Present**
1	04/05/2022	2
2	25/07/2022	2
3	18/03/2023	3

Corporate Social Responsibility (CSR) Committee

Company had re-constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Khubilal J. Rathod, Mr. Vimalchand J. Rathod and Mr. Rajneesh Bhandari. The CSR Committee met twice during the year on 05/05/2022 and 25/03/2023.

8. 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. The report on CSR activities for FY 2022-23 is provided in 'Annexure 5' forming part of this report.

9. 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 'Annexure 3' forming part of this report and Note 35 to the Standalone Financial Statements.

10. 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/

11. 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	434.54	28.68	365.45	11.16	107.82
2	Vimalchand Rathod	1,133.70	69.06	1,078.32	41.33	161.64
3	Rajesh Rathod	605.51	505.60	1,058.38	24.31	74.61
4	Mohit Rathod	765.64	267.70	998.92	16.93	49.66
5	Sumit Rathod	1,135.15	264.82	1,364.34	28.81	61.57
6	Nirmala Rathod	531.28	-	20.82	36.28	543.11
7	Manjula Rathod	82.41	-	5.54	5.47	81.79
8	Sangita Rathod	997.70	-	46.35	68.18	1,012.71
9	Shalini Rathod	1,093.41	-	61.85	74.35	1,098.47
10	Sonal Rathod	382.98	-	24.76	25.84	381.47
11	Sunita Jain	24.37	-	-	2.72	30.20
12	Keimaya Rathod	30.20	-	-	1.71	25.90

12. 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 2022-23, no cases under this mechanism were reported to the Company.

13. 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.

14. 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 4**' 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, 2023, except the order on the merger scheme of wholly owned subsidiary Flair Distributor Private Limited with Flair Writing Industries Limited which has been approved by the Hon'ble NCLT, Mumbai Bench on 17th February, 2023. 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 Draft Annual return in Form 'MGT-7' for the financial year ended March 31, 2023 to be filed with the ROC under the provisions of Section 92 of the Companies Act, 2013 will be uploaded and 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.

15. 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.

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	**Khubilal Jugraj Rathod**
Managing Director	**Chairman**
DIN: 00123007	**DIN: 00122867**

Place: Mumbai
Date: June 23, 2023

Annexure 1
Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details	Details
1.	Name of the subsidiary	Flair Cyrosil Industries Private Limited	Flair Writing Equipments Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	4,00,00,000.00	100,000.00
5.	Reserves & surplus	(1,22,02,108.62)	9,57,55,310.77
6.	Total assets	32,16,84,950.30	817190551.27
7.	Total Liabilities – Net Worth	29,38,87,059.25	721335239.72
8.	Investments	NIL	NIL
9.	Turnover	NIL	50,16,78,066.86
10.	Profit before taxation	(92,16,365.81)	7,32,69,757.45
11.	Provision for taxation	(15,16,230.86)	1,26,70,712.00
12.	Profit after taxation	(77,00,134.95)	6,05,99,045.45
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	90%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company do not have any associates and Joint Ventures Company during the year under review

Annexure 2
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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, 2023 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, 2023 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.

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. During the year under review, the Company has re-constituted Audit Committee, Nomination and Remuneration Committee and Corporate Responsibility Committee and the re-constitution of the Committees are in compliance with the provisions of Section 177, Section 178 and Section 135 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 provision of the Act. There is a resignation and appointment of Independent directors, the Committees were reconstituted by the Board of Directors in the board meeting held on May 04, 2022 and the following are the present composition of the Committees.

3. During the period under review, various e-forms have been filed with the Registrar of Companies, within the prescribed time with or without the additional fees 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 altered any provisions of the Memorandum of Association of the Company except Clause V pertaining to the Authorized Capital of the Company which was increase from Rs. 30,10,00,000/- to Rs. 55,00,00,000/- and the Company has complied with the provisions of the Act. and also not issued the bonus shares to the shareholders of the Company.

6. During the year under review, the Company has not altered its object clause.

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 as mentioned below:

Sr. No.	Name of Director	Designation	Appointment/ Resignation
1	Mr. Khubilal Jugraj Rathod	Chairman	No change
2	Mr. Vimalchand Jugraj Rathod	Managing Director	No change
3	Mr. Rajesh Khubilal Rathod	Executive Director	No change
4	Mr. Mohit Khubilal Rathod	Executive Director	No change

5	Mr. Sumit Rathod	Executive Director	No change
6	Mr. Bishan Singh Rawat	Independent Director	No change
7	Mr. Rajneesh Bhandari	Independent director	Appointment
8	Mr. Punit Saxena	Independent director	Appointment
9	Mr. Manoj Vinod Lalwani	Independent director	Appointment
10	Mrs. Sheetal Bhanot Shetty	Additional Director (Independent)	Appointment
11	Mrs. Sangita Rajesh Rathod	Non-Executive Director	Resignation

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. Company has conducted 7(seven) board meetings, 5(Five) meetings of audit committee, 3(Three) meetings of nomination and remuneration committee and 2(two) meetings of Corporate Social Responsibility (CSR) Committee during the financial year ended 31st March, 2023.

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.

We further report that there is a merger of wholly owned subsidiary with parent company Flair Writing Industries Limited took place with the approval of NCLT bench Mumbai during the period under review

For Heena & Associates

Sd/-
Heena Madan
M. No.: 40297; C.P. No.: 17010
Date: 14th June, 2023
Place: Mumbai
UDIN: A040297E000486369

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.

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 2022-23 is to be read along with this letter.

Management Responsibility

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

Auditor Responsibility

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

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

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

Disclaimer

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

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

For **Heena & Associates**

Sd/-
Heena Madan
M. No.: 40297; C.P. No.: 17010
Date: 14th June, 2023
Place: Mumbai
UDIN: A040297E000486369

Annexure 3

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	-			
b)	Nature of contracts/arrangements/ transaction	-	-	-	-
c)	Duration of the contracts/arrangements/ transaction	-	-	-	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-	-	-	-
e)	Justification for entering into such contracts or arrangements or transactions'	-	-	-	-
f)	Date of approval by the Board	NA	NA	NA	NA
g)	Amount paid as advances, if any	Nil	Nil	Nil	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	-	-	-	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details					
a)	Name (s) of the related party & nature of relationship	**Flair Writing Equipments Private Limited**					
b)	Nature of contracts/arrangements/transaction	Sale of Goods / Sale of Licenes / Sale of Fixed Asstes	Purchase of Goods / Advertisement and Sales promotion expenses	Loan Given	Loan Received	Rent Income	Interest Income
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 76.78 Millions	Business Transaction Rs 38.97 Millions	Business Transaction Rs 234.00 Millions	Business Transaction Rs 49.00 Millions	Business Transaction Rs 4.44 Millions	Business Transaction Rs 16.75 Millions
e)	Date of approval by the Board	NA	NA	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil

3. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	**Flair Cyrosil Industries Private Limited**			
b)	Nature of contracts/arrangements/transaction	Interest Income	Re-imburesement of Expenses (Received)	Loan Given	Loan Received

SL. No.	Particulars	Details			
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 3.24 Millions	Business Transaction Rs 0.19 Millions	Business Transaction Rs 172.23 Millions	Business Transaction Rs 14.62 Millions
e)	Date of approval by the Board	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

4. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Flair Pen & Plastic Industries**
b)	Nature of contracts/arrangements/transaction	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 10.14 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

5. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details		
a)	Name (s) of the related party & nature of relationship	**Flair Pens Limited**		
b)	Nature of contracts/arrangements/transaction	Rent Expenses	Re-imburesement of Expenses (Received)	Re-imburesement of Expenses (Paid)
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 16.04 Millions	Business Transaction Rs 0.01 Millions	Business Transaction Rs 1.20 Millions
e)	Date of approval by the Board	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil

6. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Pentel Stationery (India) Private Limited**	
b)	Nature of contracts/arrangements/transaction	Sale of Goods	Purchase of Goods
c)	Duration of the contracts/arrangements/transaction	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 13.30 Millions	Business Transaction Rs 60.45 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

7. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Hauser Lifestyle Products**	
b)	Nature of contracts/arrangements/ transaction	Sale of Goods	Purchase of Goods / Purchase of Licenes / Purchase of Fixed Assets / Advertisement and Sales promotion expenses
c)	Duration of the contracts/arrangements/ transaction	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 6.68 Millions	Business Transaction Rs 35.47 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

8. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Rathod N Rathod**
b)	Nature of contracts/arrangements/transaction	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.18 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

9. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	**Particulars**	**Details**					
a)	Name (s) of the related party & nature of relationship	**Khubilal J. Rathod**					
b)	Nature of contracts/arrangements/transaction	Director/Managerial Commission	Interest Expenses	Re-imburesement of Expenses (Paid)	Loan Repaid	Loan Taken	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 4.80 Millions	Business Transaction Rs 1.12 Millions	Business Transaction Rs 0.11 Millions	Business Transaction Rs 36.54 Millions	Business Transaction Rs 2.87 Millions	Business Transaction Rs 0.64 Millions
e)	Date of approval by the Board	NA	NA	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil

10. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	**Particulars**	**Details**					
a)	Name (s) of the related party & nature of relationship	**Vimalchand J. Rathod**					
b)	Nature of contracts/arrangements/transaction	Director/ Managerial Remuneration	Interest Expenses	Re-imburesement of Expenses (Paid)	Loan Repaid	Loan Taken	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going	On going	On going

SL. No.	Particulars	Details					
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 4.20 Millions	Business Transaction Rs 4.13 Millions	Business Transaction Rs 0.09 Millions	Business Transaction Rs 107.83 Millions	Business Transaction Rs 6.91 Millions	Business Transaction Rs 1.59 Millions
e)	Date of approval by the Board	NA	NA	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil

11. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	**Rajesh Rathod**			
b)	Nature of contracts/arrangements /transaction	Director/Managerial Remuneration	Loan Repaid	Loan Taken	Interest Expenses
c)	Duration of the contracts/arrangements /transaction	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 6.00 Millions	Business Transaction Rs 105.84 Millions	Business Transaction Rs 50.56 Millions	Business Transaction Rs 2.43 Millions
e)	Date of approval by the Board	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

12. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	**Mohit Rathod**			
b)	Nature of contracts/arrangements/transaction	Director/Managerial Remuneration	Loan Repaid	Loan Taken	Interest Expenses

c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 6.00 Millions	Business Transaction Rs 99.89 Millions	Business Transaction Rs 26.77 Millions	Business Transaction Rs 1.69 Millions
e)	Date of approval by the Board	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

13. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details			
a)	Name (s) of the related party & nature of relationship	**Sumit Rathod**			
b)	Nature of contracts/arrangements/transaction	Director/Managerial Remuneration	Loan Repaid	Loan Taken	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 6.00 Millions	Business Transaction Rs 136.43 Millions	Business Transaction Rs 26.48 Millions	Business Transaction Rs 2.88 Millions
e)	Date of approval by the Board	NA	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

14. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Shalini Rathod**	
b)	Nature of contracts/arrangements/transaction	Loan Repaid	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 6.19 Millions	Business Transaction Rs 7.43 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

15. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Sangita Rathod**	
b)	Nature of contracts/arrangements/transaction	Loan Repaid	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 4.64 Millions	Business Transaction Rs 6.82 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

16. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details		
a)	Name (s) of the related party & nature of relationship	**Nirmala Rathod**		
b)	Nature of contracts/arrangements/transaction	Interest Expenses	Loan Repaid	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 3.63 Millions	Business Transaction Rs 2.08 Millions	Business Transaction Rs 2.28 Millions
e)	Date of approval by the Board	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil

17. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Sonal Rathod**	
b)	Nature of contracts/arrangements/transaction	Loan Repaid	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 2.48 Millions	Business Transaction Rs 2.58 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

18. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	**Particulars**	**Details**		
a)	Name (s) of the related party & nature of relationship	**Manjula Rathod**		
b)	Nature of contracts/arrangements/transaction	Interest Expenses	Loan Repaid	Rent Expenses
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.55 Millions	Business Transaction Rs 0.55 Millions	Business Transaction Rs 2.28 Millions
e)	Date of approval by the Board	NA	NA	NA
f)	Amount paid as advances, if any	Nil	Nil	Nil

19. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	**Particulars**	**Details**
a)	Name (s) of the related party & nature of relationship	**Kiemaya Rathod**
b)	Nature of contracts/arrangements/transaction	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.17 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

20. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	**Particulars**	**Details**
a)	Name (s) of the related party & nature of relationship	**Rajneesh Bhandari**
b)	Nature of contracts/arrangements/transaction	Sitting Fees
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.13 Millions

e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

21. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Mayur Gala**
b)	Nature of contracts/arrangements/transaction	Director/Managerial Remuneration
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 3.93 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

22. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Vishal Chanda**
b)	Nature of contracts/arrangements/transaction	Director/Managerial Remuneration
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.81 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

23. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Bishan Singh Rawat**
b)	Nature of contracts/arrangements/transaction	Sitting Fees
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.16 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

24. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	**Jayesh Jain**	
b)	Nature of contracts/arrangements/transaction	Director/Managerial Commission	Director/Managerial Remuneration
c)	Duration of the contracts/arrangements/transaction	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 10.42 Millions	Business Transaction Rs 2.81 Millions
e)	Date of approval by the Board	NA	NA
f)	Amount paid as advances, if any	Nil	Nil

25. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Manoj Lalwani**
b)	Nature of contracts/arrangements/transaction	Sitting Fees
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.02 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

26. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Prakash Gupta**
b)	Nature of contracts/arrangements/transaction	Director/Managerial Remuneration
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.07 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

27. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Punit Saxena**
b)	Nature of contracts/arrangements/transaction	Sitting Fees
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.02 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

28. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Sunita Jain**
b)	Nature of contracts/arrangements/transaction	Interest Expenses
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Business Transaction Rs 0.27 Millions
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	Nil

'ANNEXURE 4' 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 continuously 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 31.03.2022	Year Ended 31.03.2023
Actual Foreign Exchange Earnings	13456.38	18771.30
Actual Foreign Exchange Outgo	10289.64	16480.84

For and on behalf of the Board of Directors

Vimalchand Jugraj Rathod
Managing Director
DIN: 00123007

Khubilal Jugraj Rathod
Chairman
DIN: 00122867

Place: Mumbai
Date: June 23, 2023

Annexure IV

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2022-23.

1. **Brief outline on the CSR policy of the Company.**

FLAIR's CSR Policy is aimed at helping the community through its focus on Work Force development, Education/Promoting or enhancing Literacy levels, sanitation and creating awareness of general hygiene, providing health care services to the needy, promotion of healthy life style, energy conservation etc. The FLAIR's CSR policy is framed to cover activities, projects and programs for the primary benefit of the underprivileged segment of the society. During the financial year 2022-23, various CSR activities were undertaken by the Company directly or through implementing agency.

The CSR Policy of the Company has been framed in consonance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 including amendments thereof under Section 135 of the Companies Act, 2013. During the financial year 2022-23, various CSR activities were undertaken by the Company such as distribution of Laptops to promote education and skill development including scholarships, providing facility in Schools and aganwadis, etc.

2. **Composition of the CSR Committee**

Company had re-constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Khubilal J. Rathod, Mr. Vimalchand J. Rathod and Mr. Rajneesh Bhandari. The CSR Committee met twice during the year on 05/05/2022 and 25/03/2023.

S. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Khubilal J. Rathod	Chairperson, Non-Executive Director	2	2
2.	Mr. Vimalchand J. Rathod	Member, Managing Director	2	2
3.	Mr. Rajneesh Bhandari	Member, Independent Director	2	0

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Composition of CSR committee, CSR Projects and the contents of CSR policy approved by the Board of the Company, is available on website of the Company www.flairpens.com

4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	**Not Applicable**
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	**Not Applicable**

SR. No.	Financial Year	Amount available for set-off from preceding financial years(in ₹)	Amount required to be set off for the financial years(in ₹)
1	NA	Nil	Nil

6.	Average net profit of the company as per section 135(5)	₹ **40,50,90,800/-**
7.	(a) Two percent of average net profit of the company as per section 135(5)	**₹ 89,01,816/-**
	(b) Surplus arising out of CSR projects or programmes or activities of the previous financial years.	**Nil**
	(c) Amount required to be set off for the financial year, if any	**Nil**
	(d) Total CSR obligation for the financial year (7a+7b-7c).	**₹ 89,01,816/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹.)	**Amount Unspent (in ₹)**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).**		
	Amount.	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
98,40,200	NIL	Not Applicable	NIL	NIL	Not Applicable

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the project.**		**Project duration**	**Amount allocated for the project (in ₹).**	**Amt. Spent in Current Financial Year**	**Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹).**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation- Through Implementing Agency**	
				State	**District**						**Name**	**CSRN**
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the projects	Mode of Implementation Direct	Mode of Implementation- through Implementing Agency	
			(Yes/ No)	State	District	(in ₹)	(Yes/ No)	Name	CSRN
1	No such Name	Welfare of Children	No	Daman & Diu	DNH & DD JJ Fund, Dadra and nagar haveli	3,07,200	No	Varkund Anganwadi/ Nandaghar	-
3	No such Name	Skill Development of Differently Abled Children School	Yes	Maharashtra	Bhiwandi, Thane	2,00,000	No	Shree Nakoda Karna Badhir Vidyalaya	CSR00016683
4	No such Name	Promoting Education	Yes	Maharashtra	Nasik	25,00,000	No	K. K. Wagh Education Society	CSR00012377
5	No such Name	Construction of Gaushala	No	Daman & Diu	DNH & DD JJ Fund, Dadra and Nagar Haveli	3,00,000	No	Shri Balaji Enterprise	-
6	E-SHIKSHA	Laptop distribution – for promoting Education	Yes	Maharashtra	Bhiwandi, Thane	65,33,000	Yes	Swayam Siddhi Mitra Sangh	NA
						98,40,200			

(d) Amount Spent in Administrative Overheads **Nil**

(e) Amount spent on Impact Assessment, if applicable **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) **₹98,40,200/-**

(g) Excess amount for set off, if any **Not Applicable**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹.)	Amount spent in the reporting Financial Year (in ₹.)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	NIL	NIL	NIL	NIL	NIL	NIL
2.	2020-21	**1,15,97,760**	NIL	NIL	NIL	NIL	**1,15,97,760**
3.	2021-22	NIL	**1,15,97,760**	NIL	NIL	NIL	NIL
	TOTAL	**1,15,97,760**	**1,15,97,760**	NIL	NIL	NIL	**1,15,97,760**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year (in ₹.)	Status of the project- Completed / ongoing
1.	**Nil**							

10. In case of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	
1. Details relating to the asset created through CSR spent in the financial year (asset-wise details).	
(a) Date of creation or acquisition of the capital asset(s)	**None**
(b) Amount of CSR spent for creation or acquisition of capital asset	**Nil**
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	**Not Applicable**
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	**Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profits as per Section 135 (5)	**Not Applicable**

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of Flair Writing Industries Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **FLAIR WRITING INDUSTRIES LIMITED** ("the Company"), which comprise Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profits including other comprehensive income, its cash flows and changes in equity 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

JESWANI & RATHORE
MUMBAI
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Sr. No.	Key Audit Matter	Auditor's Response
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, 2023, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 4.97 millions which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 15.91 millions 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 Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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 Responsibilities for the Standalone Financial Statements

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

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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.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

• Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements, that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work and

(ii) to evaluate the effect of any identified misstatement in the Standalone Financial Statements.

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

MUMBAI

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31,2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 book;

c) The Balance sheet, the Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representation received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"** to this report;

g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h) With respect to the matters to be included in the Auditor's report in accordance with the 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. [Refer Note 41 to Standalone Financial Statements]

(ii) The Company did not have any long-term contracts, including derivative contracts for which could result in any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

(iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35 in the Standalone Financial Statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 35 in the Standalone Financial Statement, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv) (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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 CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M. No: 115126
UDIN: 23115126BGYBRX6062
Place: Mumbai
Date: June 23, 2023

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

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Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Flair Writing Industries Limited

(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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **Flair Writing Industries Limited** ("the Company") as of **March 31, 2023**, 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI.

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 with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 with reference to these Standalone Financial Statements

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and;
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, 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 issued by the ICAI

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M. No: 115126
UDIN: 23115126BGYBRX6062
Place: Mumbai
Date: June 23, 2023

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CHARTERED ACCOUNTANTS

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Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Flair Writing Industries Limited
(Referred to in paragraph 2. under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. **In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(ii) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a phased program for physical verification of the Property, Plant and Equipment and right-of-use assets for all locations. In our opinion, the frequency of verification is reasonable considering the size of the company and nature of its Property, Plant and Equipment and right-of-use assets. Physical verification of the assets has been carried out by the management during the year pursuant to the programme in that respect and no material discrepancies were noticed during such verification.

c) On the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the Standalone Financial Statements are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.

e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

a) The inventory, except Goods-in-transit and stock lying with third parties, have been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

b) As disclosed in Note 13 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets and movable Property, Plant and Equipment. In our opinion, the quarterly statements filed by the company with such banks are not in agreement with the books of account of the Company and the details are as follows:

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Quarter ended on	Amount as per books of accounts (Rs. in millions)	Amount as reported in the statements (Rs. in millions)	Difference (Rs. in millions)	Reason for discrepancies
March 31, 2023	3,128.88	3,064.08	64.81	As explained by the management, the quarterly statements submitted with banks were prepared on provisional basis and filed before the completion of all financial statement closure which led to these differences.
December 31, 2022	3,094.25	3,010.11	84.15	
September 30, 2022	2,834.43	2,805.57	28.86	
June 30, 2022	2,890.11	2,861.34	28.76	

iii. (a) During the year the Company has provided loans, advances in the nature of loans, provided guarantee and security to companies as follows:

Particulars	Loans (Rs. In millions)
Aggregate amount granted/ provided during the year -Subsidiaries	406.23
Balance outstanding as at balance sheet date in respect of above case - Subsidiaries	494.25

(b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to companies which are overdue for more than ninety days except the loans given to the subsidiaries Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private limited.

(e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.

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vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Thus reporting under clause (vi) of paragraph 3 of the order is not applicable to the Company.

vii. (a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the Statute	Nature of dues	Amount (In Rs)	Period to which 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, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	5,07,780	2014-15	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	10,65,361	2015-16	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	12,80,178	2016-17	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (FWIL-DDN)	Central Sales Tax	73,629	2016-17	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	30,15,298	2017-18	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Office of the Commissioner of CGST, Ahmedabad-South (FDPL)	Goods and Service Tax	2,58,42,080	July 2017 to March 2020	Additional Commissioner, (Common Adjudicating Authority), CGST & Excise, Ahmedabad South, Ahmedabad
Office of the Commissioner of CGST, Ahmedabad-South	Goods and Service Tax	2,61,47,749	July 2017 to September 2020	Additional Commissioner, (Common Adjudicating Authority), CGST & Excise, Ahmedabad South, Ahmedabad
Income tax act 1961(FIIPL)	Income Tax	1,33,730	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPPIPL)	Income Tax	1,22,630	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPPUKPL)	Income Tax	38,930	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPSIPL)	Income Tax	20,32,370	2017-18	Jurisdiction Assessing officer
Income tax act 1961(NPPUK)	Income Tax	1500	2016-17	Jurisdiction Assessing officer
Income tax act 1961(NPPUK)	Income Tax	5,22,450	2017-18	Jurisdiction Assessing officer

Income tax act 1961(FPSI)	Income Tax	6,09,190	2015-16	Jurisdiction Assessing officer
Income tax act 1961(FPSI)	Income Tax	3,52,030	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FIC)	Income Tax	52,420	2010-11	Jurisdiction Assessing officer
Income tax act 1961(FWI)	Income Tax	10,67,430	2016-17	Jurisdiction Assessing officer
Income tax act 1961(FWI)	Income Tax	1,65,16,660	2017-18	Jurisdiction Assessing officer
Income tax act 1961	Income Tax	10,53,830	2017-18	Jurisdiction Assessing officer
Income tax act 1961	Income Tax	2,07,21,060	2018-19	Commissioner of Income-Tax (Appeals)
Income tax act 1961	Income Tax	2,77,930	2020-21	Jurisdiction Assessing officer
Income tax act 1961	Income Tax	33,63,100	2021-22	Jurisdiction Assessing officer

viii. The Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account. in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to any banks and related parties during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) The Company has utilised the money obtained by way of term loan during the year for the purposes for which they were obtained.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short term basis have been used for long term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associate or joint ventures as defined under Companies Act, 2013. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable to the Company.

(f) The Company has not raised any funds during the year on the pledge of securities held in its subsidiaries, joint ventures or associates Companies. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditor) Rules, 2014 with Central Government.

(c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints were received by the company during the year. Accordingly, reporting under clause (xi) (c) of paragraph 3 of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable to the company.

xiii. Transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the Note 35 of Standalone Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company for the period under audit issued till date in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence requirement to report on clause (xv) of paragraph 3 of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause (xvii)(c) of paragraph 3 of the Order is not applicable to the Company.

(d)There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of statutory auditor during the year. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in Note 43 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

MUMBAI
CHARTERED ACCOUNTANTS

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Hence reporting under clause (xx) (a) and (xx) (b) of paragraph 3 of the Order is not applicable to the Company.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M. No: 115126
UDIN: 23115126BGYBRX6062
Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Balance Sheet as at March 31, 2023

(Rs. in millions)

	PARTICULARS	NOTES	As at March 31, 2023	As at March 31, 2022
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	1,967.36	1,745.75
b)	Capital Work in Progress	1	16.00	0.86
c)	Intangible Assets	1	19.95	23.53
d)	Right-of-Use of Leased Assets	1	13.55	35.91
e)	Financial Assets			
	i) Investments	2	36.10	1.10
	ii) Loans	3	0.29	0.36
	iii) Other Financial Assets	4	23.18	20.30
f)	Current Tax Assets (Net)	5	0.54	0.22
g)	Other Non-Current Assets	6	121.82	39.12
	Total Non-Current Assets		**2,198.82**	**1,867.14**
	Current Assets			
a)	Inventories	7	1,864.89	1,787.20
b)	Financial Assets			
	i) Trade Receivables	8	1,617.35	1,414.65
	ii) Cash and Cash Equivalents	9	6.26	3.13
	iii) Bank Balance other than (ii) above	10	0.05	0.05
	iv) Loans	3	497.35	143.63
	v) Other Financial Assets	4	4.24	2.74
c)	Other Current Assets	6	150.01	171.52
	Total Current Assets		**4,140.15**	**3,522.91**
	Total Assets		**6,338.96**	**5,390.06**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	11	466.94	233.47
b)	Other Equity	12	3,792.84	2,903.17
	Total Equity		**4,259.78**	**3,136.64**
	Liabilities			
I	**Non-Current Liabilities**			
a)	Financial Liabilities			
	i) Borrowings	13	347.69	697.11
	ii) Lease Liabilities	14	15.96	13.59
	iii) Other Financial Liabilities	15	2.60	13.04
b)	Provisions	16	63.01	60.60
c)	Deferred Tax Liabilities (Net)	17	93.34	97.56
d)	Other Non-Current Liabilities	18	2.60	3.19
	Total Non-Current Liabilities		**525.20**	**885.08**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	13	621.09	486.66
	ii) Lease Liabilities	14	0.59	30.08
	iii) Trade Payables			
	Due to Micro and Small Enterprises	19	160.00	142.65
	Due to other than Micro and Small Enterprise	19	349.11	331.61
	iv) Other Financial Liabilities	15	179.29	164.74
b)	Provisions	16	74.10	54.13
c)	Other Current Liabilities	18	87.04	75.32
d)	Current Tax Liabilities (Net)	20	82.76	82.96
	Total Current Liabilities		**1,553.98**	**1,368.34**
	Total Liabilities		**2,079.18**	**2,253.42**
	Total Equity and Liabilities		**6,338.96**	**5,390.06**

Significant Accounting Policies

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

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Statement of Profit & Loss for the year ended March 31, 2023

(Rs. in millions)

PARTICULARS		NOTES	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME				
Revenue from Operations		21	9,038.72	5,537.83
Other Income		22	135.26	108.28
Total Income	(A)		**9,173.97**	**5,646.10**
EXPENSES				
Cost of Material Consumed		23	4,794.28	3,208.99
Purchase of Traded Items		24	61.65	44.14
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		25	94.56	(290.04)
Employee Benefits Expense		26	1,123.95	850.75
Finance Costs		27	87.89	84.88
Depreciation/Amortisation Expense		1	242.01	231.77
Other Expenses		28	1,257.09	797.94
Total Expenses	(B)		**7,661.44**	**4,928.42**
Profit Before Tax	(C=A-B)		**1,512.54**	**717.68**
Tax Expense				
Current Tax			394.69	186.65
Deferred Tax		17	1.15	(7.71)
Tax adjustments for Earlier Years			0.72	(0.01)
Total Tax Expense	(D)		**396.56**	**178.93**
Profit for the Year	(E=C-D)		**1,115.98**	**538.75**
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
i) Actuarial Loss on Defined Benefit Plan			(2.14)	2.35
ii) Income Tax on the above			0.54	(0.59)
Items that will be reclassified to Statement of Profit Or Loss				
Total Other Comprehensive Income for the Year (Net of Tax)	(F)		**(1.60)**	**1.76**
Total Comprehensive Income for the Year	(G=E+F)		1,114.38	540.51
Earnings Per Equity Share of face value of Rs. 5/- each				
Basic (in Rs.)		30	11.95	5.77
Diluted (in Rs.)		30	11.95	5.77

Significant Accounting Policies

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

As per our attached Report of even date

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

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Statement of Changes in Equity

a. Equity share capital

(Rs. in millions)

Particulars	Equity Share Capital
Opening Balance as at April 01, 2021	233.47
Changes during the year ended March 31, 2022	-
Balance as at April 01, 2022	**233.47**
Add: Issue of bonus shares	233.47
Balance as at March 31, 2023	**466.94**

b. Other equity

(Rs. in millions)

Particulars	Reserve & Surplus		Other Reserve	Total
	Retained Earning	Share Premium	Other Comprehensive Income	
Balance as at April 1, 2021	2,197.04	195.64	(30.52)	2,362.15
Add : Profit for the period	538.75	-	-	538.75
Add: Amortization Expenses of Lease deposit of earlier Years	0.50	-	-	0.50
Less : Other Comprehensive Income	-	-	1.76	1.76
Balance as at March 31, 2022	**2,736.29**	**195.64**	**(28.76)**	**2,903.17**
Add : Profit for the period	1,115.98	-	-	1,115.98
Add: Transfer on account of merger from Flair Distributor Private Limited	8.77	-	-	8.77
Less : Issue of Bonus share#	(37.84)	(195.64)	-	(233.47)
Less : Other Comprehensive Income	-	-	(1.60)	(1.60)
Balance as at March 31, 2023	**3,823.20**	**-**	**(30.36)**	**3,792.84**

The paid-up capital on account of Bonus issue of Rs. 195.64 millions has been appropriated from Securities Premium account remaining Rs. 37.84 millions from Retained Earnings.

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

JEEWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Jugraj

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

MDhale

Mayur Gala
Chief Financial Officer

Vishal Chanda

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Statement of Cash Flows for the year ended March 31, 2023

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Year	1,512.54	717.68
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		
Depreciation Expenses	242.01	231.77
Interest Expenses	85.16	79.60
Interest on Leased Assets	2.73	5.29
Provision For Doubtful Debts	10.33	1.83
Profit on sales of Liquid Fund	-	(3.08)
Interest Income	(24.51)	(12.44)
Profit/(Loss) of sales of Property, Plant and Equipment	0.01	(0.32)
Changes in Assets and Liabilities		
(Increase)/Decrease in Inventories	(77.69)	(303.35)
(Increase)/Decrease in Trade Receivables	(213.04)	(315.41)
(Increase)/Decrease in Loans	(353.66)	(0.37)
(Increase)/Decrease in Other Financial Assets	(4.38)	(1.24)
(Increase)/Decrease in Other Non-Current/Current Assets	(61.45)	(39.65)
Increase/(Decrease) in Trade Payables	54.86	93.35
Increase/(Decrease) in Other Financial Liabilities	4.11	30.40
Increase/(Decrease) in Provisions	30.78	17.19
Increase/(Decrease) in Other Non-Current/Current Liabilities	14.63	32.83
Cash Generated From Operations	**1,212.41**	**333.96**
Income Taxes Paid	(424.74)	(103.69)
NET CASH GENERATED BY OPERATING ACTIVITIES	**787.68**	**230.27**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Subsidiary Company	(35.00)	-
Purchase of Property, Plant and Equipment and Intangible Asset	(454.17)	(287.32)
Sales of Property, Plant and Equipment and Intangible Asset	4.33	28.82
Purchase of Mutual Fund	-	(722.46)
Sale of Mutual Fund	-	888.21
Interest Income	24.51	12.44
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	**(460.33)**	**(80.31)**
CASH FLOW FROM FINANCING ACTIVITIES		
Reserve transfer on account of merger	8.77	-
Loan Taken/(Repaid)	(214.99)	(40.48)
Interest on Loan	(85.16)	(79.60)
Payment of Lease Rent	(32.85)	(32.73)
NET CASH USED IN FINANCING ACTIVITIES	**(324.23)**	**(152.81)**
Net Increase/(Decrease) in Cash and Cash Equivalents	3.13	(2.84)
Cash and Cash Equivalents at the Beginning of the Year	3.13	5.97
Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6.26**	**3.13**

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 44)**

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

1. CORPORATE INFORMATION

Flair Writing Industries Limited ('the Company') 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 Six (6) manufacturing units. The Company is engaged in manufacturing of writing instruments, stationeries and other allied(s).

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, exceot 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 milions or decimal thereof, unless otherwise stated.

2.2. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

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

Estimates and assumptions are required in particular for:

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

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

- **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

JESWANI & RATHORE MUMBAI 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 impairment provision for non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) 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.

- **Recognition of Deferred Tax Assets and Liabilities**

  Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

be recognised, based upon the likely timing and the level of future taxable profits and business developments.

2.3. PROPERTY,PLANT AND EQUIPMENT (PPE)

i. **Tangible Assets**

- **Freehold Land**

  Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

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

  Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

ii. **Intangible assets**

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

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

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

iv. **Depreciation/Amortisation** :

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the 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:

MUMBAI CHARTERED ACCOUNTANTS

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

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.

MUMBAI CHARTERED ACCOUNTANTS

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 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

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measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

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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 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, Credit under MEIS, RODTEP 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.

- **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 assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

  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.

2.10. 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.

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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.

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.

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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.

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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 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.

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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 Subsidiaries**

The Company accounts for it's 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 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.

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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 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.

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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.

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. Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

- **Amendment to Ind AS 1 "Presentation of Financial Instruments"**

  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- **Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**

  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

- **Amendment to Ind AS 12 "Income Taxes"**

  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

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FLAIR WRITING INDUSTRIES LIMITED

Note 1 : Property, Plant and Equipment

(Rs in millions)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at April 01, 2022	Transfer from FDPL* on account of merger Value as at April 01, 2022	Additions	Deletions	As at March 31, 2023	As at April 01, 2022	Transfer Balance from FDPL* on account of merger as on April 01, 2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land – Freehold	195.35	-	43.49	-	238.83	-	-	-	-	-	238.83	195.35
Buildings	459.14	-	-	-	459.14	58.20	-	14.94	-	73.13	386.01	400.95
Plant and Machinery	1,177.08	-	206.84	8.49	1,375.42	455.82	-	96.38	7.96	544.24	831.19	721.26
Office Equipment	11.27	0.03	4.06	-	15.37	8.18	0.03	1.31	-	9.52	5.84	3.09
Factory Equipments	53.60	-	6.72	-	60.32	33.26	-	7.61	-	40.85	19.47	20.36
Computer Equipment	21.57	0.14	3.08	-	24.79	16.07	0.13	2.29	-	18.49	6.29	5.50
Furniture & Fixtures	55.76	-	10.54	-	66.31	24.82	-	5.91	-	30.74	35.57	30.94
Mould	583.09	-	95.07	14.09	664.07	298.22	-	66.17	13.38	351.01	313.06	284.87
Electrical Installation	77.47	-	1.89	-	79.36	35.39	-	7.43	-	42.82	36.53	42.08
Two Wheeler	1.96	-	0.10	0.09	1.96	0.46	-	0.18	0.09	0.55	1.40	1.50
Vehicles	80.46	-	45.91	12.03	114.33	30.60	-	9.51	8.95	21.16	93.16	39.86
Total	2,698.75	0.17	437.69	34.73	3,099.87	941.00	0.16	211.75	37.38	1,132.45	1,967.36	1,748.78

Note: Movable Property, Plant and Eqipment are hypothecated against cash credit facilities availed by the company amounting to Rs. 1085 millions.
*FDPL stands for Flair Distributor Private Limited (Refer Note 42)

Note 1 : Intangible Assets

(Rs in millions)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at April 01, 2022	Transfer from FDPL* on account of merger Value as at April 01, 2022	Additions	Deletions	As at March 31, 2023	As at April 01, 2022	Transfer Balance from FDPL* on account of merger as on April 01, 2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Trade Mark	45.72	-	1.33	-	47.04	22.36	-	4.84	-	27.21	19.84	23.36
Web Designing	0.59	-	-	-	0.59	0.41	-	0.06	-	0.47	0.12	0.18
TOTAL	46.30		1.33	-	47.63	22.77		4.91	-	27.68	19.95	23.54

Note 1 : Right-of-Use Assets

(Rs in millions)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at April 01, 2022	Transfer from FDPL* on account of merger Value as at April 01, 2022	Additions	Deletions	As at March 31, 2023	As at April 01, 2022	Transfer Balance from FDPL* on account of merger as on April 01, 2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Leased Assets	137.13	-	2.99	-	140.12	101.22	-	25.35	-	126.57	13.55	35.91
TOTAL	137.13		2.99	-	140.12	101.22		25.35	-	126.57	13.55	35.91

Note 1 : Capital Work in Progress

(Rs in millions)

PARTICULARS	As At March 31, 2023	As At March 31, 2022
Building	15.74	0.86
Mould	0.27	-
TOTAL	16.00	0.86

Ageing for CWIP as at March 31, 2023 is as follows:

(Rs in millions)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	16.00	-	-	-	16.00
Project is temporarily suspended	-	-	-	-	-
TOTAL	16.00	-	-	-	16.00

Ageing for CWIP as at March 31, 2022 is as follows:

(Rs in millions)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	0.86	-	-	-	0.86
Project is temporarily suspended	-	-	-	-	-
TOTAL	0.86	-	-	-	0.86

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Note 2 : Investments

Non-Current

(Rs. in millions)

PARTICULARS	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
Unquoted Investments				
Investment in Equity Shares of Subsidiary Company				
Flair Distributor Pvt Ltd (Refer Note 35)	-	-	1,00,000	1.00
Flair Cyrosil Industries Pvt Ltd (Refer Note 35)	3,60,000	36.00	-	-
Flair Writing Equipments Pvt Ltd (Refer Note 35)	10,000	0.10	10,000	0.10
Total non-current investments	**3,70,000**	**36.10**	**1,10,000**	**1.10**
Aggregate Carrying Value of Unquoted Investments	-	**36.10**	-	**1.10**
Aggregate Carrying Value of Unquoted Investments measured at cost	-	**36.10**	-	**1.10**
Investment measured at Fair Value Through Profit and Loss (FVTPL)				
Quoted fully paid up				
Total current investments	-	-	-	-
Aggregate amount of Quoted Investments	-	-	-	-
Aggregate amount of Quoted Investments - Market Value	-	-	-	-
Aggregate amount of Quoted Investments measured at Amortised Cost	-	-	-	-

Note 3 : Loans

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Unsecured, Considered good		
Loans and Advances to Employees #	0.29	0.36
Total	**0.29**	**0.36**
Current		
Unsecured, Considered good		
Loans and Advances to Employees #	3.10	2.23
Subsidiary Company	494.25	141.40
Total	**497.35**	**143.63**

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.

No Loans or Advance are granted to Promoter, Directors, the related Parties except subsidiary company.

(Rs. in millions)

Type of Borrower	March 31, 2023		March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentange to the total loans and Advances in the nature of Loans	Amount of loan or advance in the nature of loan outstanding	Percentange to the total loans and Advances in the nature of Loans
Flair Writing Equipments Private Limited	333.73	100%	133.65	100%
Flair Distributor Private Limited	-	-	7.75	100%
Flair Cyrosil Industries Private Limited	160.52	90%	-	-

Note 4 :Other Financial Assets

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Security and Other Deposits	22.21	19.36
Bank Deposits (Maturity more than 12 months) #	0.21	0.21
Interest Receivable	0.12	0.08
Other Deposits	0.65	0.65
Total	**23.18**	**20.30**
Current		
Security and Other Deposits	4.24	0.24
Margin Money with Banks	-	0.50
Derivatives Financial Assets	-	2.00
Total	**4.24**	**2.74**
# Includes deposits having restrictive use on account of:		
Pledged with Government Authorities	0.21	0.21

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Note 5 : Current Tax Assets (Net)

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Assets	0.54	0.22
Total	0.54	0.22

Note 6 : Other Assets

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Capital Advances	100.37	11.76
Balance with Government Authorities	4.97	7.66
Others #	16.48	19.70
Total	**121.82**	**39.12**
Current		
Advances to Suppliers and Others		
- MSME	7.55	0.37
- Others	93.70	76.65
Balance with Government Authorities	23.75	43.49
Others	25.01	51.02
Total	**150.01**	**171.52**

Others includes Insurance Claim Receivables amount to Rs. 15.91 millions in F.Y. 22-23 (Rs. 18.89 millions in F.Y. 21-22).

Note 7 :Inventories

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories #		
Raw and Packing Materials & Others	853.73	677.97
Raw and Packing Materials (in Transit)	0.20	13.31
Semi-Finished Goods	559.49	683.67
Semi-Finished Goods (in Transit)	25.79	5.73
Finished Goods	372.35	379.52
Stock of Spares	21.19	14.54
Finished Goods (Traded Goods)	32.14	12.46
Total	**1,864.89**	**1,787.20**

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. 1085 millions.

Note 8 :Trade Receivables

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Trade Receivables #	1,629.61	1,416.57
Less: Provision for doubtful debts	12.26	1.93
	1,617.35	**1,414.65**

Trade Receivables are hypothecated against cash credit facilities availed by the company amouning to Rs. 1085 millions.

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Ageing for trade receivables – non-current outstanding as at March 31, 2023 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from the date of transactions					Total
	Less Than 6 Months	6 Month - 1 year	1-2 years	2-3 years	More Than 3 year	
Undisputed trade receivables – considered good	1,567.47	34.19	13.91	5.62	8.41	1,629.61
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	(2.09)	(2.69)	(0.19)	(7.29)	(12.26)
Total	**1,567.47**	**32.10**	**11.22**	**5.43**	**1.13**	**1,617.35**

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from the date of transactions					Total
	Less Than 6 Months	6 Month - 1 year	1-2 years	2-3 years	More Than 3 year	
Undisputed trade receivables – considered good	1,341.57	37.56	15.40	15.98	6.07	1416.57
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	(0.01)	(0.31)	(1.61)	(1.93)
Total	**1,341.57**	**37.56**	**15.39**	**15.67**	**4.46**	**1,414.65**

Note 9 : Cash and Cash Equivalents

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	1.86	1.19
		-
Balances with Banks		-
- In Current Accounts	0.09	0.67
- In EEFC Accounts	4.31	1.27
Total	**6.26**	**3.13**

Note 10: Other Bank Balances

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than three months but less than twelve months *	0.05	0.05
	0.05	**0.05**

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Note 11 : Equity Share Capital

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31 2022
Authorised Share Capital		
11,00,00,000 Equity Shares of Rs 5/- each fully paid up	550.00	300.00
(P.Y. 3,00,00,000 Equity Shares of Rs 10/- each fully paid up)#		
	550.00	**300.00**
Issued, Subscribed and Fully paid up		
9,33,88,800 Equity Shares of Rs 5/- each	466.94	233.47
(P.Y. 2,33,47,200 Equity Shares of Rs 10/- each)		
	466.94	**233.47**

During the Year, the Authorised Share Capital of the Company was increased from Rs. 300 millions to Rs. 301 millions pursuant to the order of amalgamation by Hon'ble NCLT, Mumbai Bench, between Flair Writing Industries Limited and Flair Distributor Private Limited dated, Feb 17, 2023. Subsequently the Authorised Share Capital of the Company was increased from Rs. 301 millions to Rs. 550 millions pursuant to the approval from the shareholders in their meeting held on March 20, 2023. Further the Equity Shares of the Company were sub-divided from Rs. 10/- each to Rs. 5/- each pursuant to the approval from the shareholders in their meeting held on March 20, 2023.

a) Reconciliation of number of Shares outstanding

(Rs. in millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,33,47,200	233.47	2,33,47,200	233.47
Less: Shares extinguished on sub-division of shares*	(2,33,47,200)	(233.47)	-	-
Add: Sub division of Existing Equity Shares*	4,66,94,400	233.47	-	-
Add: Issuance of Bonus share*	4,66,94,400	233.47	-	-
Balance as at the end of the year	**9,33,88,800**	**466.94**	**2,33,47,200**	**233.47**

* During the Year, 2,33,47,200 equity shares of Rs. 10/- each were sub-divided into 4,66,94,400 equity shares of Rs. 5/- each fully paid up pursuant to the approval by the shareholders in Extra Ordinary General Meeting held on March 20, 2023. Further the Company alloted bonus shares in the ratio of 1:1 (i.e. 4,66,94,400 bonus shares of Rs. 5/- each fully paid up for 4,66,94,400 Equity shares of Rs. 5/- each fully paid up) to its existing shareholders in it's Board Meeting held on March 24, 2023.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	1,86,77,760	20%	46,69,440	20%
Vimalchand J. Rathod	1,40,08,320	15%	35,02,080	15%
Rajesh K. Rathod	93,38,880	10%	23,34,720	10%
Mohit K. Rathod	93,38,880	10%	23,34,720	10%
Sumit V. Rathod	93,38,880	10%	23,34,720	10%
Nirmala K. Rathod	93,38,880	10%	23,34,720	10%
Manjula V. Rathod	93,38,880	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. 5/- each (P.Y. 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) Share held by each promoter [as per section 2(69) of the Companies Act, 2013]:

Share held by promoters at the end of the year March 31, 2023

Promoter Name	Number of Shares	% of share Holding	% change during the year
Equity Shares			
Khubilal J. Rathod	1,86,77,760	20%	-
Vimalchand J. Rathod	1,40,08,320	15%	-
	3,26,86,080	**35%**	

Share held by promoters at the end of the year March 31, 2022

Promoter Name	Number of Shares	% of share Holding	% change during the year
Equity Shares			
Khubilal J. Rathod	46,69,440	20%	-
Vimalchand J. Rathod	35,02,080	15%	-
	81,71,520	**35%**	

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Note 12: Other Equity

(Rs. in millions)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
i) Retained Earnings			
Balance at the beginning of the year		2,736.29	2,197.04
Add: Transfer on account of merger from FDPL*		8.77	-
Add: Amortization Expenses of Lease deposit of earlier Years		-	0.50
Add: Profit for the year		1,115.98	538.75
Less: Issue of Bonus Share#		(37.84)	-
Balance at the end of the year	(a)	**3,823.20**	**2,736.29**
ii) Other Comprehensive Income			
Balance at the beginning of the year		(28.76)	(30.52)
Re-measurement gains/ (losses) on Defined Benefit Plans		(1.60)	1.76
Balance at the end of the year	(b)	**(30.36)**	**(28.76)**
iii) Securities Premium			
Balance at the beginning of the year		195.64	195.64
Less: Issue of Bonus Share#		(195.64)	-
Balance at the end of the year	(c)	**-**	**195.64**
Balance at the end of the year of Other Equity	**(a+b+c)**	**3,792.84**	**2,903.17**

The paid-up capital on account of Bonus issue of Rs. 195.64 millions has been appropriated from Securities Premium account remaining Rs. 37.84 millions from Retained Earnings.

*FDPL stands for Flair Distributor Private Limited (Refer Note 42)

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Note 13 : Borrowings

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	14.89	32.38
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	327.34	659.22
Loan from Related Parties (Refer Note 35)	5.46	5.51
Total	**347.69**	**697.11**
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	47.00	40.00
Working Capital Loan- Cash Credit	508.80	315.92
Current maturities of Long term borrowings	35.19	73.57
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	30.09	57.16
Total	**621.09**	**486.66**

(Rs. in millions)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2023	Rate of Interest	Repayment terms
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	0.60	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	7.50	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.29	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	1.30	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	5.60	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	1.70	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	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	4.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Packing Credit - from Bank	Axis Bank	PCRE	INR	14.75	6.30%	98 Days
Packing Credit - from Bank	Axis Bank	PCRE	INR	20.00	6.60%	66 Days
Packing Credit - from Bank	Citi Bank N.A.	PCRE	INR	12.25	7.71%	56 Days
Car Loan	Axis Bank	Car Loan	INR	3.59	7.71%	60 Months
Car Loan	Axis Bank	Car Loan	INR	9.00	8.45%	37 Months
Car Loan	Axis Bank	Car Loan	INR	8.50	8.45%	37 Months
Cash Credit - from Bank	Axis Bank	Cash Credit	INR	112.49	8.10%	Revolving 365 days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	396.31	9.50%	Revolving 365 days

Note:

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

b) 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.

c) Negative lien 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.

d) The Unsecured Loan taken from Directors and related parties is subject to interest @ 7.00% p.a. The same is repayable upto Financial Year ending Mar[illegible]

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e) The Company is filing monthly statement for inventories, Debtors and Creditors for Raw Material with Banks (Citi Bank N.A. & Axis Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed with the banks and books of accounts:

(Rs. in millions)

Quarter ended on	Amount as per books of accounts	Amount as reported in the statements	Difference	Remarks
March 31, 2023	3,128.88	3,064.08	64.81	The Quarterly statement submitted with Banks were prepared and filed before the completion of all financial statement closure which led to the above differences between the books of accounts and quarterly statement submitted with Banks based on provisional books of account.
December 31, 2022	3,094.25	3,010.11	84.15	
September 30, 2022	2,834.43	2,805.57	28.86	
June 30, 2022	2,890.11	2,861.34	28.76	
March 31, 2022	2,822.16	2,839.51	(17.36)	
December 31, 2021	2,270.14	2,290.99	(20.85)	
September 30, 2021	2,233.57	2,237.22	(3.66)	
June 30, 2021	2,166.70	2,131.65	35.05	

Note 14 : Leased Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Leased Liabilites	15.96	13.59
	15.96	**13.59**
Current		
Leased Liabilites	0.59	30.08
	0.59	**30.08**

Note 15 : Other Financial Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Revenue received in advance	2.60	13.04
	2.60	**13.04**
Current		
Payables on account of Purchase of Property, Plant and Equipment (including MSME Creditors)	14.93	9.04
Security Deposit Received	0.85	0.75
Derivatives Financial Liabilities	1.84	-
Other Payables	161.67	154.96
	179.29	**164.74**

Note 16 : Provisions

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for Employee Benefits (Refer Note 29)	63.01	60.60
	63.01	**60.60**
Current		
Provision for Employee Benefits (Refer Note 29)	74.10	54.13
Total	**74.10**	**54.13**

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Note 17 : DEFERRED TAX LIABILITIES/(ASSETS) :

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

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities / (Assets)	93.34	97.56
	93.34	**97.56**

2022-23

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

Particulars	Opening Balance	Transfer on account of merger from FDPL*	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	139.12	(0.00)	(1.42)	-	137.70
Expenses Allowed on Payment Basis	(6.96)	-	(2.14)	-	(9.10)
Gratuity	(21.91)	-	(2.95)	(0.54)	(25.40)
Others	(10.92)	-	2.84	-	(8.08)
B/F Losses and Unabsorbed Depreciation	-	(4.82)	4.82	-	-
Total (A)	**99.33**	**(4.83)**	**1.15**	**(0.54)**	**95.11**
AMT-MAT Receivables #	(1.77)	-	-		(1.77)
Total (B)	**(1.77)**	**-**	**-**	**-**	**(1.77)**
Total (A+B)	**97.56**	**(4.83)**	**1.15**	**(0.54)**	**93.34**

*FDPL stands for Flair Distributor Private Limited. (Refer Note 42)

2021-22

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	142.97	(3.85)	-	139.12
Expenses Allowed on Payment Basis	(6.19)	(0.78)	-	(6.96)
Gratuity	(18.95)	(3.55)	0.59	(21.91)
Others	(11.39)	0.47	-	(10.92)
Total (A)	**106.44**	**(7.71)**	**0.59**	**99.33**
AMT-MAT Receivables #	(1.77)	-		(1.77)
Total (B)	**(1.77)**	**-**	**-**	**(1.77)**
Total (A+B)	**104.67**	**(7.71)**	**0.59**	**97.56**

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

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Note 18 : Other Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Government Grants #	2.60	3.19
	2.60	**3.19**
Current		
Statutory Remittances	56.57	24.03
Revenue received in advance		
- Others	29.81	50.60
Government Grants #	0.68	0.90
Total	**87.06**	**75.52**

Government Grants includes Subsidy Received on Capital Goods.

Note 19 : Trade Payables

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
- Micro, Small and Medium Enterprises	160.00	142.65
- Others	369.11	331.61
Total	**529.11**	**474.25**

Ageing for trade payables outstanding as at March 31, 2023 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- MSME*	160.00	-	-	-	**160.00**
- Others	365.93	1.73	1.14	0.31	**369.11**
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**525.93**	**1.73**	**1.14**	**0.31**	**529.11**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2022 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- MSME*	142.36	-	-	-	**142.36**
- Others	327.40	2.10	1.09	1.01	**331.61**
Disputed dues- MSME	-	-	0.28	-	**0.28**
Disputed dues- Others	-	-	-	-	-
Total	**469.77**	**2.10**	**1.38**	**1.01**	**474.25**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

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

According to information available with the management on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), the company has amounts due to Micro and Small Enterprises under the said act as follows:

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount payable	160.00	147.65
(ii) Interest amount due and remaining unpaid	-	-
(iii) Interest paid	-	-
(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 20 : Current Tax Liabilities (Net)

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax Expenses (Net of Advance Tax)	62.74	82.96
Total	**62.74**	**82.94**

Note 21 : Revenue from Operations

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Sale of Products		
Domestic	7,103.94	4,105.10
Export	1,834.38	1,345.64
b) Sale of Services	0.62	1.03
c) Other Operating Revenue		
Sale of Scrap	20.91	16.15
Miscellaneous Sales	-	8.84
Export Incentives	78.87	61.07
Total	**9,038.72**	**5,537.83**

Note 22 : Other Income

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- Bank	0.05	0.05
- Others	24.46	12.39
Other Non-Operating Revenue	110.74	95.83
Total	**135.26**	**108.28**

Note 23 : Cost of Materials Consumed

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	691.28	477.65
Add. Purchase	4,956.93	3,422.62
Less. Closing stock	853.93	691.28
Total	**4,794.28**	**3,208.99**

Note 24 : Purchase of Traded Items

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Traded goods	61.65	38.39
Miscellaneous Purchase	-	5.75
	61.65	**44.14**

Note 25 : Changes in Inventories of Finished Goods, Stock-In Trade and Work-In-Progress

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Semi- Finished Goods	689.40	463.11
Finished Goods	391.98	328.23
	1,081.38	**791.34**
Add: Transfer on account of merger (FG) from FDPL* (Refer note 42)	2.95	-
Total (A)	**1,084.34**	**791.34**
Closing Stock		
Semi- Finished Goods	585.28	689.40
Finished Goods	404.50	391.98
Total (B)	**989.78**	**1,081.38**
	94.56	**(290.04)**

*FDPL stands for Flair Distributor Private Limited (Refer Note 42)

Note 26 : Employee Benefits Expense

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	1,046.92	794.05
Contribution to Provident and other Funds (Refer Note 29)	66.58	48.86
Staff Welfare Expenses	10.44	7.84
Total	**1,123.95**	**850.75**

Note 27 : Finance Costs

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Interest	29.00	14.71
Interest on Right of Use Assets	2.73	5.29
Other Borrowing Cost	37.31	64.88
Interest on Direct Tax	18.86	-
Total	**87.89**	**84.88**

Note 28 : Other Expenses

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing Expenses		
Consumable Expenses	29.04	22.76
Electric Power, Fuel and Water	175.57	134.15
Freight Inward	12.97	10.55
Job Work and Other Related Expenditure	311.07	174.47
Loading and Unloading Expenses	1.93	1.69
Machine and Mould Maintenance	66.98	37.34
Factory Expenses	26.48	21.20
Establishment Expenses		
Bank Charges	1.64	1.96
Charity and Donation	10.29	24.56
Electricity Charges	2.71	3.36
Insurance Expenses	11.27	9.16
Legal & Professional Fees	50.47	27.52
Postage & Courier	5.50	2.29
Printing and Stationery	4.02	2.86
Miscellaneous Expenses	9.22	11.00
Discount on Forward contract	9.37	-
Share Issue Expenses	2.42	-
Repairs & Maintenance		
Computer	7.25	4.95
Vehicles	7.37	6.93
Others	19.22	10.39
Telephone & Communication Charges	4.00	3.11
Travelling & Conveyance	110.71	66.08
Director's Travelling & Conveyance	13.05	4.04
Director's Sitting Fees	0.33	0.14
Payment to Auditor **(Refer Note 28.1)**	4.90	4.50
Selling and Distribution Expenses		
Advertisement Expenses	104.51	40.27
Provision for Doubtful Debts	10.33	1.93
Sales Promotion & Marketing Expenses	13.69	6.07
Commission & Brokerage	18.84	4.79
Freight, Clearing & Forwarding Charges	55.95	54.40
Freight Outward	153.16	83.52
Export Expenses	2.85	1.94
Total	**1,257.09**	**797.94**

Note 28.1 Payment to Auditor

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditors:		
Statutory Audit Fees	3.00	3.00
Taxation Matters	1.90	1.50
Total	**4.90**	**4.50**

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Note 29 : Gratuity and other post employment benefit plans

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

(a) Defined contribution plan

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	24.90	18.06
Employer's Contribution to Employee State Insurance Scheme	1.07	1.06
Employer's Contribution to Pension Scheme	40.57	29.69
Total	**66.54**	**48.82**

(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 actuaria 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 millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined Benefit obligation at beginning of the year	87.07	75.31
Add: Current Service Cost	17.98	15.75
Interest Cost	5.26	4.25
Remeasurement during the period due to :		-
Actuarial loss / (gain) arising from change in financial assumptions	(6.05)	(1.89)
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial loss / (gain) arising on account of experience variance	8.19	(0.46)
Past Service Cost		-
Benefits paid	(11.52)	(5.89)
Defined Benefit obligation at end of the year	**100.93**	**87.07**
Net liability is bifurcated as follows :		
Current	37.92	26.47
Non-current	63.01	60.60
Net liability	**100.93**	**87.07**

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair Value of Plan Assets beginning of the year	-	-
Investment Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Transfer In / (Out)	-	-
Fair Value of Plan Assets as at the end	-	-

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair Value of Plan Assets	-	-
Present Value of Obligation	100.93	87.07
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(100.93)**	**(87.07)**

IV) **Expenses recognised during the year**

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
In Income Statement		
Current Service Cost	17.98	15.75
Interest Cost	5.26	4.25
Past Service Cost	-	-
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	**23.24**	**20.00**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	2.14	(2.35)
Return on Plan Assets		
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	**2.14**	**(2.35)**

V) **Investments details**

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Government securities	-	-
Public Securities	-	-
Others	-	-

VI) **Actuarial Assumptions**

MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY)	For the year ended March 31, 2023	For the year ended March 31, 2022
	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.30%	6.05%
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%

Sensitivity Analysis

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Assumptions - Discount rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(98.75)	(84.83)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	103.24	89.44
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	103.25	89.42
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(98.72)	(84.83)

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

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

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

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Within the next 12 months (next annual reporting period)	37.92	26.47
Between 2 and 5 years	47.71	40.57
Beyond 5 years	69.88	63.81
Total expected payments	**155.51**	**130.85**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	4 years	5 years

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Note 30 : Earnings per share (EPS)

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Face value per Equity Share (Rs)	5.00	5.00
Basic Earnings per Share (Rs)	11.95	5.77
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in millions)	1,115.98	538.75
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,33,88,800	9,33,88,800
Diluted Earnings per Share (Rs)	11.95	5.77
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in millions)	1,115.98	538.75
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,33,88,800	9,33,88,800
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,33,88,800	9,33,88,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,33,88,800	9,33,88,800

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Note 31 Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2023 (Rs. in millions)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	-	-	36.10	36.10	-	-	36.10	36.10
Trade Receivables	-	-	1,617.35	1,617.35	-	-	1,617.35	1,617.35
Cash and Cash Equivalents	-	-	6.26	6.26	-	-	6.26	6.26
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	497.64	497.64	-	-	497.64	497.64
Other Financial Assets	-	-	27.42	27.42	-	-	27.42	27.42
Total Financial Assets	-	-	**2,184.82**	**2,184.82**	-	-	**2,184.82**	**2,184.82**
Financial Liabilities								
Non-Current Borrowings	-	-	347.69	347.69	-	-	347.69	347.69
Current Borrowings	-	-	621.09	621.09	-	-	621.09	621.09
Lease Liabilities	-	-	16.55	16.55	-	-	16.55	16.55
Trade payables	-	-	529.11	529.11	-	-	529.11	529.11
Other Financial Liabilities	-	-	181.89	181.89	-	-	181.89	181.89
Total Financial Liabilities	-	-	**1,696.33**	**1,696.33**	-	-	**1,696.33**	**1,696.33**

As at March 31, 2022 (Rs. in millions)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	-	-	1.10	1.10	-	-	1.10	1.10
Trade Receivables	-	-	1,414.65	1,414.65	-	-	1,414.65	1,414.65
Cash and Cash Equivalents	-	-	3.13	3.13	-	-	3.13	3.13
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	143.98	143.98	-	-	143.98	143.98
Other Financial Assets	-	-	23.04	23.04	-	-	23.04	23.04
Total Financial Assets	-	-	**1,585.94**	**1,585.94**	-	-	**1,585.94**	**1,585.94**
Financial Liabilities								
Non-Current Borrowings	-	-	697.11	697.11	-	-	697.11	697.11
Current Borrowings	-	-	486.66	486.66	-	-	486.66	486.66
Lease Liabilities	-	-	43.67	43.67	-	-	43.67	43.67
Trade payables	-	-	474.25	474.25	-	-	474.25	474.25
Other Financial Liabilities	-	-	177.78	177.78	-	-	177.78	177.78
Total Financial Liabilities	-	-	**1,879.47**	**1,879.47**	-	-	**1,879.47**	**1,879.47**

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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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.

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

Due from the date of invoice	As at March 31, 2023	As at March 31, 2022
Less than 6 months	1,567.47	1,341.37
6 months to 12 months	32.10	37.56
beyond 12 months	17.78	35.52
Total	**1,617.35**	**1,414.45**

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, 2023	As at March 31, 2022
Unutilised credit limit from bank (Rs. in millions)	707.41	621.02
Current Ratio	2.66	2.57
Liquid Ratio	1.13	1.12

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, 2023

(Rs. in millions)

PARTICULARS	As at March 31, 2023					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Financial liabilities						
Borrowings	613.82	7.27	14.89	-	332.80	968.77
Lease Liabilities	0.29	0.30	1.40	1.75	12.81	16.55
Trade payables	529.11	-	-	-	-	529.11
Other financial liabilities	177.45	-	2.60	-	-	180.05
	1,320.67	**7.57**	**18.88**	**1.75**	**345.61**	**1,694.49**
Derivative Liabilities	1.84	-	-	-	-	1.84
TOTAL	**1,322.51**	**7.57**	**18.88**	**1.75**	**345.61**	**1,696.33**

As at March 31, 2022

(Rs. in millions)

PARTICULARS	As at March 31, 2022					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Financial liabilities						
Borrowings	450.24	36.42	30.97	1.60	664.53	1,183.76
Lease Liabilities	14.67	15.41	0.25	0.30	13.05	43.67
Trade payables	474.25	-	-	-	-	474.25
Other financial liabilities	164.74	-	13.04	-	-	177.78
	1,103.91	**51.83**	**44.26**	**1.90**	**677.58**	**1,879.47**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**1,103.91**	**51.83**	**44.26**	**1.90**	**677.58**	**1,879.47**

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.

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Interest Rate Exposure

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Interest Expense		
Loan from Banks	29.00	14.71
Unsecured loan from Directors & their relatives	33.71	63.78
Others	2.73	5.29
Total	**65.44**	**83.78**

(b) Sensitivity

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

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
1% Change in increase in interest Rate	0.65	0.84
1% Change in decrease in interest Rate	(0.65)	(0.84)

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 unhedged foreign currency at the exchange rate at reporting date are:

(Rs. in millions)

PARTICULARS	As at March 31, 2023					As at March 31, 2022				
	USD	EURO	GBP	CHF	JPY	USD	EURO	GBP	CHF	JPY
Financial assets										
Trade receivables	333.01	17.47	-	-	-	213.22	11.72	-	-	-
Other assets	77.97	6.51		55.65	3.28	58.89	0.83	-	-	5.30
Financial liabilities										
Trade payables	25.62	66.20	-	-	12.16	37.49	6.79	-	0.49	1.35
Other liabilities	26.30	-	-	-	-	21.33	26.53	-	-	-
Net Exposure	**357.05**	**(42.23)**	**-**	**55.65**	**(8.88)**	**213.29**	**(20.77)**	**-**	**(0.49)**	**3.96**

SENSITIVITY ANALYSIS

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

(Rs. in millions)

PARTICULARS	As at March 31, 2023					As at March 31, 2022				
	USD	EURO	GBP	CHF	JPY	USD	EURO	GBP	CHF	JPY
1% Depreciation in INR										
Impact on Profit & Loss	3.57	(0.42)	-	0.56	(0.09)	2.13	(0.21)	-	(0.00)	0.04
TOTAL	**3.57**	**(0.42)**	**-**	**0.56**	**(0.09)**	**2.13**	**(0.21)**	**-**	**(0.00)**	**0.04**
1% Appreciation in INR										
Impact on Profit & Loss	(3.57)	0.42	-	(0.56)	0.09	(2.13)	0.21	-	0.00	(0.04)
TOTAL	**(3.57)**	**0.42**	**-**	**(0.56)**	**0.09**	**(2.13)**	**0.21**	**-**	**0.00**	**(0.04)**

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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Note 33 : Movement in deferred tax

Movement in deferred tax balances for the year ended March 31, 2023

(Rs. in millions)

Particulars	As at April 1, 2022	Transfer from FDPL due to Merger	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Defered Tax Assets(Net) in relation to :					
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Expenses allowable on payment basis	6.96	-	2.14	-	9.10
Others	10.92	-	(2.84)	-	8.08
B/F Losses and Unabsorbed Depreciation	-	(4.82)	(4.82)		-
Deferred Tax Assets(Net)	**39.79**	**(4.82)**	**(2.57)**	**0.54**	**42.58**
Defered Tax Liabilities(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	139.12	(0.00)	(1.42)	-	137.70
Deferred Tax Liabilities(Net)	**139.12**	**(0.00)**	**(1.42)**	-	**137.70**
Net Deferred tax Asset/ (Liabilities) Total (A)	**(99.33)**	**(4.82)**	**(1.15)**	**0.54**	**(95.11)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Total (B)	**1.77**	-	-	-	**1.77**
Total (A+B)	**(97.56)**	**(4.82)**	**(1.15)**	**0.54**	**(93.34)**

Movement in deferred tax balances for the year ended March 31, 2022

(Rs. in millions)

Particulars	As at April 1, 2021	Transfer from FDPL due to Merger	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
Defered Tax Assets(Net) in relation to :					
Provision for Gratuity	18.95	-	3.55	(0.59)	21.91
Expenses allowable on payment basis	6.19	-	0.78	-	6.96
Others	11.39	-	(0.47)	-	10.92
Deferred Tax Assets(Net)	**36.53**	-	**3.86**	**(0.59)**	**39.79**
Defered Tax Liabilities(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	142.97	-	(3.85)	-	139.12
Deferred Tax Liabilities(Net)	**142.97**	-	**(3.85)**	-	**139.12**
Net Deferred tax Asset/ (Liabilities) Total (A)	**(106.44)**	-	**7.71**	**(0.59)**	**(99.33)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Total (B)	**1.77**	-	-	-	**1.77**
Total (A+B)	**(104.67)**	-	**7.71**	**(0.59)**	**(97.56)**

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

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

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

Note 34 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Current Income tax	394.69	186.65
Deferred tax	1.15	(7.71)
Tax adjustments for Earlier Years	0.72	(0.01)
Total Income Tax expenses	**396.56**	**178.93**

(b) Amounts recognised in other comprehensive income

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Re-measurement on defined benefit liability		
Before tax	(2.14)	2.35
Tax (expense)/ benefit	0.54	(0.59)
Net of tax	(1.60)	1.76

(c) Reconciliation of effective income tax rate

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,512.54	717.68
Company's domestic tax rate	25.17%	25.17%
Income tax using the Company's tax rate	380.68	180.63
Tax effect of:		
Permanent disallowances	7.29	6.14
Timming Difference	6.72	(0.12)
Deferred tax	1.15	(7.71)
Tax adjustments for Earlier Years	0.72	(0.01)
Income tax as per Profit & Loss Account	**396.56**	**178.93**
Effective Tax Rate	**26.22%**	**24.93%**

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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)	Subsidiary Company	Flair Distributor Pvt. Ltd. (Refer Note 42)
		Flair Writing Equipments Pvt Ltd
		Flair Cyrosil Industries 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
		Punit Saxena
		Manoj Lalwani
		Rajneesh Bhandari
		Sheetal B. Shetty
		Sangeeta Sethi
		Arun Mohan Jain
		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
		Kiemaya Rathod
		Sunita Jain
		Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):**	Flair Pens Ltd.
		Pentel Stationery (India) Pvt. Ltd.
		Flair Pen & Plastic Industries
		Hauser Lifestyle Products
		Rathod N Rathod

(c) **Transactions with Related Parties**

(Rs. in millions)

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Sale of Goods**			
	Flair Writing Equipments Pvt Ltd	Subsidiary Company	75.35	23.17
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	13.30	1.21
	Hauser Lifestyle Products		6.68	11.04
2	**Sale of Fixed Assets**			
	Flair Writing Equipments Pvt Ltd	Subsidiary Company	1.15	4.54
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.04
3	**Sale of Licence**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.28	-
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	2.08
4	**Purchase of Goods**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	1.12
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	37.89	1.28
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	60.45	30.47
	Hauser Lifestyle Products		11.50	2.97
5	**Purchase of Licence**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	6.01
	Hauser Lifestyle Products		0.11	-
6	**Purchase of Fixed Assets**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	3.93	-

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Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2023	For the year ended March 31, 2022
7	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.64	0.61
	Vimalchand J. Rathod	Key Managerial Personnel	1.39	1.36
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	14.04	14.04
	Flair Pen & Plastic Industries		10.14	10.08
	Rathod N Rathod		0.18	0.18
	Nirmala Rathod	Relative of KMP	2.28	2.28
	Manjula Rathod	Relative of KMP	2.28	2.28
8	**Rent Income**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	4.44	1.50
9	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	19.94	12.11
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	1.08	-
10	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.86
11	**Re-imburesement of Expenses (Paid)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.20	1.07
	Hauser Lifestyle Products		-	0.09
	Vimalchand Rathod	Key Managerial Personnel	0.09	-
	Khubilal J. Rathod	Key Managerial Personnel	0.11	-
12	**Re-imburesement of Expenses (Received)**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	-	0.02
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	0.19	-
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.01	-
13	**Interest Income**			-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	16.75	5.30
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	3.24	-
14	**Interest Expenses**			
	Khubilal J. Rathod	Key Managerial Personnel	1.12	6.30
	Vimalchand J. Rathod	Key Managerial Personnel	4.13	9.14
	Rajesh Rathod	Key Managerial Personnel	2.43	7.96
	Mohit Rathod	Key Managerial Personnel	1.69	8.48
	Sumit Rathod	Key Managerial Personnel	2.88	10.68
	Nirmala Rathod	Relative of KMP	3.63	3.51
	Manjula Rathod	Relative of KMP	0.55	0.55
	Sangita Rathod	Relative of KMP	6.82	6.75
	Shalini Rathod	Relative of KMP	7.43	7.37
	Sonal Rathod	Relative of KMP	2.58	2.62
	Sunita Jain	Relative of KMP	0.27	0.27
	Kiemaya Rathod	Relative of KMP	0.17	0.16
15	**Director/Managerial Remuneration**			
	Vimalchand J. Rathod	Key Managerial Personnel	4.20	3.60
	Rajesh Rathod	Key Managerial Personnel	6.00	2.40
	Mohit Rathod	Key Managerial Personnel	6.00	2.40
	Sumit Rathod	Key Managerial Personnel	6.00	2.40
	Mayur Gala	Key Managerial Personnel	3.93	3.02
	Vishal Chanda	Key Managerial Personnel	0.81	-
	Prakash Gupta	Key Managerial Personnel	0.07	0.16
	Jayesh Jain	Relative of KMP	2.81	3.07
16	**Director/Managerial Commission**			
	Khubilal J. Rathod	Key Managerial Personnel	4.80	3.00
	Jayesh Jain	Relative of KMP	10.42	-
17	**Sitting Fees**			
	Arun Mohan Jain	Key Managerial Personnel	-	0.06
	Sangeeta Sethi	Key Managerial Personnel	-	0.04
	Punit Saxena	Key Managerial Personnel	0.02	-
	Manoj Lalwani	Key Managerial Personnel	0.02	-
	Rajneesh Bhandari	Key Managerial Personnel	0.13	-
	Bishan Singh Rawat	Key Managerial Personnel	0.16	0.04
18	**Loan Taken**			
	Khubilal J. Rathod	Key Managerial Personnel	2.87	9.92
	Vimalchand J. Rathod	Key Managerial Personnel	6.91	12.61
	Rajesh Rathod	Key Managerial Personnel	50.56	13.14
	Mohit Rathod	Key Managerial Personnel	26.77	11.48
	Sumit Rathod	Key Managerial Personnel	26.48	12.03
				-
19	**Loan Repaid**			-

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Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2023	For the year ended March 31, 2022
	Khubilal J. Rathod	Key Managerial Personnel	36.54	89.23
	Vimalchand J. Rathod	Key Managerial Personnel	107.83	40.70
	Rajesh Rathod	Key Managerial Personnel	105.84	97.63
	Mohit Rathod	Key Managerial Personnel	99.89	83.84
	Sumit Rathod	Key Managerial Personnel	136.43	73.49
	Nirmala Rathod	Relative of KMP	2.08	0.32
	Manjula Rathod	Relative of KMP	0.55	0.05
	Sangita Rathod	Relative of KMP	4.64	4.68
	Shalini Rathod	Relative of KMP	6.19	4.25
	Sonal Rathod	Relative of KMP	2.48	2.81
20	**Loan Given**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	234.00	153.72
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	172.23	-
	Flair Distributor Pvt. Ltd.	Subsidiary Company		10.83
21	**Loan Received**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	49.00	85.08
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	14.62	-
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	5.83

(d) **Outstanding balances as at the year end**

(Rs. In millions)

Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2023	As at March 31, 2022
1	**Investment**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	1.00
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	36.00	-
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.10	0.10
2	**Trade Payables**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	1.34
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	1.94	-
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	9.38	3.86
	Hauser Lifestyle Products		1.74	-
3	**Trade Recievables**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	53.32	15.16
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.45	0.50
	Hauser Lifestyle Products		-	0.79
4	**Loan Outstanding (Liability)**			
	Khubilal J. Rathod	Key Managerial Personnel	10.78	43.45
	Vimalchand J. Rathod	Key Managerial Personnel	16.16	113.37
	Mohit Rathod	Key Managerial Personnel	4.97	76.56
	Rajesh Rathod	Key Managerial Personnel	7.46	60.55
	Sumit Rathod	Key Managerial Personnel	6.16	113.52
	Nirmala Rathod	Relative of KMP	54.31	53.13
	Manjula Rathod	Relative of KMP	8.16	8.24
	Sangita Rathod	Relative of KMP	101.27	99.77
	Shalini Rathod	Relative of KMP	109.85	109.34
	Sonal Rathod	Relative of KMP	38.15	38.30
	Sunita Jain	Relative of KMP	3.02	3.02
	Kiemaya Rathod	Relative of KMP	2.59	2.44
5	**Rent Payable**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.61	0.54
	Flair Pen & Plastic Industries		0.06	-
6	**Loan Outstanding (Assets)**			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	333.73	133.65
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	140.52	-
	Flair Distributor Pvt. Ltd.	Subsidiary Company	-	7.75
7	**Director/Managerial Commission (Outstanding)**			
	Khubilal J. Rathod	Key Managerial Personnel	-	0.34
	Jayesh Jain	Relative of KMP	1.53	-

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Note 36 : Capital Management

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

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 majo decisions with respect to the preparation and execution of Business Plan, preparation of Budget, Planning, alliance, Joint Venture, Merge and Acquisition, and expansion of any new facility.

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

Note 38 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent as per Section 135 of Companies Act, 2013	8.90	9.85
b) Amount Spent during the year		
i) Construction/Acquisition of assets	-	-
ii) On purpose other than above	9.84	23.99
c) Short/Excess amount spent under section 135 (5)		
i) Amount required to be spent during the year	8.90	9.85
ii) Actual amount spent/incurred during the year	9.84	23.99
Excess amount spent	**(0.94)**	**(14.14)**
d) Nature of CSR activities	Education and Social welfare	
e) Details of related party transations in relation to CSR expenditure as per relevant Accounting Standard	-	-

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 millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Reduction in Lease Rental	(32.85)	(32.73)
(B) Increase in Depreciation	25.35	25.30
(C) Increase in Interest	2.73	5.29
(D) Net Impact on Profit before Tax	**(4.76)**	**(2.14)**

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Note 40 : Capital and Other Commitments

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Letter of Credit	4.22	80.08
b) Estimated amount of contracts remaining to be executed on capital account and not provided for	244.68	39.58

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 uncertai future events, not wholly within the control of the Entity

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Disputed GST, Excise and Service Tax Matters	58.85	5.55
b) Income Tax Matters	46.87	30.69

The Company usually fulfills the obligation(s) in the subsequent years in ordinary course of business and hence no provision, for any contingent liability which would have arisen on completion of expo 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 ha approved a Scheme of Amalgamation ("Scheme") for merger of Transferor Company with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 201 with the Appointed date being April 01, 2020. The Effect of Scheme has given on April 01, 2022 , pusant to order of the Hon'ble High Court of Bombay on dated Feb 17, 2023.

Note 43 : Additional regulatory information required by Schedule III of Companies Act, 2013

1.1 Analytical Ratio Analysis

Ratio	Numerator	Denominator	2022-2023			2021-22	Difference	Variance (in %)	Explanation for change in the ratio by more than 20%
			Numerator	Denominator	Ratio	Ratio			
Current Ratio (in times)	Current Assets	Current Liabilities	4,140.15	1,553.98	2.66	2.57	0.09	3%	
Debt-Equity Ratio (in times)	Total Debt	Total equity	985.32	4,259.78	0.23	0.39	-0.16	-41%	Decreased due to principa repayments of loans and increase i profits during the year.
Debt service coverage ratio (in times)	Earning for Debt Service	Debt service	1,684.73	656.84	2.56	1.59	0.97	61%	Increased due to lower finance cost and increase in profit during the year
Return on equity ratio (in %)	Net Profit after taxes	Average total equity	1,115.98	3,698.21	30.18%	18.80%	11.38%	61%	Increased due to increase in profi during the year
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	9,038.72	1,616.00	5.59	4.40	1.56	35%	Increased due to increase in sale during the year
Trade Payable turnover ratio (in times)	Purchase	Average trade payables	5,018.58	501.68	10.00	8.11	1.90	23%	
Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	6,721.51	1,828.05	3.68	2.77	0.91	33%	Increased due to increase i purchases, Employee cost and othe direct cost during the year
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	9,038.72	2,370.37	3.81	2.66	1.15	43%	Increased due to increase in sale during the year
Net profit ratio (in %)	Profit for the year	Revenue from operations	1,115.98	9,038.72	12.35%	9.73%	2.62%	27%	Increased due to increase in profi during the year
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	1,600.43	5,338.45	29.98%	17.99%	11.99%	67%	Increased due to decrease in lease liability and increase in profits during the year
Return on investment (in %)	Net Profit after taxes	Total equity	1,115.98	4,259.78	26.20%	17.18%	9.02%	53%	Increased due to increase in profi during the year

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2) Details of Benami Property:
No proceeding have been initiated or are are pending against the Company for holding any Benami propeerty under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made hereunder.

3) Utilisation of borrowed funds and share premium:

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

4) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

5) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

6) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

7) Valuation of Property,Plant and Equipment :

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

8) Willful Defaulter :

The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 20'3) or consortium thereof or other lender inaccordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

9) Details of Transaction with Struck of Companies :

The Company do not have any transtions with Companies Struck off.

10) Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

Note 44

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)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

Place: Mumbai
Date: June 23, 2023

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

7th ANNUAL REPORT
FOR THE YEAR ENDED 31-03-2023

FLAIR WRITING INDUSTRIES LIMITED
CONSOLIDATED

CIN: U51100MH2016PLC284727

63B/C, GOVERNMENT INDUSTRIAL ESTATE, CHARKOP, KANDIVALI
(WEST), MUMBAI-400067

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/22834451/40066968
Email: jeswani.rathore@gmail.com

Consolidated Independent Auditor's Report

To the Members of Flair Writing Industries Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Flair Writing Industries Limited** (hereinafter referred to as the **Parent Company**) and its subsidiaries- Flair Cyrosil Industries Private Limited and Flair Writing Equipments Private Limited (the Parent Company and its subsidiaries together referred to as **"the Group"**) which comprise Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including 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, 2023, their consolidated profit 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 Responsibilities 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 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 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 financial year ended March 31, 2023. 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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 Response
1	**Revenue recognition (Refer note 2.7 of the Consolidated Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 5 of the Consolidated Financial Statements)**	
	As at March 31, 2023, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 4.97 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 15.91 million 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 Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The Other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the 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 Responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

• Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

•Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements, that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work and
(ii) to evaluate the effect of any identified misstatement in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and records.

c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representation received from the respective directors of companies as on March 31, 2023 taken on records by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

f) With respect to the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid/ provided by the Parent Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

I. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group in its Consolidated Financial Statements. [Refer Note 41 to the Consolidated Financial Statements]

II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2023.

IV. a) The Management of the Parent Company and its subsidiaries, which are companies incorporated in India and whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management of the Parent Company and its subsidiaries has represented, that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

us to believe that the representations as provided under sub clause (iv)(a) and (iv) (b) above, contain any material misstatement.

V. The Parent company and its subsidiaries have not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M. No: 115126
UDIN: 23115126BGYBRY2097

Place: Mumbai
Date: June 23, 2023

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/22834451/40066968
Email: jeswani.rathore@gmail.com

Annexure - A to the Consolidated Independent Auditor's Report of even date on the Consolidated Financial Statements of Flair Writing Industries Limited

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

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

In conjunction with our audit of the Consolidated Financial Statements of **Flair Writing Industries Limited** (hereinafter referred to as the **Parent Company)** as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and its subsidiaries (the Parent Company and its subsidiaries together referred to as **"the Group")** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, and its subsidiaries which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note") 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 the respective 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 Parent Company and its subsidiaries, which are incorporated in India, internal financial controls with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to these Consolidated Financial Statements

A Company's internal financial control reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control reference to these Consolidated Financial Statements includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Parent Company and its subsidiaries, which are incorporated in India, have, maintained in all material respects, an adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls stated in the Guidance Note issued by the ICAI.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M. No: 115126
UDIN: 23115126BGYBRY2097

Place: Mumbai
Date: June 23, 2023

Consolidated Balance Sheet as at March 31, 2023

(Rs. in millions)

	PARTICULARS	NOTES	As at March 31, 2023	As at March 31, 2022
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	2,400.90	1,900.66
b)	Capital Work in Progress	1	16.00	17.82
c)	Intangible Assets	1	19.98	23.53
d)	Right-of-Use of Leased Assets	1	74.77	35.91
e)	Goodwill	1	3.60	-
f)	Financial Assets			
	i) Loans	2	0.29	0.36
	ii) Other Financial Assets	3	55.62	22.34
g)	Current Tax Assets (Net)	4	0.56	0.22
h)	Other Non-Current Assets	5	163.81	50.12
	Total Non-Current Assets		**2,735.54**	**2,050.97**
	Current Assets			
a)	Inventories	6	2,137.61	1,642.95
b)	Financial Assets			
	i) Trade Receivables	7	1,706.72	1,469.70
	ii) Cash and Cash Equivalents	8	7.89	3.28
	iii) Bank Balance other than (ii) above	9	0.05	0.05
	iv) Loans	2	3.28	2.23
	v) Other Financial Assets	3	8.42	2.74
c)	Other Current Assets	5	242.31	202.75
	Total Current Assets		**4,106.28**	**3,523.71**
	Total Assets		**6,841.82**	**5,574.68**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	10	466.94	233.47
b)	Other Equity	11	3,882.56	2,946.92
	Total Equity		**4,349.51**	**3,180.40**
	Non Controlling Interest		**2.78**	-
	Liabilities			
I	**Non-Current Liabilities**			
a)	Financial Liabilities			
	i) Borrowings	12	418.01	734.08
	ii) Lease Liabilities	13	67.72	13.59
	iii) Other Financial Liabilities	14	2.60	13.04
b)	Provisions	15	63.01	60.60
c)	Deferred Tax Liabilities (Net)	16	95.65	95.11
d)	Other Non-Current Liabilities	18	2.60	3.19
	Total Non-Current Liabilities		**649.60**	**919.61**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	12	737.91	529.24
	ii) Lease Liabilities	13	10.62	30.08
	iii) Trade Payables			
	Due to Micro and Small Enterprises	17	228.03	169.72
	Due to other than Micro and Small Enterprise	17	407.63	333.20
	iv) Other Financial Liabilities	14	204.25	196.35
b)	Provisions	15	77.15	56.22
c)	Other Current Liabilities	18	109.24	76.71
d)	Current Tax Liabilities (Net)	19	65.12	83.15
	Total Current Liabilities		**1,839.94**	**1,474.67**
	Total Liabilities		**2,489.54**	**2,394.28**
	Total Equity and Liabilities		**6,841.82**	**5,574.68**

Significant Accounting Policies
The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 46)**

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

Place: Mumbai
Date: June 23, 2023

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

Khubilal Jugraj

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

MDhale

Mayur Gala
Chief Financial Officer

Vishal Chanda

Vishal Chanda
Company Secretary

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Profit & Loss for the year ended March 31, 2023

(Rs. in millions)

PARTICULARS		NOTES	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME				
Revenue from Operations		20	9,426.60	5,774.83
Other Income		21	116.31	101.58
Total Income	**(A)**		**9,542.91**	**5,876.42**
EXPENSES				
Cost of Material Consumed		22	5,081.51	3,337.36
Purchase of Traded Items		23	61.65	46.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		24	(55.47)	(301.55)
Employee Benefits Expense		25	1,173.36	882.88
Finance Costs		26	99.91	91.22
Depreciation/Amortisation Expense		27	273.41	243.66
Other Expenses		28	1,330.42	832.41
Total Expenses	**(B)**		**7,964.80**	**5,132.10**
Profit Before Tax	**(C=A-B)**		**1,578.11**	**744.31**
Tax Expense				
Current Tax			404.98	190.18
Deferred Tax		16	2.01	(7.93)
Tax adjustments for Earlier Years			0.72	(0.24)
Total Tax Expense	**(D)**		**407.72**	**182.00**
Profit for the Year	**(E=C-D)**		1,170.39	**562.31**
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
i) Actuarial Loss on Defined Benefit Plan			(2.14)	2.35
ii) Income Tax on the above			0.54	(0.59)
Total Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**(1.60)**	**1.76**
Total Comprehensive Income for the Year	**(G=E+F)**		1,168.79	564.07
Profit for the year attributable to:				
Equity holders of the parent			1,171.51	562.31
Non Controlling Interest			(1.12)	-
Other Comprehensive Income for the Year				
Equity holders of the parent			(1.60)	1.76
Non Controlling Interest			-	-
Total Comprehensive Income for the Year				
Equity holders of the parent			1,169.91	564.07
Non Controlling Interest			(1.12)	-
Earnings Per Equity Share of face value of Rs. 5/- each				
Basic (in Rs.)		30	12.54	6.02
Diluted (in Rs.)		30	12.54	6.02

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 46)**

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Changes in Equity

a. Equity share capital:

(Rs. in millions)

Particulars	Equity Share Capital
Opening Balance as at April 01, 2021	233.47
Changes during the year ended March 31, 2022	-
Balance as at April 01, 2022	**233.47**
Add: Issue of bonus shares	233.47
Balance as at March 31, 2023	**466.94**

b. Other equity

(Rs. in millions)

Particulars	Reserve & Surplus		Other Reserve	Total
	Retained Earning	Share Premium	Other Comprehensive Income	
Balance as at April 1, 2021	2,217.24	195.64	(30.52)	2,382.36
Add : Profit for the period	562.31	-	-	562.31
Add: Amortization Expenses of Lease deposit of earlier Years	0.50	-	-	0.50
Less : Other Comprehensive Income	-	-	1.76	1.76
Balance as at March 31, 2022	**2,780.05**	**195.64**	**(28.76)**	**2,946.92**
Add : Profit for the period	1,171.51	-	-	1,171.51
Add: Impact of business combination (Refer Note 45)	(0.79)	-	-	(0.79)
Less : Issue of Bonus share #	(37.84)	(195.64)	-	(233.47)
Less : Other Comprehensive Income	-	-	(1.60)	(1.60)
Balance as at March 31, 2023	**3,912.72**	-	**(30.36)**	**3,882.56**

The paid-up capital on account of bonus issue of Rs. 195.64 millions has been appropriated from Securities Premium account remaining Rs. 37.84 millions from Retained Earnings.

Significant Accounting Policies

The accompanying Notes form an integral part of these Consolidated Financial Statements **(Note 1 to 46)**

As per our attached Report of even date
For Jeswani & Rathore
Chartered Accountants
(Firm Reg. No. 104202W)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Year	1,578.11	744.31
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		-
Depreciation Expenses	273.41	243.66
Interest Expenses	96.55	85.93
Interest on Leased Assets	3.36	5.29
Provision For Doubtful Debts	10.33	1.93
Profit on sales of Liquid Fund	-	(3.08)
Interest Income	(5.63)	(7.36)
Profit/(Loss) of sales of Property, Plant and Equipment	0.04	(0.32)
Changes in Assets and Liabilities		
(Increase)/Decrease in Inventories	(294.66)	(529.10)
(Increase)/Decrease in Trade Receivables	(247.30)	(313.23)
(Increase)/Decrease in Loans	(0.99)	(0.37)
(Increase)/Decrease in Other Financial Assets	(38.96)	(3.26)
(Increase)/Decrease in Other Non-Current/Current Assets	(153.26)	30.53
Increase/(Decrease) in Trade Payables	132.74	92.04
Increase/(Decrease) in Other Financial Liabilities	(2.54)	34.03
Increase/(Decrease) in Provisions	21.74	18.55
Increase/(Decrease) in Other Non-Current/Current Liabilities	39.98	57.90
Cash Generated From Operations	**1,412.89**	**457.83**
Income Taxes Paid	(433.58)	(107.54)
NET CASH GENERATED BY OPERATING ACTIVITIES	**979.31**	**350.29**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Asset	(744.75)	(392.43)
Sales of Property, Plant and Equipment and Intangible Asset	3.18	24.11
Purchase of Mutual Fund	-	(772.46)
Sale of Mutual Fund	-	888.21
Interest Income	5.63	7.36
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	**(735.94)**	**(195.21)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken/(Repaid)	(107.40)	(39.80)
Interest on Loan	(96.55)	(85.93)
Payment of Lease Rent	(34.30)	(32.73)
NET CASH USED IN FINANCING ACTIVITIES	**(238.26)**	**(158.46)**
Net Increase/(Decrease) in Cash and Cash Equivalents	5.11	(3.38)
Add: Cash and cash equivalents pursuant to business combinations (Refer Note 45)	(0.50)	-
Cash and Cash Equivalents at the Beginning of the Year	3.28	6.66
Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7.89**	**3.28**

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 46)**

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
M.No. 115126

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

1. A. **GROUP OVERVIEW**

The Consolidated Financial Statement comprises financial statements of "Flair Writing Industries Limited" ('Parent Company') and its subsidiaries – Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited (Collectively referred as "the Group") for the year ended March 31, 2023.

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, 2023	% Ownership held as at March 31, 2022
Flair Distributor Pvt. Ltd.	India	-	100%
Flair Writing Equipments Pvt. Ltd.	India	100%	100%
Flair Cyrosil Industries Private Limited	India	90%	-

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 Parent 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-group 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.

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

v) The carrying amount of the parent's investment in 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

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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 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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- **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 impairment provision for non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) 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.

- **Recognition of Deferred Tax Assets and Liabilities**

  Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

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

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to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

ii. **Intangible assets**

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

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

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

iv. **Depreciation/Amortisation** :

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

The useful life of major assets is as under:

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

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

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Assets	Amortised (in years)
Trademarks	10
Others	10

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

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 de-recognition 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.

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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.

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.

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

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

For assets and liabilities that are recognised in the 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 valuer's 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 Consolidatea 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.

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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, Credit under MEIS, RODTEP etc are recognised as income when the right to receive the same as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate realization.

Other Income

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

2.8. Tax Expenses

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

- **Current tax :**

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

- **Deferred tax :**

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

  Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

  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)

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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

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

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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 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 which will 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.

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b) Post-employment obligations

I. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, 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 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.

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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.

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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)

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:-

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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.

ii. **Financial Liabilities**

a. **Initial Recognition and Measurement**

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

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

b. **Subsequent Measurement**

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

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

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

d. **Offsetting of Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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iii. Derivative Financial Instruments and Hedge Accounting

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

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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. Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

- **Amendment to Ind AS 1 "Presentation of Financial Instruments"**

  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- **Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**

  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that

LEKHWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

- **Amendment to Ind AS 12 "Income Taxes"**

  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

FLAIR WRITING INDUSTRIES LIMITED

Note 1 : Property, Plant and Equipment

(Rs in millions)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01,2022	Additions	Deletions	As at March 31, 2023	As at April 01,2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land - Freehold	195.35	43.49	-	238.83	-	-	-	-	238.83	195.35
Buildings	459.14	-	-	459.14	58.20	14.94	-	73.13	386.01	400.95
Plant and Machinery	1,321.38	417.70	1.71	1,737.37	488.38	115.79	1.60	602.57	1,134.80	833.01
Office Equipment	11.40	4.45	-	15.85	8.23	1.36	-	9.59	6.25	3.17
Factory Equipments	58.75	23.91	-	82.66	33.50	9.02	-	42.51	40.15	25.25
Computer Equipment	22.30	4.16	-	26.47	16.22	2.52	-	18.74	7.73	6.09
Furniture & Fixtures	59.61	17.28	-	76.89	25.05	6.49	-	31.54	45.35	34.55
Mould	606.10	145.28	-	751.38	302.87	72.72	-	375.59	375.79	303.23
Electrical Installation	94.30	21.93	-	116.23	36.58	9.20	-	45.78	70.44	57.72
Two Wheeler	1.96	0.18	0.09	2.04	0.46	0.18	0.09	0.56	1.49	1.50
Vehicles	60.46	66.83	12.05	115.25	20.60	9.54	8.95	21.19	94.06	39.86
Total	2,890.74	745.21	13.85	3,622.11	990.08	241.76	10.63	1,221.21	2,400.90	1,900.66

Note: Movable Property, Plant and Eqipment are hypothecated against cash credit facilities availed by the company amounting to Rs. 1215 millions.

Note 1 : Intangible Assets

(Rs in millions)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01,2022	Additions	Deletions	As at March 31, 2023	As at April 01,2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Trade Mark	45.72	1.35	-	47.07	22.36	4.85	-	27.21	19.86	23.36
Web Designing	0.59	-	-	0.59	0.41	0.06	-	0.47	0.12	0.18
TOTAL	46.30	1.35	-	47.66	22.77	4.91	-	27.68	19.98	23.53

Note 1 : Rights-of-Use Assets

(Rs in millions)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01,2022	Additions	Deletions	As at March 31, 2023	As at April 01,2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Leased Assets	137.13	65.61	-	202.74	101.22	26.75	-	127.97	74.77	35.91
TOTAL	137.13	65.61	-	202.74	101.22	26.75	-	127.97	74.77	35.91

Note 1 : Capital Work in Progress

(Rs in millions)

PARTICULARS	As At March 31, 2023	As At March 31,2022
Building	15.74	0.86
Mould	0.27	16.96
TOTAL	16.00	17.82

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Ageing for CWIPL as at March 31, 2023 is as follows:

(Rs in millions)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	16.00	-	-	-	16.00
Project is temporarily suspended	-	-	-	-	-
TOTAL	16.00	-	-	-	16.00

Ageing for CWIPL as at March 31, 2022 is as follows:

(Rs in millions)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	17.82	-	-	-	17.82
Project is temporarily suspended	-	-	-	-	-
TOTAL	17.82	-	-	-	17.82

Note 1 : Goodwill

(Rs in millions)

PARTICULARS	As At March 31, 2023	As At March 31,2022
Cost:		
Balance at the beginning of the year	-	-
Acquired pursuant to business combination (Refer Note 45)	3.60	-
Balance at the end of the year(a)	3.60	-
Accumulated impairment		
Balance at the beginning of the year	-	-
Impairment	-	-
Balance at the end of the year(b)	-	-
Net book value (a-b)	**3.60**	-

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Note 2 : Loans

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Unsecured, Considered good		
Loans and Advances to Employees #	0.29	0.36
Total	**0.29**	**0.36**
Current		
Unsecured, Considered good		
Loans and Advances to Employees #	3.28	2.23
Total	**3.28**	**2.23**

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

Note 3 :Other Financial Assets

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Security and Other Deposits	24.46	21.38
Bank Deposits (Maturity more than 12 months) #	29.58	0.24
Interest Receivable	0.93	0.08
Other Deposits	0.65	0.65
Total	**55.62**	**22.34**
Current		
Security and Other Deposits	8.42	0.24
Margin Money with Banks	-	0.50
Derivatives Financial Assets	-	2.00
Total	**8.42**	**2.74**
# Includes deposits having restrictive use on account of:		
Pledged with Government Authorities	29.58	0.24

Note 4 :Current Tax Assets (Net)

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Income Tax	0.56	0.22
Total	**0.56**	**0.22**

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Note 5 : Other Assets

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- Current		
Capital Advances	142.14	22.69
Balance with Government Authorities	4.97	7.66
Others #	16.70	19.76
Total	**163.81**	**50.12**
Current		
Advances to Suppliers and Others		
- MSME	24.84	0.56
- Others	93.84	76.65
Balance with Government Authorities	98.09	74.25
Others	25.55	51.30
Total	**242.31**	**202.75**

Others includes Insurance Claim Receivables amount to Rs. 15.91 millions in F.Y. 22-23 (Rs. 18.89 millions in F.Y. 21-22).

Note 6 :Inventories

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories #		
Raw and Packing Materials & Others	946.89	701.44
Raw and Packing Materials (In Transit)	0.20	13.35
Semi-Finished Goods	667.77	700.53
Semi-Finished Goods (In Transit)	25.79	5.73
Finished Goods	443.14	391.70
Stock of Spares	21.68	14.79
Finished Goods (Traded Goods)	32.14	15.42
Total	**2,137.61**	**1,842.95**

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. 1215 millions.

Note 7 :Trade Receivables

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Trade Receivables #	1,718.97	1,471.63
Less: Provision for doubtful debts	12.26	1.93
	1,706.72	**1,469.70**

Trade Receivables are hypothecated against cash credit facilities availed by the company amouning to Rs. 1215 millions.

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Ageing for trade receivables – non-current outstanding as at March 31, 2023 is as follows:

(Rs. in millions)

Particulars	Outstanding for following periods from the date of transactions					Total
	Less Than 6 Months	6 Month - 1 year	1-2 years	2-3 years	More Than 3 year	
Undisputed trade receivables – considered good	1,656.55	34.47	13.91	5.62	8.41	1,718.97
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	(2.09)	(2.69)	(0.19)	(7.29)	(12.26)
Total	**1,656.55**	**32.38**	**11.22**	**5.43**	**1.13**	**1,706.72**

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(Rs. in millions)

Particulars	Outstanding for following periods from the date of transactions					Total
	Less Than 6 Months	6 Month - 1 year	1-2 years	2-3 years	More Than 3 year	
Undisputed trade receivables – considered good	1,395.83	32.30	15.40	22.04	6.07	1,471.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	(0.01)	(0.32)	(1.60)	(1.93)
Total	**1,395.83**	**32.30**	**15.39**	**21.73**	**4.46**	**1,469.70**

Note 8 : Cash and Cash Equivalents

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	1.94	1.33
Balances with Banks		
- In Current Accounts	1.65	0.68
- In EEFC Accounts	4.31	1.27
Total	**7.89**	**3.28**

Note 9 : Other Bank Balances

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than three months but less than twelve montl	0.05	0.05
	0.05	**0.05**

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Note 10 : Equity Share Capital

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
11,00,00,000 Equity Shares of Rs 5/- each fully paid up	550.00	300.00
(P.Y. 3,00,00,000 Equity Shares of Rs 10/- each fully paid up)#		
	550.00	**300.00**
Issued, Subscribed and Fully paid up		
9,33,88,800 Equity Shares of Rs 5/- each	466.94	233.47
(P.Y. 2,33,47,200 Equity Shares of Rs 10/- each)		
	466.94	**233.47**

During the Year, the Authorised Share Capital of the Company was increased from Rs. 300 millions to Rs. 301 millions pursuant to the order of amalgamation by Hon'ble NCLT, Mumbai Bench, between Flair Writing Industries Limited and Flair Distributor Private Limited dated, Feb 17, 2023. Subsequently the Authorised Share Capital of the Company was increased from Rs. 301 millions to Rs. 550 millions pursuant to the approval from the shareholders in their meeting held on March 20, 2023. Further the Equity Shares of the Company were sub-divided from Rs. 10/- each to Rs. 5/- each pursuant to the approval from the shareholders in their meeting held on March 20, 2023.

a) Reconciliation of number of Shares outstanding

(Rs. in millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,33,47,200	233.47	2,33,47,200	233.47
Less: Shares extinguished on sub-division of shares*	(2,33,47,200)	(233.47)	-	-
Add: Sub-division of Existing Equity Shares*	4,66,94,400	233.47	-	-
Add: Issuance of Bonus share*	4,66,94,400	233.47	-	
Balance as at the end of the year	**9,33,88,800**	**466.94**	**2,33,47,200**	**233.47**

* During the Year, 2,33,47,200 equity shares of Rs. 10/- each were sub-divided into 4,66,94,400 equity shares of Rs. 5/- each fully paid up pursuant to the approval by the shareholders in Extra Ordinary General Meeting held on March 20, 2023. Further the Company alloted bonus shares in the ratio of 1:1 (i.e. 4,66,94,400 bonus shares of Rs. 5/- each fully paid up for 4,66,94,400 Equity shares of Rs. 5/- each fully paid up) to its existing shareholders in it's Board Meeting held on March 24, 2023.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	1,86,77,760	20%	46,69,440	20%
Vimalchand J. Rathod	1,40,08,320	15%	35,02,080	15%
Rajesh K. Rathod	93,38,880	10%	23,34,720	10%
Mohit K. Rathod	93,38,880	10%	23,34,720	10%
Sumit V. Rathod	93,38,880	10%	23,34,720	10%
Nirmala K. Rathod	93,38,880	10%	23,34,720	10%
Manjula V. Rathod	93,38,880	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. 5/- each (P.Y. 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) Share held by each promoter (as per section 2(69) of the Companies Act, 2013):

Share held by promoters at the end of the year March 31, 2023

Promoter Name	Number of Shares	% of share Holding	% change during the year
Equity Shares			
Khubilal J. Rathod	1,86,77,760	20%	-
Vimalchand J. Rathod	1,40,08,320	15%	-
	3,26,86,080	**35%**	

Share held by promoters at the end of the year March 31, 2022

Promoter Name	Number of Shares	% of share Holding	% change during the year
Equity Shares			
Khubilal J. Rathod	46,69,440	20%	-
Vimalchand J. Rathod	35,02,080	15%	-
	81,71,520	**35%**	

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Note 11: Other Equity

(Rs. In millions)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
i) Retained Earnings			
Balance at the beginning of the year		2,780.05	2,217.24
Add: Amortization Expenses of Lease deposit of earlier Years		-	0.50
Add: Profit for the year		1,171.51	562.31
Add: Impact of business combination (Refer Note 45)		(0.79)	-
Less: Issue of Bonus Share #		(37.84)	-
Balance at the end of the year	(a)	**3,912.92**	**2,780.05**
ii) Other Comprehensive Income			
Balance at the beginning of the year		(28.76)	(30.52)
Re-measurement gains/ (losses) on Defined Benefit Plans		(1.60)	1.76
Balance at the end of the year	(b)	**(30.36)**	**(28.76)**
iii) Securities Premium			
Balance at the beginning of the year		195.64	195.64
Less: Issue of Bonus Share #		(195.64)	-
Balance at the end of the year	(c)	-	**195.64**
Balance at the end of the year of Other Equity	**(a+b+c)**	**3,882.56**	**2,946.92**

The paid-up capital on account of bonus issue of Rs. 195.64 millions has been appropriated from Securities Premium account remaining Rs. 37.84 millions from Retained Earnings.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 13: Borrowings

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	85.21	69.55
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	327.34	659.22
Loan from Related Parties (Refer Note 35)	5.46	5.31
Total	**418.01**	**734.08**
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	47.00	40.00
Working Capital Loan- Cash Credit	589.97	337.37
Current maturities of Long term borrowings	70.84	94.70
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 35)	30.09	57.16
Total	**737.91**	**529.24**

(Rs. in millions)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2023	Rate of Interest	Repayment terms
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	6.60	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	7.50	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.29	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	1.30	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	3.60	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	1.70	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	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	4.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Packing Credit - from Bank	Axis Bank	PCFE	INR	14.75	6.30%	98 Days
Packing Credit - from Bank	Axis Bank	PCFE	INR	20.00	6.60%	66 Days
Packing Credit - from Bank	Citi Bank N.A.	PCFE	INR	12.25	7.71%	86 Days
Car Loan	Axis Bank	Car Loan	INR	3.59	7.71%	60 Months
Car Loan	Axis Bank	Car Loan	INR	9.00	8.45%	37 Months
Car Loan	Axis Bank	Car Loan	INR	6.50	8.45%	37 Months
Cash Credit - from Bank	Axis Bank	Cash Credit	INR	112.49	8.10%	Revolving 365 days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	477.48	9.50%	Revolving 365 days
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	69.00	TBILL+2	End to End tenor of 5 Years with quarterly rest and 6 month moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.97	8.60%	End to End tenor of 5 Years with quarterly rest and 18 month moratorium

Note:

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

b) 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.

c) Negative lien 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

d) The Unsecured Loan Taken from Directors and related parties is subject to interest @ 7.00% p.a. The same is repayable upto Financial Year ending March 31, 2030.

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e) The Company is filing monthly statement for Inventories, Debtors and Creditors for Raw Material with Banks (Citi Bank N.A. & Axis Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed with the banks and books of accounts:

(Rs. in millions)

Quarter ended on	Amount as per books of accounts	Amount as reported in the statements	Difference	Remarks
March 31, 2023	3,471.06	3,400.54	70.52	The Quarterly statement submitted with Banks were prepared and filed before the completion of all financial statement closure which led to the above differences between the books of accounts and quarterly statement submitted with Banks based on provisional books of account.
December 31, 2022	3,272.58	3,186.33	86.25	
September 30, 2022	2,919.25	2,890.58	28.67	
June 30, 2022	2,978.13	2,948.00	30.14	
March 31, 2022	2,907.63	2,916.58	(8.96)	
December 31, 2021	2,331.15	2,351.21	(20.06)	
September 30, 2021	2,307.09	2,310.58	(3.48)	
June 30, 2021	2,225.36	2,187.99	37.37	

Note 13 : Leased Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Leased Liabilites	67.72	13.59
	67.72	**13.59**
Current		
Leased Liabilites	10.62	30.08
	10.62	**30.08**

Note 14 : Other Financial Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Revenue received in advance	2.60	13.04
	2.60	**13.04**
Current		
Payables on account of Purchase of Property, Plant and Equipment (including MSME Creditors)	24.78	34.53
Security Deposit Received	0.85	0.75
Derivatives Financial Liabilities	1.84	-
Other Payables	176.78	161.06
	204.25	**196.35**

Note 15 : Provisions

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for Employee Benefits (Refer Note 29)	63.01	60.60
	63.01	**60.60**
Current		
Provision for Employee Benefits (Refer Note 29)	77.15	56.22
Total	**77.15**	**56.22**

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Note 16 : DEFERRED TAX LIABILITIES/(ASSETS)

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

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities / (Assets)	95.65	95.11
	95.66	**95.11**

2022-23

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

Particulars	Opening Balance	Deferred tax transfer from Subsidary Co. (FCIPL)	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	141.89	-	3.26	-	145.15
Expenses Allowed on Payment Basis	(7.32)	-	(2.31)	-	(9.63)
Gratuity	(21.91)	-	(2.95)	(0.54)	(25.40)
Others	(10.95)	(0.75)	2.05	-	(9.65)
B/F Losses and Unabsorbed Depreciation	(4.82)	(0.19)	1.96	-	(3.05)
Total (A)	**96.88**	**(0.93)**	**2.01**	**(0.54)**	**97.42**
AMT-MAT Receivables #	(1.77)	-	-	-	(1.77)
Total (B)	**(1.77)**	**-**	**-**	**-**	**(1.77)**
Total (A+B)	**95.11**	**(0.93)**	**2.01**	**(0.54)**	**95.65**

2021-22

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

Particulars	Opening Balance	Deferred tax transfer from Subsidary Co. (FCIPL)	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	144.34	-	(2.44)	-	141.89
Expenses Allowed on Payment Basis	(6.32)	-	(1.01)	-	(7.32)
Gratuity	(18.95)	-	(3.55)	0.59	(21.91)
Others	(10.16)	-	(0.80)	-	(10.95)
B/F Losses and Unabsorbed Depreciation	(4.69)	-	(0.13)	-	(4.82)
Total (A)	**104.22**	**-**	**(7.93)**	**0.59**	**96.88**
AMT-MAT Receivables #	(1.77)	-	-	-	(1.77)
Total (B)	**(1.77)**	**-**	**-**	**-**	**(1.77)**
Total (A+B)	**102.45**	**-**	**(7.93)**	**0.59**	**95.11**

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

Note 17 : Trade Payables

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
- Micro, Small and Medium Enterprises	228.03	169.72
- Others	407.63	333.20
Total	**635.66**	**502.92**

Ageing for trade payables outstanding as at March 31, 2023 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
- MSME*	228.03	-	-	-	**228.03**
- Others	404.26	1.91	1.14	0.31	**407.63**
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**632.30**	**1.91**	**1.14**	**0.31**	**635.66**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2022 is as follows: (Rs. in millions)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
- MSME*	169.44	-	-	-	**169.44**
- Others	329.00	2.10	1.09	1.01	**333.20**
Disputed dues- MSME	-	-	0.28	-	**0.28**
Disputed dues- Others	-	-	-	-	-
Total	**498.43**	**2.10**	**1.38**	**1.01**	**502.92**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

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

According to information available with the management on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), the company has amounts due to Micro and Small Enterprises under the said act as follows:

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount payable	228.03	169.72
(ii) Interest amount due and remaining unpaid	-	-
(iii) Interest paid	-	-
(iv) Payment Beyond the appinted 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 18 : Other Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
<u>Non - Current</u>		
Government Grants #	2.60	3.19
	2.60	**3.19**
<u>Current</u>		
Statutory Remittances	60.81	25.20
Revenue received in advance		
- Others	47.74	50.62
Government Grants #	0.68	0.90
Total	**109.24**	**76.71**

Government Grants includes Subsidy Received on Capital Goods.

Note 19 : Current Tax Liabilities (Net)

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax Expenses (Net of Advance Tax)	65.12	83.15
Total	**65.12**	**83.15**

Note 20 : Revenue From Operations

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Sale of Products		
Domestic	7,478.21	4,341.93
Export	1,847.04	1,345.64
b) Sale of Services	0.62	1.08
c) Other Operating Revenue		
Sale of Scrap	21.04	16.27
Miscellaneous Sales	-	8.84
Export Incentives	79.69	61.07
Total	**9,426.60**	**5,774.83**

Note 21 : Other Income

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- Bank	0.95	0.05
- Others	4.68	7.31
Other Non-Operating Revenue	110.68	94.22
Total	**116.31**	**101.58**

Note 22 : Cost of Materials Consumed

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	714.79	487.17
Add. Purchase	5,313.81	3,564.99
Less. Closing stock	947.09	714.79
Total	**5,081.51**	**3,337.38**

Note 23 : Purchase of Traded Items

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Traded goods	61.65	40.36
Miscellaneous Purchase	-	5.75
	61.65	**46.11**

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Semi- Finished Goods	706.25	472.54
Finished Goods	407.12	339.28
Total (A)	**1,113.37**	**811.82**
Closing Stock		
Semi- Finished Goods	693.56	706.25
Finished Goods	475.28	407.12
Total (B)	**1,168.84**	**1,113.37**
	(55.47)	**(301.55)**

Note 25 : Employee Benefits Expense

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	1,094.04	824.26
Contribution to Provident and other Funds(Refer Note 29)	68.76	50.69
Staff Welfare Expenses	10.56	7.93
Total	**1,173.36**	**882.88**

Note 26 : Finance Costs

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Interest	37.47	21.04
Interest on Right of Use Assets	3.36	5.29
Other Borrowing Cost	39.71	64.89
Interest on Direct Tax	19.37	-
Total	**99.91**	**91.22**

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Note 27 : Depreciation

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation	273.41	243.66
Total	**273.41**	**243.66**

Note 28 : Other Expenses

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing Expenses		
Consumable Expenses	31.33	23.40
Electric Power, Fuel and Water	199.35	139.39
Factory Rent	2.40	-
Freight Inward	13.61	10.90
Job Work and Other Related Expenditure	331.46	196.86
Loading and Unloading Expenses	2.06	1.69
Machine and Mould Maintenance	71.17	59.33
Factory Expenses	26.97	21.87
Establishment Expenses		
Bank Charges	1.69	1.99
Charity and Donation	10.29	24.56
Electricity Charges	2.71	3.36
Insurance Expenses	11.65	9.42
Legal & Professional Fees	53.42	29.49
Office Rent	0.01	-
Postage & Courier	5.53	2.33
Printing and Stationery	4.34	2.98
Miscellaneous Expenses	9.66	11.28
Pre-operating Expenses	5.77	-
Discount on Forward contract	9.37	-
Share Issue Expenses	2.42	-
Repairs & Maintenance		
Computer	7.25	4.96
Vehicles	7.37	6.93
Others	20.03	10.46
Telephone & Communication Charges	4.11	3.12
Travelling & Conveyance	111.23	66.11
Director's Travelling & Conveyance	13.05	4.04
Director's Sitting Fees	0.33	0.14
Payment to Auditor **(Refer Note 28.1)**	5.38	4.71
Selling and Distribution Expenses		
Advertisement Expenses	107.12	40.27
Provision for Doubtful Debts	10.33	1.93
Sales Promotion & Marketing Expenses	13.69	6.07
Commission & Brokerage	18.90	4.79
Freight, Clearing & Forwarding Charges	56.40	54.40
Freight Outward	157.18	83.70
Export Expenses	2.85	1.94
Total	**1,330.42**	**832.41**

Note 28.1 Payment to Auditor

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditors:		
Statutory Audit Fees	3.35	3.17
Taxation Matters	2.03	1.55
Total	**5.38**	**4.71**

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Note 29 : Gratuity and other post employment benefit plans

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

(a) Defined contribution plan

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	25.98	18.79
Employer's Contribution to Employee State Insurance Scheme	1.07	1.06
Employer's Contribution to Pension Scheme	41.66	30.79
Total	**68.71**	**50.65**

(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 millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined Benefit obligation at beginning of the year	87.07	75.31
Add: Current Service Cost	17.98	15.75
Interest Cost	5.26	4.25
Remeasurement during the period due to :		-
Actuarial loss / (gain) arising from change in financial assumptions	(6.05)	(1.89)
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial loss / (gain) arising on account of experience variance	8.19	(0.46)
Past Service Cost		-
Benefits paid	(11.52)	(5.89)
Defined Benefit obligation at end of the year	**100.93**	**87.07**
Net liability is bifurcated as follows :		
Current	37.92	26.47
Non-current	63.01	60.60
Net liability	**100.93**	**87.07**

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair Value of Plan Assets beginning of the year	-	-
Investment Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Transfer In / (Out)	-	-
Fair Value of Plan Assets as at the end	-	-

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III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair Value of Plan Assets	-	-
Present Value of Obligation	100.93	87.07
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(100.93)**	**(87.07)**

IV) Expenses recognised during the year

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
In Income Statement		
Current Service Cost	17.98	15.75
Interest Cost	5.26	4.25
Past Service Cost	-	-
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	**23.24**	**20.00**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	2.14	(2.35)
Return on Plan Assets		
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	**2.14**	**(2.35)**

V) Investments details

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Government securities	-	-
Public Securities	-	-
Others	-	-

VI) Actuarial Assumptions

MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY)	For the year ended March 31, 2023	For the year ended March 31, 2022
	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.30%	6.05%
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%

Sensitivity Analysis

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Assumptions - Discount rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(98.75)	(84.83)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	103.24	89.44
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	103.25	89.42
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(98.72)	(84.83)

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

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

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

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

(Rs. in millions)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Within the next 12 months (next annual reporting period)	37.92	26.47
Between 2 and 5 years	47.71	40.57
Beyond 5 years	69.88	63.81
Total expected payments	**155.51**	**130.85**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	4 years	5 years

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Note 30 : Earnings per share (EPS)

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Face value per Equity Share (Rs)	5.00	5.00
Basic Earnings per Share (Rs)	12.54	6.02
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in millions)	1,171.51	562.31
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,33,88,800	9,33,88,800
Diluted Earnings per Share (Rs)	12.54	6.02
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in millions)	1,171.51	562.31
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,33,88,800	9,33,88,800
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,33,88,800	9,33,88,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,33,88,800	9,33,88,800

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Note 31 : Financial instruments

Fair Value Measurement Hierarchy

As at March 31, 2023 (Rs. in millions)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	1,706.72	1,706.72	-	-	1,706.72	1,706.72
Cash and Cash Equivalents	-	-	7.89	7.89	-	-	7.89	7.89
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	3.57	3.57	-	-	3.57	3.57
Other Financial Assets	-	-	64.04	64.04	-	-	64.04	64.04
Total Financial Assets	-	-	**1,782.27**	**1,782.27**	-	-	**1,782.27**	**1,782.27**
Financial Liabilities								
Non-Current Borrowings	-	-	418.01	418.01	-	-	418.01	418.01
Current Borrowings	-	-	737.91	737.91	-	-	737.91	737.91
Lease Liabilities	-	-	78.34	78.34	-	-	78.34	78.34
Trade payables	-	-	635.66	635.66	-	-	635.66	635.66
Other Financial Liabilities	-	-	206.85	206.85	-	-	206.85	206.85
Total Financial Liabilities	-	-	**2,076.76**	**2,076.76**	-	-	**2,076.76**	**2,076.76**

As at March 31, 2022 (Rs. in millions)

PARTICULARS	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	1,469.70	1,469.70	-	-	1,469.70	1,469.70
Cash and Cash Equivalents	-	-	3.28	3.28	-	-	3.28	3.28
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	2.58	2.58	-	-	2.58	2.58
Other Financial Assets	-	-	25.08	25.08	-	-	25.08	25.08
Total Financial Assets	-	-	**1,500.70**	**1,500.70**	-	-	**1,500.70**	**1,500.70**
Financial Liabilities								
Non-Current Borrowings	-	-	734.08	734.08	-	-	734.08	734.08
Current Borrowings	-	-	529.24	529.24	-	-	529.24	529.24
Lease Liabilities	-	-	43.67	43.67	-	-	43.67	43.67
Trade payables	-	-	502.92	502.92	-	-	502.92	502.92
Other Financial Liabilities	-	-	209.39	209.39	-	-	209.39	209.39
Total Financial Liabilities	-	-	**2,019.30**	**2,019.30**	-	-	**2,019.30**	**2,019.30**

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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Note 32 : Financial Risk Management

Risk Management Framework

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

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

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

I) Credit Risk

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

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

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

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

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

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

Trade Receivables

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

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

Due from the date of invoice	As at March 31, 2023	As at March 31, 2022
Less than 6 months	1,656.56	1,395.83
6 months to 12 months	32.38	32.30
beyond 12 months	17.78	41.58
Total	**1,706.72**	**1,469.70**

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, 2023	As at March 31, 2022
Unutilised credit limit from bank (Rs. in millions)	797.97	625.31
Current Ratio	2.23	2.39
Liquid Ratio	1.02	1.10

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, 2023

(Rs. in millions)

PARTICULARS	As at March 31, 2023					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Financial liabilities						
Borrowings	712.81	25.09	59.79	25.42	332.80	1,155.92
Lease Liabilities	0.29	0.30	1.40	1.75	74.60	78.34
Trade payables	635.66	-	-	-	-	635.66
Other financial liabilities	202.41	-	2.60	-	-	205.01
	1,551.17	**25.40**	**63.79**	**27.17**	**407.40**	**2,074.92**
Derivative Liabilities	1.84	-	-	-	-	1.84
TOTAL	**1,553.01**	**25.40**	**63.79**	**27.17**	**407.40**	**2,076.76**

As at March 31, 2022

(Rs. in millions)

PARTICULARS	As at March 31, 2022					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Financial liabilities						
Borrowings	482.25	46.98	67.95	1.60	664.53	1,263.32
Lease Liabilities	14.67	15.41	0.25	0.30	13.05	43.67
Trade payables	502.92	-	-	-	-	502.92
Other financial liabilities	196.35	-	13.04	-	-	209.39
	1,196.19	**62.39**	**81.24**	**1.90**	**677.58**	**2,019.30**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**1,196.19**	**62.39**	**81.24**	**1.90**	**677.58**	**2,019.30**

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.

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Interest Rate Exposure

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Interest Expense		
Loan from Banks	37.47	21.04
Unsecured loan from Directors & their relatives	34.90	63.79
Others	3.36	5.29
Total	**75.73**	**90.12**

(b) Sensitivity

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

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
1% Change in increase in Interest Rate	0.76	0.90
1% Change in decrease in Interest Rate	(0.76)	(0.90)

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 unhedged foreign currency at the exchange rate at reporting date are:

(Rs. in millions)

PARTICULARS	As at March 31, 2023					As at March 31, 2022				
	USD	EURO	GBP	CHF	JPY	USD	EURO	GBP	CHF	JPY
Financial assets										
Trade receivables	338.55	17.47	-	-	-	213.22	11.72	-	-	-
Other assets	121.93	6.51		55.65	3.28	66.67	0.83	-	-	5.30
						-	-	-	-	-
Financial liabilities						-	-	-	-	-
Trade payables	25.62	66.30	-	-	13.90	37.49	6.79	-	0.49	1.35
Other liabilities	43.64	-	-	-	-	21.33	26.53	-	-	-
Net Exposure	**391.22**	**(42.23)**	**-**	**55.65**	**(10.62)**	**221.07**	**(20.77)**	**-**	**(0.49)**	**3.96**

SENSITIVITY ANALYSIS

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

(Rs. in millions)

PARTICULARS	As at March 31, 2023						As at March 31, 2022			
	USD	EURO	GBP	CHF	JPY	USD	EURO	GBP	CHF	JPY
1% Depreciation in INR										
Impact on Profit & Loss	3.91	(0.42)	-	0.56	(0.11)	2.21	(0.21)	-	(0.00)	0.04
TOTAL	**3.91**	**(0.42)**	**-**	**0.56**	**(0.11)**	**2.21**	**(0.21)**	**-**	**(0.00)**	**0.04**
1% Appreciation in INR										
Impact on Profit & Loss	(3.91)	0.42	-	(0.56)	0.11	(2.21)	0.21	-	0.00	(0.04)
TOTAL	**(3.91)**	**0.42**	**-**	**(0.56)**	**0.11**	**(2.21)**	**0.21**	**-**	**0.00**	**(0.04)**

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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Note 33 : Movement in deferred tax

Movement in deferred tax balances for the year ended March 31, 2023

(Rs. in millions)

Particulars	As at April 1, 2022	Deferred tax transfer from subsidary	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Defered Tax Assets(Net) in relation to :					
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Expenses allowable on payment basis	7.32	-	2.31	-	9.63
Others	10.95	0.75	(2.05)	-	9.65
B/F Losses and Unabsorbed Depreciation	4.82	0.19	(1.96)	-	3.05
Deferred Tax Assets(Net)	**45.01**	**0.93**	**1.24**	**0.54**	**47.73**
Defered Tax Liabilities(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	141.89	-	3.26	-	145.15
Deferred Tax Liabilities(Net)	**141.89**	**-**	**3.26**	**-**	**145.15**
Net Deferred tax Asset/ (Liabilities) Total (A)	**(96.88)**	**0.93**	**(2.01)**	**0.54**	**(97.42)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Total (B)	**1.77**	**-**	**-**	**-**	**1.77**
Total (A+B)	**(95.11)**	**0.93**	**(2.01)**	**0.54**	**(95.65)**

Movement in deferred tax balances for the year ended March 31, 2022

(Rs. in millions)

Particulars	As at April 1, 2021	Deferred tax transfer from subsidary	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
Defered Tax Assets(Net) in relation to :					
Provision for Gratuity	18.95	-	3.55	(0.59)	21.91
Expenses allowable on payment basis	6.32	-	1.01	-	7.32
Others	10.16	-	0.80	-	10.95
B/F Losses and Unabsorbed Depreciation	4.69	-	0.13	-	4.82
Deferred Tax Assets(Net)	**40.12**	**-**	**5.49**	**(0.59)**	**45.01**
Defered Tax Liabilities(Net) in relation to :					
Property,Plant and Equipment and other Intangibles Assets	144.34	-	(2.44)	-	141.89
Deferred Tax Liabilities(Net)	**144.34**	**-**	**(2.44)**	**-**	**141.89**
Net Deferred tax Asset/ (Liabilities) Total (A)	**(104.22)**	**-**	**7.93**	**(0.59)**	**(96.88)**
AMT-MAT Receivables	1.77	-	-	-	1.77
Total (B)	**1.77**	**-**	**-**	**-**	**1.77**
Total (A+B)	**(102.45)**	**-**	**7.93**	**(0.59)**	**(95.11)**

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

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

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

Note 34 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Current income tax	404.98	190.18
Deferred tax	2.01	(7.93)
Tax adjustments for Earlier Years	0.72	(0.24)
Total Income Tax expenses	**407.72**	**182.00**

(b) Amounts recognised in other comprehensive income

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Re-measurement on defined benefit liability		
Before tax	(2.14)	2.35
Tax (expense)/ benefit	0.54	(0.59)
Net of tax	(1.60)	1.76

(c) Reconciliation of effective income tax rate

(Rs. in millions)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,578.11	744.31
Company's domestic tax rate	25.17%	25.17%
Income tax using the Company's tax rate	397.18	187.33
Tax effect of:		
Permanent disallowances	7.45	4.89
Timming Difference	3.01	(0.12)
Deferred tax	2.01	(7.93)
Tax adjustments for Earlier Years	0.72	(0.24)
Others	(2.65)	(1.93)
Income tax as per Profit & Loss Account	**407.72**	**182.00**
Effective Tax Rate	**25.84%**	**24.45%**

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Note 35 : Related Party Disclosure

(a) 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 Punit Saxena Manoj Lalwani Rajneesh Bhandari Sheetal B. Shetty Sangeeta Sethi Arun Mohan Jain 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 Kiemaya Rathod Sunita Jain Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):**	Flair Pens Ltd. Pentel Stationery (India) Pvt. Ltd. Flair Writing Aids Flair Pen & Plastic Industries Hauser Lifestyle Products Rathod N Rathod

(c) Transactions with Related Parties

(Rs. in millions)

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Sale of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	13.41	1.21
	Hauser Lifestyle Products		17.12	11.04
2	**Sale of Fixed Assets**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.04
3	**Sale of Licence**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	2.0[illegible]
4	**Purchase of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	60.64	30.4[illegible]
	Hauser Lifestyle Products		68.05	2.9[illegible]
5	**Purchase of Licence**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	6.0[illegible]
	Hauser Lifestyle Products		0.11	-
6	**Purchase of Fixed Assets**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7.52	-
	Flair Pen & Plastic Industries		2.00	-
7	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.64	0.[illegible]
	Vimalchand J. Rathod	Key Managerial Personnel	1.59	1.[illegible]
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	16.18	[illegible]
	Flair Writing Aids		0.34	-
	Flair Pen & Plastic Industries		13.66	10.[illegible]
	Rathod N Rathod		0.18	0.[illegible]
	Nirmala Rathod	Relative of KMP	2.28	[illegible]
	Manjula Rathod	Relative of KMP	2.28	[illegible]

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8	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	19.94	12.1
9	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.6
10	**Re-imburesement of Expenses (Paid)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.21	1.0
	Hauser Lifestyle Products		-	0.0
	Vimalchand Rathod	Key Managerial Personnel	0.09	-
	Khubilal J. Rathod	Key Managerial Personnel	0.11	-
11	**Re-imburesenment of Expenses (Received)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.01	-
12	**Interest Expenses**			
	Khubilal J. Rathod	Key Managerial Personnel	1.12	6.30
	Vimalchand J. Rathod	Key Managerial Personnel	4.13	9.14
	Rajesh Rathod	Key Managerial Personnel	2.53	7.96
	Mohit Rathod	Key Managerial Personnel	2.12	8.49
	Sumit Rathod	Key Managerial Personnel	3.54	10.68
	Nirmala Rathod	Relative of KMP	3.63	3.5
	Manjula Rathod	Relative of KMP	0.55	0.5
	Sangita Rathod	Relative of KMP	6.82	6.75
	Shalini Rathod	Relative of KMP	7.43	7.37
	Sonal Rathod	Relative of KMP	2.58	2.62
	Sunita Jain	Relative of KMP	0.27	0.27
	Kiemaya Rathod	Relative of KMP	0.17	0.16
13	**Director/Managerial Remuneration**			
	Vimalchand J. Rathod	Key Managerial Personnel	4.20	3.60
	Khubilal J. Rathod	Key Managerial Personnel	1.20	-
	Rajesh Rathod	Key Managerial Personnel	6.00	2.40
	Mohit Rathod	Key Managerial Personnel	6.00	2.40
	Sumit Rathod	Key Managerial Personnel	6.00	2.40
	Mayur Gala	Key Managerial Personnel	3.93	3.02
	Vishal Chanda	Key Managerial Personnel	0.81	-
	Prakash Gupta	Key Managerial Personnel	0.07	0.16
	Jayesh Jain	Relative of KMP	2.81	3.07
14	**Director/Managerial Commission**			
	Khubilal J. Rathod	Key Managerial Personnel	4.80	3.00
	Jayesh Jain	Relative of KMP	10.42	
15	**Sitting Fees**			
	Arun Mohan Jain	Key Managerial Personnel	-	0.0
	Sangeeta Seth	Key Managerial Personnel	-	0.0
	Punit Saxena	Key Managerial Personnel	0.02	-
	Manoj Lalwani	Key Managerial Personnel	0.02	-
	Rajneesh Bhandari	Key Managerial Personnel	0.13	-
	Bishan Singh Rawat	Key Managerial Personnel	0.16	0.0
16	**Loan Taken**			
	Khubilal J. Rathod	Key Managerial Personnel	2.87	9.9
	Vimalchand J. Rathod	Key Managerial Personnel	6.91	12.6
	Rajesh Rathod	Key Managerial Personnel	53.15	13.1
	Mohit Rathod	Key Managerial Personnel	40.09	11.4
	Sumit Rathod	Key Managerial Personnel	37.77	12.0
17	**Loan Repaid**			
	Khubilal J. Rathod	Key Managerial Personnel	36.54	89.
	Vimalchand J. Rathod	Key Managerial Personnel	107.83	40.
	Rajesh Rathod	Key Managerial Personnel	108.99	97.
	Mohit Rathod	Key Managerial Personnel	113.71	8
	Sumit Rathod	Key Managerial Personnel	156.83	73.
	Nirmala Rathod	Relative of KMP	2.08	[illegible]
	Manjula Rathod	Relative of KMP	0.55	0
	Sangita Rathod	Relative of KMP	4.64	4.
	Shalini Rathod	Relative of KMP	6.19	4.
	Sonal Rathod	Relative of KMP	2.48	2.

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(d) Outstanding balances as of the year end (Rs. In millions)

Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2023	As at March 31, 2022
1	**Trade Payables**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	9.61	3.86
	Hauser Lifestyle Products		50.95	-
2	**Trade Recievables**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.45	0.50
	Hauser Lifestyle Products		9.22	0.79
3	**Loan Outstanding (Liability)**			
	Khubilal J. Rathod	Key Managerial Personnel	10.78	43.45
	Vimalchand J. Rathod	Key Managerial Personnel	16.16	113.37
	Mohit Rathod	Key Managerial Personnel	4.97	76.56
	Rajesh Rathod	Key Managerial Personnel	7.46	60.55
	Sumit Rathod	Key Managerial Personnel	6.16	113.52
	Nirmala Rathod	Relative of KMP	54.31	53.13
	Manjula Rathod	Relative of KMP	8.18	8.24
	Sangita Rathod	Relative of KMP	101.27	99.77
	Shalini Rathod	Relative of KMP	109.85	109.34
	Sonal Rathod	Relative of KMP	38.15	38.30
	Sunita Jain	Relative of KMP	3.02	3.02
	Kiemaya Rathod	Relative of KMP	2.59	2.44
4	**Rent Payable**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.63	0.54
	Flair Writing Aids		0.27	-
	Flair Pen & Plastic Industries		0.12	-
5	**Director/Managerial Commission (Outsanding)**			
	Khubilal J. Rathod	Key Managerial Personnel	-	0.34
	Jayesh Jain	Relative of KMP	1.53	-

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Note 36 : Capital Management

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

Note 37 : Segment Reporting

Segment Information is presented in respect of the Company's key operating segments. The operating segments are based on th 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 majo decisions with respect to the preparation and execution of Business Plan, preparation of Budget, Planning, alliance, Joint Venture, Merge 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 manufacturin and dealing in writing instruments and its allieds. Hence, no specific disclosures have been made.

Note 38 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CS Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, hav been identified to incur CSR expenditure.

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent as per Section 135 of Companies Act, 2013	8.90	9.85
b) Amount Spent during the year		
i) Construction/Acquisition of assets	-	-
ii) On purpose other than above	9.84	23.99
c) Short/Excess amount spent under section 135 (5)		
i) Amount required to be spent during the year	8.90	9.85
ii) Actual amount spent/incurred during the year	9.84	23.99
Excess amount spent	**(0.94)**	**(14.14)**
d) Nature of CSR activities	Education and Social welfare	
e) Details of related party transations in relation to CSR expenditure as per relevant Accounting Standard	-	-

Note 39 : Leases

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

(Rs. in millions

Particulars	For the year ended March 31, 2023	For the year ende March 31, 2022
(A) Reduction in Lease Rental	(34.30)	(32.7
(B) Increase in Depreciation	26.75	25.3
(C) Increase in Interest	3.36	5.2
(D) Net Impact on Profit before Tax	**(4.20)**	**(2.1**

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Note 40 : Capital and Other Commitments

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Letter of Credit	4.22	40.08
b) Estimated amount of contracts remaining to be executed on capital account and not provided for:	373.10	59.58

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 uncertai future events, not wholly within the control of the Entity.

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Disputed GST, Excise and Service Tax Matters	58.85	5.55
b) Income Tax Matters	46.87	30.69

The Company usually fulfills the obligation(s) in the subsequent years in ordinary course of business and hence no provision, for any contingent liability which would have arisen on completion of expo 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 hac approved a Scheme of Amalgamation ("Scheme") for merger of Transferor Company with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed date being April 01, 2020. The Effect of Scheme has given on April 01, 2022 , prusant to order of the Hon'ble High Court of Bombay on dated Feb 17, 2023.

Note 43 : Additional regulatory information required by Schedule III of Companies Act, 2013

1.) Analytical Ratio Analysis

Ratio	Numerator	Denominator	2022-2023 Numerator	2022-2023 Denominator	2022-2023 Ratio	2021-22 Ratio	Difference	Variance (in %)	Explanation for change in the ratio by more than 25%
Current Ratio (in times)	Current Assets	Current Liabilities	4,106.28	1,839.94	2.23	2.39	-0.16	-7%	
Debt-Equity Ratio (in times)	Total Debt	Total equity	1,234.25	4,349.51	0.28	0.41	-0.13	-31%	Decreased due to principa repayments of loans and increase ir profits during the year.
Debt service coverage ratio (in times)	Earning for Debt Service	Debt service	1,810.98	657.01	2.76	1.61	1.14	71%	**Increased due to lower finance cost and increase in profit during the year**
Return on equity ratio (in %)	Net Profit after taxes	Average total equity	1,171.51	3,764.95	31.12%	19.40%	11.71%	60%	Increased due to increase in profit during the year
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	9,426.60	1,588.21	5.94	4.39	1.54	35%	Increased due to increase in sale during the year
Trade Payable turnover ratio (in times)	Purchase	Average trade payables	5,375.47	569.29	9.44	7.89	1.55	20%	
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	6,971.86	1,990.28	3.50	2.82	0.69	24%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	9,426.60	2,157.69	4.37	2.86	1.51	53%	Increased due to increase in sale during the year
Net profit ratio (in %)	Profit for the year	Revenue from operations	1,171.51	9,426.60	12.43%	9.74%	2.69%	28%	Increased due to increase in profit during the year
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	1,678.03	5,679.42	29.55%	18.23%	11.31%	62%	Increased due to decrease in lease liability and increase in profits during the year
Return on investment (in %)	Net Profit after taxes	Total equity	1,171.51	4,349.51	26.93%	17.68%	9.25%	52%	Increased due to increase in profit during the year

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2) Details of Benami Property:
No proceeding have been initiated or are are pending against the Company for holding any Benami propeerty under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3) Utilisation of borrowed funds and share premium:

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

4) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

5) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

6) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

7) Valuation of Property,Plant and Equipment :

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

8) Willful Defaulter :

The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender inaccordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

9) Details of Transaction with Struck of Companies :

The Company do not have any transtions with Companies Struck off.

10) Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

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Note 44: Salient Features of Financial Statements of Subsidiaries as per Companies Act 2013

Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as subsidiary Company

(Rs in millions)

Name of the Entity	As at March 31, 2023							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
a) Parent								
Flair Writing Industries Ltd	98.08%	4,265.96	95.48%	1,118.61	100.00%	(1.60)	95.48%	1,117.01
b) Indian Subsidiary								
Flair Writing Equipments Private Limited	2.20%	95.76	5.17%	60.60	-	-	5.18%	60.60
Flair Cyrosil Industries Private Limited	-0.28%	(12.20)	-0.66%	(7.70)	-	-	-0.66%	(7.70)
	100.00%	**4,349.51**	**100.00%**	**1,171.51**	**100.00%**	**(1.60)**	**100.00%**	**1,169.91**
c) Non-Controlling Interest								
Flair Cyrosil Industries Private Limited		2.18		(1.12)		-		(1.12)

(Rs in millions)

Name of the Entity	As at March 31, 2022							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
a) Parent								
Flair Writing Industries Ltd	98.62%	3,136.72	95.79%	538.63	100.00%	1.76	95.80%	540.39
b) Indian Subsidiary								
Flair Distributor Private Limited	0.28%	8.77	-0.04%	(0.20)	-	-	-0.04%	(0.20)
Flair Writing Equipments Private Limited	1.10%	34.91	4.25%	23.87	-	-	4.25%	23.87
TOTAL	100%	3,180.40	100%	562.31	100%	1.76	100%	564.07
c) 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-1)

Subsidiary

Name of Subsidiary	Flair Distributor Private Limited (Rs in millions)		Flair Writing Equipments Private Limited (Rs in millions)		Flair Cyrosil Industries Private Limited (Rs in millions)	
Reporting Period	As at March 31,2023	As at March 31,2022	As at March 31,2023	As at March 31,2022	As at March 31,2023	As at March 31,2022
The Date since which Subsidiary was acquired	**21-Feb-17**		**04-Nov-19**		**30-Aug-22**	
Reporting Currency	INR	INR	INR	INR	INR	INR
Equity Share Capital	-	1.00	0.10	0.10	40.00	-
Other Equity	-	8.77	95.76	34.91	(12.20)	-
Total Assets	-	17.57	817.19	335.48	321.68	-
Total Liabilities	-	7.80	721.34	300.47	293.89	-
Investments	-	-	-	-	-	-
Revenue from Operation/Total Income	-	1.12	501.68	261.46	4.03	-
Profit Before Tax	-	(0.21)	73.27	27.34	(9.22)	-
Provision for Tax	-	(0.01)	12.67	3.46	(1.52)	-
Profit After Tax	-	(0.20)	60.60	23.87	(7.70)	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	(0.20)	60.60	23.87	(7.70)	-
Proposed Dividend	-	-	-	-	-	-
% of Share Holding	-	100%	100%	100%	90%	-

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Note 45: Business Combination

On August 30, 2022 the Company acquired 61.55% (50110 Equity shares of Rs. 100 each) stake in Flair Cyrosil Industries Private Limited. The Company has further invested through right issue by infusing Rs. 30.99 millions in Flair Cyrosil Industries Private Limited and has issued equity shares in lieu thereof. Accordingly, Flair Cyrosil Industries Private Limited has become a 90% subsidiary of the company.

As per IND AS 103 on Business Combination, Purchase consideration has been allocated on the fair value of the acquired assets and liabilites. The resulting differential has been accounted as Goodwill.

Details of the purchase consideration, net assets acquired and goodwill are as follows: **(Rs in millions)**

Particulars	
Net Fixed Asseets	2.99
Non Current Assets	45.05
Current Assets	0.73
Total Assets (A)	**48.77**
Non Current Liabilites	45.97
Current Liabilites	0.54
Total Liabilities(B)	**46.52**
Total identifiable net assets at fair value (C)=(A)-(B)	2.25
Minority Interest (D)	0.84
Total identifiable net assets acquired at fair value (E)=(C)-(D)	1.41
Purchase Consideration transferred in Cash (F)	5.01
Goodwill arising on acquisition (F-E)	**3.60**

Basis the purchase price allocation, the goodwill of Rs. 3.60 millions is recognised in the consolidated financial statements.

Note 46

The figures 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)

Dhiren K. Rathore
(Partner)
M.No. 115126

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

Khubilal Jugraj

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023