# 6th ANNUAL REPORT

# FOR THE YEAR ENDED 31-03-2025

# FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

**CIN: U36991DD2019PTC009856**

**Sr No. 370/2-A,Daman Vapi Road, Kachigam, Nani Daman DD 396210 IN**

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**DIRECTOR'S REPORT**

Dear Members,
**FLAIR WRITING EQUIPMENTS PRIVATE LIMITED**

Your Directors have pleasure in presenting this 6th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2025.

**1) Financial Summary or performance of the Company:**

The Company has prepared its standalone and consolidated financial statements for the Financial Year ('F.Y') 2024-25. The highlights of Financial Statements of the Company's operations for the Financial Year ended March 31, 2025 are as follows:

*(Rs. in lakhs)*

| PARTICULARS | Standalone | Consolidated | Standalone |
|---|---|---|---|
| | FY 2024-25 | | FY 2023-24 |
| Revenue from Operations | 14,009.48 | 14369.18 | 8134.01 |
| Other Income | 509.96 | 499.90 | 30.56 |
| **Total Income** | **14,519.44** | **14869.08** | **8164.57** |
| Earning before Finance Cost, Tax and Depreciation | 11,200.76 | 12998.41 | 1660.85 |
| Less: Finance Cost | 957.41 | 957.93 | 469.39 |
| Less: Depreciation & Preliminary expenses written off | 912.49 | 912.66 | 601.16 |
| Profit / (Loss) before Taxation | 1448.78 | 1455.35 | 590.30 |
| Less: Provision for Taxation | | | |
| Current Tax | 197.60 | 197.60 | 93.84 |
| Deferred Tax | 57.42 | 58.96 | 8.80 |
| Tax Adjustments for earlier years | 0.41 | 0.41 | 0.05 |
| **Profit / (Loss) after Taxation** | **1193.34** | **1198.37** | **487.62** |
| Add: Other Comprehensive Income | **Nil** | **Nil** | **Nil** |
| **Total Comprehensive Income for the year** | **1193.34** | **1198.37** | **487.62** |
| Transfer to General Reserve | 1193.34 | 1198.37 | 487.62 |
| Balance at the end of the year | 2638.51 | 2641.08 | 1445.17 |
| **Earnings Per Share of face value of Rs 10/- each** | **10000** | **10000** | **10000** |
| Basic Earnings Per Share | **11,933.39** | **11959.06** | **4876.17** |
| Diluted Earnings Per Share | **11,933.39** | **11959.06** | **4876.17** |

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**2) Financial Operations**

During the year under review, the Company's standalone revenue from operations is Rs. 14,009.48 Lakhs as against revenue from operations of Rs. 8,134.01 Lakhs for the previous year. The Company has generated Net Profit after tax of 1,193.34 Lakhs as against Net Profit after tax of Rs. 487.62 Lakhs in the previous year.

The consolidated revenue from operations is Rs. 14,369.18 Lakhs and the consolidated net profit after tax is Rs. 1,198.37 Lakhs.

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

**3) Dividend**

Considering future prospects and growth plans of the Company, the directors wish to accumulate reserves; hence our directors have not recommended any dividend.

**4) Transfer to reserves:**

The Company has not transferred any sum to reserves except profit earned during the period.

**5) Share Capital**

A. **Authorised Capital:**

During the year under review there was no change in the Authorised Capital of the Company. The Authorised Capital of the Company is Rs. 1,00,000/- (Rupees One Lakh Only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

**B. Paid up Capital:**

As on March 31, 2025, there was no change in the issued, subscribed and paid-up equity share capital of the Company. The issued, subscribed and paid-up equity share capital of the Company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each. The details of the shareholding pattern of the Company are as follows: -

| **Particulars** | **No of Shares** | **Percentage of Holding** |
|---|---|---|
| Flair Writing Industries Limited | 9990 | 99.9% |
| Mr. Khubilal Jugraj Rathod jointly with M/s Flair Writing Industries Limited | 10 | 0.1 % |

**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.

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**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.

**6) Details of subsidiary/joint ventures/associate companies**

As per the provisions of Section 129(3) of the Companies Act, 2013, the Company has the following subsidiary as on the date of this report:

| | |
|---|---|
| Name of Subsidiary: | Flomaxe Stationery Private Limited |
| CIN: | U32901MH2024PTC437296 |
| Date of Incorporation: | December 27, 2024 |
| Percentage of Shareholding: | 51% |
| Principal Business Activities: | The subsidiary is engaged in the manufacturing and distribution of pencils and related items. |

A statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures in form AOC-1 (Annexure-I) pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014.

**7) Statutory Auditor**

**M/s. Jeswani & Rathore,** Chartered Accountants, (Firm Registration No: 104202W) Mumbai are the Statutory Auditors of the Company for the year ended March 31, 2025.

The members of the Company in their First Annual General Meeting have appointed **M/s. Jeswani & Rathore Chartered Accountants**, (FRN: 104202W) for conducting statutory audit for next five years until the conclusion of the 6th Annual General Meeting.

It is proposed to re-appoint **M/s. Jeswani & Rathore Chartered Accountants**, (FRN: 104202W) for a second term of five consecutive years, subject to the approval of the members at the ensuing Annual General Meeting.

**8) Board of Directors**

**A. Composition:**

The following were members of the Company's Board of Directors, as of March 31, 2025:

| Sr. No. | Name of Director |
|---|---|
| 1 | Mr. Khubilal Jugraj Rathod |
| 2 | Mr. Vimalchand Jugraj Rathod |
| 3 | Mr. Rajesh Khubilal Rathod |
| 4 | Mr. Mohit Khubilal Rathod |
| 5 | Mr. Sumit Rathod |

The Company being a private limited company, the directors are not liable to retire by rotation.

**B. Change in Directorship during the year**

There was no director who was appointed/ceased/re-elected/re-appointed during the year.

The company is not mandatorily required to appoint any whole time Key Managerial Personnel pursuant to the Section 203 of the Companies Act, 2013 and its applicable rules thereon. The Provision of Section 149 for appointment of Independent Director do not apply to the Company.

However, during the F.Y, the Company was identified as a material subsidiary of Flair Writing Industries Limited ('the Holding Company') in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

Thus, to fulfil the requirements of Regulation 24(1) of the Regulations, the Company has appointed Mr. Deven Bipin Shah (DIN: 00604010) who serves as an Independent Director on the Board of the Holding Company, as an Additional Independent Director (Non-executive) on the Board of the Company with effect from June 02, 2025, subject to the approval of the members at the ensuing Annual General Meeting.

**C. Number of meeting of the Board:**

The dates on which the Board of Directors met during the financial year under review are as under:

| **Sr. No.** | **Date of Board Meeting** |
|---|---|
| 1. | May 25, 2024 |
| 2. | July 19, 2024 |
| 3. | August 09, 2024 |
| 4. | November 07, 2024 |
| 5. | December 04, 2024 |
| 6. | January 18, 2025 |
| 7. | January 30, 2025 |

The dates on which the Members met during the year under review are as under:

| Sr. No. | Type of Meeting | Date of Meeting |
|---|---|---|
| 1. | Annual General Meeting | August 12, 2024 |
| 2. | Extraordinary General Meeting | January 20, 2025 |

**D. Secretarial Standards**

During the period under review, the Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

**E. Particulars of Employees**

The information required under Section 197 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request of the members. In terms of Section 136 of the Companies Act 2013, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the company up to the date of the Annual General Meeting.

**F. Declaration by Independent Directors**

The Company was not required to appoint and did not appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Hence, no declaration has been obtained.

**9) Annual Return**

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual returns of the Company of the previous years are available on the website of the Company at https://www.flairworld.in/investor-relation.aspx

The draft annual return for the year ended on March 31, 2025 will be available on the website of the company.

**10) Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors in their reports**

The Auditors Report on the financial statement of the Company is part of this Directors' Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The provisions relating to submission of Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 is not applicable to the Company.

**11) Deposits**

During the year ended March 31, 2025, the Company has not invited/ accepted any deposits from the public covered under Chapter V of the Companies Act, 2013 and accordingly, the disclosure requirements stipulated under the said Chapter are not applicable. There were no unclaimed or unpaid deposits as on March 31, 2025.

**12) Board Committees**

The Company is not required to constitute any statutory committees i.e. Audit Committee as per Section 177, Nomination and Remuneration Committee & Stakeholders Relationship Committee as per Section 178 and Corporate Social Responsibility (CSR) Committee as per Section 135 as it does not fall within purview of the said Sections of the Companies Act, 2013. The Company was also not required to form Vigil Mechanism.

**13) Policy on Prevention of Sexual Harassment at Workplace**

As per the requirement of the Sexual Harassment of women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Act and the Rules framed thereunder for prevention and redressal of Complains of Sexual Harassment at workplace.

The Company has complied with provisions relating to the constitution of the Internal Complaints Committee(ICC) under the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. All the women employees, permanent, contractual, temporary and trainees are covered under this policy.

The said policy has been uploaded on the Internal Portals / Leaflets of the Company for information to all employees.

In compliance with the General Circular No. G.S.R. 357(E) dated May 30, 2025 issued by the Ministry of Corporate Affairs, the details of the complaints received during the Financial Year 2024-25 by the Company are as follows:

a. Number of complaints of sexual harassment received in the year: NIL
b. Number of complaints disposed off during the year: N.A.
c. Number of cases pending for more than ninety days: N.A.

**14) Compliance with Maternity Benefit Act, 1961**

In compliance with the General Circular No. G.S.R. 357(E) dated May 30, 2025 issued by the Ministry of Corporate Affairs, the Company hereby confirms that it has complied with the applicable provisions of the Maternity Benefit Act, 1961 (‘the Act’) and that all eligible women employees have been provided benefits mandated under the said Act.

During the year under review, the Company ensured full compliance with the provisions of the Act. In line with the statutory requirements and the Ministry of Corporate Affairs circular dated May 30, 2025, six (6) women employees availed maternity benefits as mandated under the Act.

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**15) 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 March 31, 2025, 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, 2025 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. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16) Particulars of contracts or arrangements with related parties**

The particulars of every contract or 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 transactions under third proviso thereto is disclosed in Form No. AOC-2 (Annexure –II).

**17) Particulars of Loans, Guarantees, Investments in Securities:**

During the period under review, the Company has taken loans from its Directors, Its Holding Company and Financial Institutions. The Company has not given any guarantee, have not made any investments in any securities (in whatsoever form it may be). Details of Loans taken, Guarantees and Investments covered under the provisions of the Companies Act, 2013 along with the applicable Rules of the Act are given in the notes to the Financial Statements forming part of this Annual Report.

**18) Payment of Remuneration / Commission to Directors from the Holding or Subsidiary Company**

None of the directors have received any remuneration / commission on behalf of our Company from the Holding Company or Subsidiary Company.

**19) Internal Financial Controls**

The Company has put in place adequate system of internal finance controls, commensurate with its size and nature of its operations. During the year no material weakness in its operating effectiveness was observed.

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**20) Conservation of energy, technology absorption, foreign exchange earnings and outgo**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have been furnished below considering the nature of activities undertaken by the company during the year under review.

**A. Conservation of energy:**

**Steps taken or impact on conservation of energy**: The Company remains committed to energy conservation through stringent monitoring and efficient energy management practices. Daily energy consumption is closely tracked, with key performance indicators—such as maximum demand, power factor, load factor, and Time of Day (ToD) tariff utilization—regularly analyzed to identify optimization opportunities. Obsolete or inefficient equipment is progressively replaced with advanced, energy-efficient alternatives, and continuous upgrades are undertaken to enhance overall operational efficiency.

The following initiatives undertaken during the year underscore the Company's focus on sustainable energy practices:

1. Phased out legacy electronic devices and replaced them with high-efficiency, 5-star rated alternatives to lower energy consumption.
2. Upgraded the lighting infrastructure at the Valsad manufacturing facility by installing energy-saving LED systems.
3. Deployed advanced servo-controlled molding machines designed for improved energy efficiency and reduced operational load.
4. Carried out systematic retrofitting and modernization of existing machinery to boost energy performance and operational output.
5. Strengthened the preventive maintenance schedule to ensure consistent equipment efficiency and reduce energy losses.
6. Streamlined production workflows and adopted energy-conscious operational practices to further optimize energy use.

**B. Technology absorption:**

The Company remains committed to technological advancement and operational excellence by actively exploring and assessing emerging technologies relevant to its business activities. These technologies are periodically integrated into processes to drive product innovation and upgrades, enhance yield and quality, enable input substitution, optimize costs, and promote energy conservation—ensuring alignment with the Company's evolving operational requirements and strategic objectives.

**C. Foreign Exchange Earnings and Outgo:**

Activities relating to exports; initiatives taken to increase exports: - Development of Innovative packaging and products for export markets along with improvement in quality, cost and lead time. The details of the Foreign Exchange Earnings and Outgo are as follows*:*

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*(Amount in lakhs)*

| **Particulars** | **Period Ended 31.03.2025** | **Period Ended 31.03.2024** |
|---|---|---|
| Actual Foreign Exchange Earnings | 578.00 | 398.24 |
| Actual Foreign Exchange Outgo | 3400.26 | 2,588.27 |

**21) 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.

**22) Acknowledgments**

Your Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and co-operation extended by the regulators, creditors, bankers, shareholders, and employees, who have helped in the day to day management.

**For and on behalf of the Board of Directors**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place: Mumbai** | **Khubilal Jugraj Rathod** | **Vimalchand Jugraj Rathod** |
| **Dated: July 26, 2025** | **Director** | **Director** |
| | **(DIN: 00122867)** | **(DIN: 00123007)** |

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**Annexure-I**

**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**

(₹ in lakhs)

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | CIN/ Any other registration number of subsidiary company | U32901MH2024PTC437296 |
| 2. | Name of the subsidiary | Flomaxe Stationery Private Limited |
| 3. | Date since when subsidiary was acquired | 27-12-2024 |
| 4. | Provision pursuant to which the company has become a subsidiary | Section 2(87)(ii) of the Companies Act, 2013 |
| 5. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 27-12-2024 to 31-03-2025 |
| 6. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA |
| 7. | Share capital | 10 |
| 8. | Reserves & surplus | 5.03 |
| 9. | Total assets | 2191.81 |
| 10. | Total Liabilities | 2176.77 |
| 11. | Investments | NIL |
| 12. | Turnover | 359.71 |
| 13. | Profit before taxation | 6.58 |
| 14. | Provision for taxation | 1.54 |
| 15. | Profit after taxation | 5.03 |
| 16. | Proposed Dividend | NIL |
| 17. | % of shareholding | 51% |

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**Part "B": Associates and Joint Ventures**

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

| | | | |
|---|---|---|---|
| 1. Name of associates/Joint Ventures | NA | NA | NA |
| 2. Latest audited Balance Sheet Date | NA | NA | NA |
| 3. Date on which the Associate or Joint venture was associated or acquired | NA | NA | NA |
| 4. Shares of Associate/Joint Ventures held by the company on the year end | | | |
| A. Number | NIL | NIL | NIL |
| B. Amount of Investment in Associates/Joint Venture | NIL | NIL | NIL |
| C. Extent of Holding% | NIL | NIL | NIL |
| 5. Description of how there is significant influence | NA | NA | NA |
| 6. Reason why the associate/joint venture is not consolidated | NA | NA | NA |
| 7. Net worth attributable to shareholding as per latest audited Balance Sheet | NIL | NIL | NIL |
| 8. Profit/Loss for the year | NIL | NIL | NIL |
| A. Considered in Consolidation | NA | NA | NA |
| B. Not Considered in Consolidation | NA | NA | NA |

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

**For and on behalf of the Board of Directors**

| | |
|---|---|
| **Khubilal Jugraj Rathod** | **Vimalchand Jugraj Rathod** |
| **Sd/-**<br>**Director**<br>**(DIN: 00122867)** | **Sd/-**<br>**Director**<br>**(DIN: 00123007)** |

**Place: Mumbai**
**Date: July 26, 2025**

Registered Office:
Sr. No. 370/2-A, Daman Vapi Road, Kachigam,
Nani Daman, Daman, Daman and Diu - 396210

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**ANNEXURE-II**

**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 of Section 188(1) 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 | Nil |
| b) | Nature of contracts/arrangements/transaction | Nil |
| c) | Duration of the contracts/arrangements/transaction | Nil |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil |
| e) | Justification for entering into such contracts or arrangements or transactions' | Nil |
| f) | Date of approval by the Board | Nil |
| g) | Amount paid as advances, if any | Nil |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Nil |

2. Details of material 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 Industries Limited- Holding Company | | | | |
| b | Nature of contracts/arrangements/transaction | Sale of Goods, | Purchase of goods, Assets, License | Rent paid | Loan taken | Loan repaid, Interest paid |
| c | Duration of the contracts/arrangements/transaction | On going | On going | 5 years (from November 01, 2024) | On going | On going |
| d | Salient terms of the contracts or arrangements or transaction including the value, if any | Business Transaction Rs.2049.73 Lakhs | Business Transaction Rs. 1543.12 Lakhs | Leave and License Agreement- Rs. 135.73 Lakhs | Rs. 10337.20 Lakhs | Loan Repaid- Rs. 4358.11 Lakhs<br>Interest paid- Rs. 834.57 Lakhs |

| | | | | | | |
|---|---|---|---|---|---|---|
| e | Date of approval by the Board | NA | NA | NA | November 28, 2023 | NA |
| f | Amount paid as advances, if any | Nil | Nil | Nil | Nil | Nil |

| Sl. No. | Particulars | Details | |
|---|---|---|---|
| a | Name (s) of the related party & nature of relationship | Flair Writing Industries Limited- Holding Company | |
| b | Nature of contracts/arrangements/transaction | Sale of Fixed Assets | Purchase of Assets |
| 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. 22.95 Lakhs | Business Transaction Rs. 2.39 Lakhs |
| e | Date of approval by the Board | NA | NA |
| f | Amount paid as advances, if any | Nil | Nil |

| Sl. No. | Particulars | Details | |
|---|---|---|---|
| a | Name (s) of the related party & nature of relationship | Flomaxe Stationery Private Limited- Subsidiary Company | |
| b | Nature of contracts/arrangements/transaction | Loan Given | Loan amount and Interest received |
| 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 | Rs. 1214..10 Lakhs | Loan amount received Rs. 2.39 Lakhs |
| | | | Interest received- Rs. 9.63 Lakhs |
| e | Date of approval by the Board | January 18, 2025 | January 18, 2025 |
| f | Amount paid as advances, if any | Nil | Nil |

# *Flair Writing Equipments Private Limited*

CIN: U36991DD2019PTC009856
Registered Office: Sr. No. 370/2-A, Daman Vapi Road, Kachigam, Nani Daman, Daman, Daman and Diu - 396210
Tel- 022 28683876 Email- cs@flairpens.com

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| **Sl. No.** | **Particulars** | **Details** | | |
|---|---|---|---|---|
| a | Name (s) of the related party & nature of relationship | Flair Pens Limited | Flair Pen & Plastic Industries | Flair Writing Aids |
| b | Nature of contracts/arrangements/transaction | Rent paid | | |
| c | Duration of the contracts/arrangements/transaction | Upto October 30, 2024 | 5 years | 5 years |
| d | Salient terms of the contracts or arrangements or transaction including the value, if any | Leave and License Agreement- Rs. 0.83 Lakhs | Leave and License Agreement- Rs. 205.68 Lakhs | Leave and License Agreement- Rs. 18.00 Lakhs |
| e | Date of approval by the Board | NA | NA | January 30, 2025 |
| f | Amount paid as advances, if any | Nil | | |

**For and on behalf of the Board of Directors**

**Khubilal Jugraj Rathod**

**Sd/-**
**Director**
**(DIN: 00122867)**

**Vimalchand Jugraj Rathod**

**Sd/-**
**Director**
**(DIN: 00123007)**

**Place: Mumbai**
**Dated: July 26, 2025**

# 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

**Independent Auditor's Report**

**To the Members of Flair Writing Equipments Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Flair Writing Equipments Private Limited ("the Company")** which comprise Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows 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 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profits, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules 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 judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition (Refer note 2.7 of the 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. |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Consolidated Financial Statements, 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.

**Responsibilities of Management and Board of Directors 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, changes in equity and cash flows 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. 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 judgements 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.

In preparing the Standalone Financial Statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**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 it, 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 judgement and maintain professional skepticism throughout the audit. We also:

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

• Obtain an understanding of internal financial 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 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 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 misstatements 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 financial 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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by 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 the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit & Loss, the Statement of Changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report;

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

   The provisions of Sections 197 read with schedule V to the Companies Act, 2013 are applicable to Public Companies and hence, the reporting under this clause is not applicable to the company;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer note 39 to Standalone Financial Statements)

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 persons 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons 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;

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (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) Based on our examination, which included test checks, the Company has used accounting software system for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software system. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M. No: 012807**
**UDIN: 25012807BMLXLB8166**

**Place: Mumbai**
**Date: May 21, 2025**

**Annexure "A" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Flair Writing Equipments Private Limited**

(Referred to in paragraph 1, 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 Capital Work-in-progress and relevant details of right-of-use assets.

(ii) The Company has no intangible assets.

b) The Company has a phased program for physical verification of the Property, Plant and Equipment and Right-of-use assets to cover all the items once every three years which in our opinion, the frequency of verification is reasonable considering the size of the company and nature of its Property, Plant and Equipment and Capital Work-in-progress and Right-of-use assets. Physical verification of the assets has been carried out by the Management during the year pursuant to the program 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 Company does not own any immovable property.

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

e) There are no proceedings initiated or pending against the Company as at March 31, 2025 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 inventories, except goods-in-transit and stocks lying with third parties, has 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 limit in excess of five crores rupees, in aggregate, from bank on the basis of security of current assets and movable Property, Plant and Equipment. In

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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:

**(₹ In Lakhs)**

| Quarter ended on | Amount as per books of accounts | Amount as in the statements | Difference | Reason for discrepancies |
|---|---|---|---|---|
| March 31, 2025 | 6,665.26 | 6,665.57 | (0.31) | 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, 2024 | 6,282.96 | 6,282.97 | (0.01) | |
| September 30, 2024 | 5,129.05 | 5,090.99 | 38.06 | |
| June 30, 2024 | 4,810.78 | 4,781.77 | 29.01 | |

iii. During the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

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

**(₹ In Lakhs)**

| Particulars | Loans Amount |
|---|---|
| Aggregate amount granted/ provided during the year -Subsidiaries | 1,214.10 |
| Balance outstanding as at balance sheet date in respect of above case - Subsidiaries | 1,142.77 |

(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 of principal amount or receipts of interest are regular as per stipulation.

(d) There are no amounts of loans granted to companies which are overdue for more than ninety days except the loans given to the subsidiary Flomaxe Stationery 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, reporting under clause (iii)(f) of paragraph 3 of the Order is not applicable to the Company.

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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 not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.

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, 2025 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, 2025 on account of dispute are given as below:

| Nature of Statute | Nature of dues | Amount (in ₹) | Period to which Relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 1,18,68,530 | 2022-23 | Jurisdiction of Assessing Officer |

viii. The Company has not surrendered or disclosed any transactions, previously unrecorded as income 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 of examination of the standalone financial statement of the Company, we report that no funds raised on short term basis have been used for long term purpose by the Company.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken loan from any entity or any person on account of or to meet the obligation of its subsidiaries, 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) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not raised any funds during the year on the pledge of securities held in its

JESWANI & RATHORE ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable to the company.

**xiii.** In our opinion, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the Note 34 of standalone financial statements as required by the applicable accounting standards.

**xiv.** In our opinion, internal audit as per Section138 of Companies Act, 2013 not applicable to the Company, hence the reporting under this clause (xiv)(a) and (b) of paragraph 3 of the Order is not applicable to the company.

**xv.** In our opinion, the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence, provision of section 192 of the Companies Act, 2013 are not applicable to the Company.

**xvi.** (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause (xvi)(a)(b) and (c) of paragraph 3 of the Order is not applicable to the Company.

(b) In our opinion, 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.

**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 40 to the Standalone Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial

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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 indicating 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.

**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**
**(Firm Reg. No.104202W)**

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M. No: 012807**
**UDIN: 25012807BMLXLB8166**

**Place: Mumbai**
**Date: May 21, 2025**

**Annexure – "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Flair Writing Equipments Private Limited**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to Standalone Financial Statements 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 **Flair Writing Equipments Private Limited** ("the Company") as of **March 31, 2025**, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statement 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 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 control with reference to these 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 control with reference to these 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 authorizations of management and directors of the Company and;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 these 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 these 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, 2025, 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 ICAI.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M. No: 012807**
**UDIN: 25012807BMLXLB8166**
**Place: Mumbai**
**Date: May 21, 2025**

**FLAIR WRITING EQUIPMENTS PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2025**

(₹ in lakhs)

| | Particulars | Note | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 1 | 7,545.88 | 3,426.97 |
| b) | Capital Work in Progress | 1 | 260.14 | - |
| c) | Right-of-Use Assets | 1 | 1,086.46 | 689.60 |
| d) | Financial Assets | | | |
| | i) Investments | 2 | 5.10 | - |
| | ii) Loan | 3 | 1,134.10 | - |
| | iii) Other Financial Assets | 4 | 65.99 | 93.88 |
| e) | Current Tax Assets (Net) | 5 | 0.99 | 0.99 |
| f) | Other Non-Current Assets | 6 | 574.49 | 1,540.55 |
| | **Total Non-Current Assets** | | **10,673.15** | **5,752.00** |
| | | | | |
| | **Current Assets** | | | |
| a) | Inventories | 7 | 4,385.88 | 2,985.78 |
| b) | Financial Assets | | | |
| | i) Trade Receivables | 8 | 3,176.88 | 2,099.23 |
| | ii) Cash and Cash Equivalents | 9 | 1.52 | 2.47 |
| | iii) Bank Balance other than (ii) above | 10 | 84.52 | - |
| | iv) Loan | 3 | 8.67 | 0.05 |
| | v) Other Financial Assets | 4 | 6.12 | - |
| c) | Other Current Assets | 6 | 1,327.09 | 791.43 |
| | **Total Current Assets** | | **8,990.69** | **5,878.96** |
| | **Total Assets** | | **19,663.84** | **11,630.95** |
| | | | | |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| a) | Equity Share Capital | 11 | 1.00 | 1.00 |
| b) | Other Equity | 12 | 2,638.51 | 1,445.17 |
| | **Total Equity** | | **2,639.51** | **1,446.17** |
| | | | | |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 13,811.63 | 7,567.91 |
| | ii) Lease Liabilities | 14 | 876.13 | 574.50 |
| b) | Provisions | 15 | 39.51 | - |
| c) | Deferred Tax Liabilities (Net) | 16 | 113.84 | 56.42 |
| | **Total Non-Current Liabilities** | | **14,841.11** | **8,198.83** |
| | | | | |
| | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 13 | 385.38 | 635.27 |
| | ii) Lease Liabilities | 14 | 302.37 | 161.77 |
| | iii) Trade Payables | | | |
| | Total Outstanding Dues of Micro and Small Enterprises; | 17 | 266.62 | 215.84 |
| | Total Outstanding Dues of Creditors other than Micro and Small Enterprises | 17 | 582.71 | 580.50 |
| | iv) Other Financial Liabilities | 18 | 346.83 | 163.38 |
| b) | Provisions | 15 | 152.76 | 38.60 |
| c) | Other Liabilities | 19 | 138.68 | 188.01 |
| d) | Current Tax Liabilities (Net) | 20 | 7.87 | 2.57 |
| | **Total Current Liabilities** | | **2,183.22** | **1,985.95** |
| | **Total Liabilities** | | **17,024.33** | **10,184.78** |
| | **Total Equity and Liabilities** | | **19,663.84** | **11,630.95** |

The material accounting policies and accompanying notes are an integral part of the 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

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

**FLAIR WRITING EQUIPMENTS PRIVATE LIMITED**

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2025**

(₹ In lakhs)

| Sr.No. | Particulars | | Notes | For the Year ended March 31, 2025 | For the Year ended March 31, 2024 |
|---|---|---|---|---|---|
| | **INCOME** | | | | |
| 1 | Revenue from Operations | | 21 | 14,009.48 | 8,134.01 |
| 2 | Other Income | | 22 | 509.96 | 30.56 |
| | **Total Income** | **(A)** | | **14,519.44** | **8,164.57** |
| | | | | | |
| 3 | **EXPENSES** | | | | |
| | (a) Cost of Material Consumed | | 23 | 8,871.57 | 4,663.17 |
| | (b) Changes in Inventories of Finished Goods and Work-in-Progress | | 24 | (1,506.34) | (310.37) |
| | (c) Employee Benefit Expense | | 25 | 1,416.03 | 866.52 |
| | (d) Finance Costs | | 26 | 957.41 | 469.39 |
| | (e) Depreciation and Amortisation Expenses | | 27 | 912.49 | 601.16 |
| | (f) Other Expenses | | 28 | 2,419.50 | 1,284.40 |
| | | | | | |
| | **Total Expenses** | **(B)** | | **13,070.66** | **7,574.27** |
| | | | | | |
| 4 | **Profit Before tax** | (C=A-B) | | 1,448.78 | 590.30 |
| | | | | | |
| 5 | **Tax Expense:** | | | | |
| | (a) Current Tax | | | 197.60 | 93.84 |
| | (b) Deferred Tax Expenses/(Credit) | | 16 | 57.42 | 8.80 |
| | (c) Short/(Excess) Provision of tax relating to earlier years | | | 0.41 | 0.05 |
| | **Total Tax Expenses** | **(D)** | | **255.44** | **102.69** |
| | | | | | |
| 6 | **Profit for the year** | **(E=C-D)** | | **1,193.34** | **487.62** |
| | | | | | |
| 7 | **Earnings Per Equity Share of face value of ₹ 10/- each** | | | | |
| | Basic(In ₹) | | 29 | **11,933.39** | **4,876.17** |
| | Diluted (In ₹) | | 29 | **11,933.39** | **4,876.17** |

The material accounting policies and accompanying notes are an integral part of the 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

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

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

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

| [illegible] | | For the Year ended March 31, 2025 | For the Year ended March 31, 2024 |
|---|---|---|---|
| **Cash Flow From Operating Activities** | | | |
| Profit before tax | | 1,448.78 | 590.30 |
| | | | |
| **Adjustments for:** | | | |
| Depreciation and Amortisation Expenses | | 912.49 | 601.16 |
| Finance Costs | | 957.41 | 469.39 |
| Interest Income | | (18.95) | (4.01) |
| (Profit) on sales of Property, Plant and Equipment | | (0.61) | (2.07) |
| Sundry credit balance written back | | (0.02) | (0.91) |
| Foreign exchange gain (net) | | (3.09) | (3.27) |
| Allowance for expected credit loss on trade receivables | | 20.60 | - |
| **Operating Profit Before Change in Working Capital** | | **3,316.60** | **1,650.59** |
| | | | |
| **Movements in working capital:** | | | |
| (Increase) in Trade Receivables | | (1,095.16) | (649.79) |
| (Increase) in Inventories | | (1,400.10) | (658.18) |
| (Increase)/Decrease in Other Financial Assets and Other Assets | | 452.17 | (1,591.83) |
| Decrease in Loan | | 0.05 | 0.35 |
| Increase/(Decrease) in Trade Payables | | 53.01 | (802.66) |
| Increase in Other Financial Liabilities and Other Liabilities | | 287.78 | 126.16 |
| **Cash Generated From/(Used In) Operations** | | **1,614.36** | **(1,925.36)** |
| Income Taxes Paid (Net) | | (192.71) | (117.01) |
| **Net Cash Generated From / (Used in) Operating Activities** | **(A)** | **1,421.65** | **(2,042.36)** |
| | | | |
| **Cash Flows From Investing Activities** | | | |
| Investment in Subsidiary Company | | (5.10) | - |
| Loan given to Subsidiary Company | | (1,142.77) | - |
| Purchase of Property, Plant and Equipment | | (5,017.97) | (1,172.15) |
| Sales of Property, Plant and Equipment | | 22.95 | 4.66 |
| Investment in Fixed Deposits | | (84.52) | - |
| Interest income | | 18.95 | 4.01 |
| **Net Cash Generated From / (Used In) Investing Activities** | **(B)** | **(6,208.46)** | **(1,163.48)** |
| | | | |
| **Cash Flow From Financing Activities** | | | |
| Proceeds from Borrowings | | 5,993.82 | 3,808.41 |
| Finance Costs Paid | | (849.16) | (395.91) |
| Repayment of Principal Portion of Lease Liabilities | | (358.80) | (219.60) |
| **Net Cash Generated From / (Used In) Financing Activities** | **(C)** | **4,785.86** | **3,192.90** |
| | | | |
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | **(A+B+C)** | **(0.95)** | **(12.94)** |
| Cash and Cash Equivalents at the Beginning of the Year | | 2.47 | 15.41 |
| **Cash and Cash Equivalents at the End of the Year** | | **1.52** | **2.47** |
| **Components of Cash and Cash Equivalents** | | | |
| Cash on Hand | | 1.41 | 2.30 |
| Balances with scheduled banks | | | |
| - in Current Accounts | | 0.11 | 0.17 |
| | | | |
| **Total Cash and Cash Equivalents** | | **1.52** | **2.47** |

**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.

The material accounting policies and accompanying notes are an integral part of the 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

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

Khubilal Jugraj

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

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

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Statement of Changes in Equity

A. Equity Share Capital:

(₹ In lakhs)

| Balance as at April 01, 2024 | Changes in Equity Share Capital due to prior year errors | Restated balance as at April 01, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|---|---|
| 1.00 | - | - | - | 1.00 |

| Balance as at April 01, 2023 | Changes in Equity Share Capital due to prior year errors | Restated balance at April 01,2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| 1.00 | - | - | - | 1.00 |

b. Other equity

(₹ In lakhs)

| Particulars | Retained Earnings |
|---|---|
| | |
| **Balance as at April 1, 2023** | 957.55 |
| Add : Profit for the Year | 487.62 |
| **Balance as at March 31, 2024** | **1,445.17** |
| | |
| **Balance as at April 1, 2024** | 1,445.17 |
| Add : Profit for the Year | 1,193.34 |
| **Balance as at March 31, 2025** | **2,638.51** |

The material accounting policies and accompanying notes are an integral part of the 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

Khubilal G. Rathore
(Partner)
M.No. 012807
Mumbai
Date: May 21, 2025

For and on behalf of the Board of Directors
Flair Writing Equipments Private Limited

Vimalchand Rathod
Director
(DIN. 00123007)

Khubilal Rathod
Director
(DIN. 00122867)

**FLAIR WRITING EQUIPMENTS PRIVATE LIMITED**

## 1. CORPORATE INFORMATION

**Flair Writing Equipments Private Limited** ('the Company') (CIN: U36991DD2019PTC009856) is a Company domiciled in India, with its registered office situated at 370/2-A, Daman Vapi Road, Kachigam, Nani Daman, Daman, Daman and Diu – 396210 and Corporate office at Mumbai is located at Flair House, Plot No A/64, Cross Road-A, Marol Ind. Area MIDC, Andheri (East) Mumbai-400 093.

The Company has three (3) manufacturing units and is wholly Owned Subsidiary Company of Flair Writing Industries Limited. The Company is engaged in manufacturing and dealing in writing instruments, stationeries and others allied(s).

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of Preparation

#### a) Statement of Compliance:

The Company prepares its Standalone Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These Standalone financial statements includes Balance Sheet as at 31 March 2025, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2025, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

#### b) Basis of Measurement:

The financial statements for the year ended 31 March 2025 have been prepared on accrual basis following historical cost convention, except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period in accordance with Ind AS.

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

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2024.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

**c) Classification of Current / Non-Current Assets and Liabilities:**

The Company presents assets and liabilities in the Balance sheet based on current / non-current classification. It has been classified as current or non-current as per the Company's normal operating cycle, as per para 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

**Operating Cycle:**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**d) Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs up to two decimal places, as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

## 2.2. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets, liabilities, incomes and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors (including expectations of future events) that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company uses the following critical accounting estimates in preparation of its financial statements:

**Estimates and assumptions are required in particular for:**

- **<u>Determination of the estimated useful lives of Property Plant and Equipment:</u>**
  Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful life, after taking into account estimated residual value, Management reviews the estimated useful life 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 life 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.

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

- **<u>Provisions</u>**
  Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgements 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.

- **<u>Recognition and measurement of defined benefit obligations</u>**
  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.

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

- **Application of Discount rates**

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

- **Current versus Non-Current Classification**

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

- **Impairment of Non-Financial Assets**

  The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (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 the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

  The Company estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

- **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 judgements 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.

- **Provision for income tax and deferred tax assets**

  The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

## 2.3. PROPERTY, PLANT AND EQUIPMENT (PPE)

### i. Tangible Assets

- **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. Capital Work-In-Progress

Capital Work-In-Progress includes expenditure during the 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.

### iii. Depreciation:

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 the Schedule – II of Companies Act, 2013,

The useful life of major assets is as under:

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

| Assets | Useful life (in years) |
|---|---|
| Furniture & Fixtures | 10 |
| Electrical Installation | 10 |
| Office Equipments | 5 |
| Plant & Machinery | 15 |
| Factory Equipments | 5 |
| Mould | 8 |
| Computer & Software | 3 |
| Two Wheeler | 10 |
| Vehicle | 8 |

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.

iv. **Impairment of Non-Financial Assets- Property, Plant and Equipment**

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

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

### 2.4. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.5. Foreign Currency Transactions and Translation

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

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

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

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

### 2.6. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to franster 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.

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.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 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.

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

The Company derives revenues from sale of manufactured 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.

**<u>Sale of products</u>**:

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.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**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.

**Contract balances and Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract liabilities**

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

**Other Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.8. Tax Expenses**

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recognised in profit or loss.

- **Current tax:**

  Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

  Current tax assets and liabilities are offset only if,

  - the Company has a legally enforceable right to set off the recognised amounts; and
  - intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

- **Deferred tax:**

  Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

  Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

  Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

  The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

  Deferred tax assets and liabilities are offset only if:

  - the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
  - the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**2.9. Inventories**

Inventories are stated at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary on an item-by-item basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First In-First Out (FIFO) method.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**2.10. Investments in Subsidiary**

The Company considers an investee company as a subsidiary company when it controls the investee company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

• Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

• Exposure, or rights, to variable returns from its involvement with the investee

• The ability to use its power over the investee to affect its returns

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. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in the Statement of Profit and Loss.

**2.11. Leases**

**As a Lessee:**

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

I. the contact involves the use of an identified asset

II. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

III. the Company has the right to direct the use of the asset.

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The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

I. fixed lease payments (including in-substance fixed payments), less any lease incentives;
II. variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
III. the amount expected to be payable by the lessee under residual value guarantees;
IV. the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
V. payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

I. the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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II. the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

III. a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Balance Sheet. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

**2.12. Provisions, Contingent Liabilities, Contingent Assets and Commitments**

A provision is recognised when the enterprise 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, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the Financial Statements where an inflow of economic benefit is probable.

**2.13. Employee Benefits Expense**

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

**a) Short-term Employee Benefits**

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short-term employee benefits and are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Certain employees of the Company are entitled to compensated absences based on statutory provisions, The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b) Post-Employment Benefits**

I. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscelloneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

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II. **Defined benefit plans**

The Company's gratuity benefit scheme is a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

**2.14. Financial Instruments**

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

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

**(i) Financial assets**

**a. Initial Recognition and Measurement**

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

**b. Subsequent Measurement**

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

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

c. **Loans, Deposits and Receivable**

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

d. **Investment in Subsidiaries**

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

e. **Impairment of Financial Assets**

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

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

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

The Credit Loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable evidence including that which is forward-looking.

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**Trade Receivables**

Customer Credit Risk is managed by the Company established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on on 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. |
| 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.

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 company are segregated.

2.17. **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.

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**Diluted earnings per share**

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**2.18. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**2.19. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standard under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025. MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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FLAIR WRITING EQUIPMENTS PRIVATE LIMITED
CIN - U36991DD2019PTC009856

Note 1 : Property, Plant and Equipment

(₹ In lakhs)

| Particulars | Plant and Machinery | Office Equipments | Factory Equipment | Computer and Software | Furniture & Fixtures | Mould | Electrical Instalation | Two Wheelar | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **I. Gross Block** | | | | | | | | | | |
| **Balance as on April 01, 2023** | **2,111.25** | **3.82** | **94.28** | **9.47** | **83.90** | **667.78** | **188.76** | **0.82** | **9.22** | **3,169.30** |
| Additions | 526.10 | 4.33 | 108.15 | 5.11 | 98.10 | 236.21 | 123.53 | - | 70.63 | 1,172.15 |
| Deletions/Adjustments | 2.75 | - | - | - | - | - | - | - | - | 2.75 |
| **Balance as on March 31, 2024** | **2,634.60** | **8.15** | **202.43** | **14.57** | **182.01** | **903.99** | **312.29** | **0.82** | **79.85** | **4,338.70** |
| Additions | 2,103.73 | 11.77 | 70.06 | 6.55 | 69.60 | 2,378.63 | 101.24 | - | 16.25 | 4,757.83 |
| Deletions/Adjustments | 17.12 | - | - | - | - | 9.11 | - | - | - | 26.23 |
| **Balance as on March 31, 2025** | **4,721.20** | **19.91** | **272.49** | **21.13** | **251.60** | **3,273.51** | **413.53** | **0.82** | **96.10** | **9,070.30** |
| | | | | | | | | | | |
| **II. Depreciation** | | | | | | | | | | |
| **Balance as on April 01, 2023** | **326.56** | **0.79** | **14.52** | **2.29** | **7.87** | **111.71** | **28.31** | **0.01** | **0.30** | **492.36** |
| Charge for the year | 254.27 | 1.05 | 26.82 | 3.77 | 14.11 | 87.11 | 24.57 | 0.08 | 7.75 | 419.53 |
| Deletions/Adjustments | 0.16 | - | - | - | - | - | - | - | - | 0.16 |
| **Balance as on March 31, 2024** | **580.67** | **1.84** | **41.34** | **6.06** | **21.98** | **198.82** | **52.88** | **0.09** | **8.05** | **911.72** |
| Charge for the year | 322.78 | 2.81 | 46.50 | 5.55 | 20.16 | 174.35 | 33.66 | 0.08 | 10.69 | 616.58 |
| Deletions/Adjustments | 1.56 | - | - | - | - | 2.32 | - | - | - | 3.88 |
| **Balance as on March 31, 2025** | **901.89** | **4.64** | **87.84** | **11.61** | **42.14** | **370.85** | **86.54** | **0.16** | **18.75** | **1,524.42** |
| | | | | | | | | | | |
| **III- Net Block** | | | | | | | | | | |
| **Balance as on March 31, 2025** | **3,819.32** | **15.27** | **184.65** | **9.52** | **209.46** | **2,902.66** | **326.99** | **0.66** | **77.35** | **7,545.88** |
| **Balance as on March 31, 2024** | **2,053.93** | **6.31** | **161.09** | **8.51** | **160.03** | **705.17** | **259.41** | **0.74** | **71.80** | **3,426.97** |

Note: Movable Property, Plant and Eqipment are hypothecated against cash credit facilities availed by the company amounting to Rs. 500 lakhs.

Note 1 : Rights-of-Use Assets

(₹ In lakhs)

| Particulars | Leased Assets |
|---|---|
| **I. Gross Block** | |
| As at April 01,2023 | 908.15 |
| Additions | - |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2024** | **908.15** |
| Additions | 692.77 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2025** | **1,600.92** |
| | |
| **II. Depreciation** | |
| As at April 01,2023 | 36.92 |
| Charge for the year | 181.63 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2024** | **218.55** |
| Charge for the year | 295.91 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2025** | **514.46** |
| | |
| **III- Net Block** | |
| **As at March 31, 2025** | **1,086.46** |
| **As at March 31, 2024** | **689.60** |

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## Note 1 : Capital Work In Progress

(₹ In lakhs)

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Solar EPC | 260.14 | - |
| **Total** | **260.14** | **-** |

**Ageing for CWIP as at March 31, 2025 is as follows**

(₹ In lakhs)

| 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 | 260.14 | - | - | - | 260.14 |
| Project is temporarily suspended | - | - | - | - | - |
| Total | **260.14** | - | - | - | **260.14** |

**Ageing for CWIP as at March 31, 2024 is as follows**

(₹ In lakhs)

| 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 | - | - | - | - | - |
| Project is temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

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FLAIR WRITING EQUIPMENTS PRIVATE LIMITED
CIN - U36991DD2019PTC009856

## Note 2 : Investments

(₹ In lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Qty | Amount | Qty | Amount |
| **Non-Current** | | | | |
| **Unquoted, fully paid up** | | | | |
| In Equity Shares of Subsidiary Company | | | | |
| Flomaxe Stationery Pvt Ltd of Rs.10 each (Refer Note 34) | 51,000 | 5.10 | - | - |
| **Total non-current investments** | 51,000 | 5.10 | - | - |
| | | | | |
| **Aggregate Carrying Value of Unquoted Investments** | - | 5.10 | - | - |
| **Aggregate Carrying Value of Unquoted Investments measured at cost** | - | 5.10 | - | - |

## Note 3 : Loans

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non Current** | | |
| Subsidiary Company | 1,134.10 | - |
| **Total** | **1,134.10** | - |
| | | |
| **Current** | | |
| Loans and Advances to Employees (Unsecured, Considered good) | - | 0.05 |
| Subsidiary Company | 8.67 | - |
| **Total** | **8.67** | **0.05** |

## Note 4 : Other Financial Assets

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current** | | |
| Security Deposit | 65.99 | 93.88 |
| **Total** | **65.99** | **93.88** |
| | | |
| **Current** | | |
| Other Receivables | 6.12 | - |
| **Total** | **6.12** | - |

## Note 5 : Income tax Assets

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current Tax Assets** | | |
| Income Tax Assets | 0.99 | 0.99 |
| **Total** | **0.99** | **0.99** |

## Note 6 : Other Current Assets

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current** | | |
| Capital Advance (including MSME) | 571.95 | 1,539.54 |
| Prepaid Expenses | 2.54 | 1.01 |
| **Total** | **574.49** | **1,540.55** |
| | | |
| **Current** | | |
| Advance to Suppliers | 723.76 | 348.48 |
| Balances with Government Authorities | 559.08 | 434.46 |
| Prepaid Expenses | 24.83 | 8.41 |
| Others | 19.43 | 0.07 |
| **Total** | **1,327.09** | **791.43** |

## Note 7 : Inventories

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Inventories #** | | |
| Raw and Packing Materials | 999.02 | 1,136.93 |
| Raw and Packing Materials - Goods in Transit | 15.47 | 6.91 |
| Semi-Finished Goods | 2,097.80 | 923.59 |
| Finished Goods | 1,245.44 | 913.32 |
| Stock of Spares | 28.15 | 5.04 |
| **Total** | **4,385.88** | **2,985.78** |

\# 1) Inventories have been valued as per Note 2(9) of Significant Accounting Policies.
2) Inventories are hypothecated against Cash Credit facilities availed by the Company totaling Rs. 500 lakhs.
3) The cost of inventories recognised as an expense during the year was Rs. 7,365.23 lakhs (March 31, 2024: Rs. 4352.81 lakhs).
4) The Company has no write-down of inventory to net realisable value as at March 31, 2025 and March 31, 2024.

## Note 8 : Trade Receivables

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured, Considered good** | | |
| Trade Receivables (refer note 34 for related party balances) # | 3,197.48 | 2,099.23 |
| Less: Allowance for expected credit loss | 20.60 | - |
| **Total** | **3,176.88** | **2,099.23** |

# 1) Trade Receivables are hypothecated against Cash Credit facilities availed by the Company totaling to Rs. 500 lakhs.

The average credit period on sales of goods is 60-90 days.

**Ageing for trade receivables – non-current outstanding as at March 31, 2025 are as follows:** (₹ in lakhs)

| 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 | |
| **Trade Receivables - Billed** | | | | | | |
| Undisputed trade receivables – considered good | 2,764.04 | 266.80 | 144.51 | 22.12 | - | 3,197.48 |
| 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 | (0.46) | - | (20.13) | - | - | (20.60) |
| **Total** | **2,763.58** | **266.80** | **124.38** | **22.12** | **-** | **3,176.88** |

**Ageing for trade receivables – non-current outstanding as at March 31, 2024 are as follows:** (₹ in lakhs)

| 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 | 1,924.38 | 150.51 | 24.34 | - | - | 2,099.23 |
| 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 | - | - | - | - | - | - |
| **Total** | **1,924.38** | **150.51** | **24.34** | **-** | **-** | **2,099.23** |

## Note 9 : Cash and Cash Equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on Hand | 1.41 | 2.30 |
| **Balances with Banks** | | |
| - In Current Accounts | 0.11 | 0.17 |
| **Total** | **1.52** | **2.47** |

## Note 10 : Other Bank Balance

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deposits with original maturity of more than three months but less than twelve months | 84.52 | - |
| **Total** | **84.52** | **-** |

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## Note 11 : Equity Share Capital

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Share Capital** | | |
| 10,000 Equity Shares of Rs 10/- each | 1.00 | 1.00 |
| **Total** | **1.00** | **1.00** |
| | | |
| **Issued, Subscribed and Fully Paid-Up:** | | |
| 10,000 Equity Shares of Rs 10/- each fully paid up | 1.00 | 1.00 |
| **Total** | **1.00** | **1.00** |

a) **Details of Shareholders in the Company**

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of Equity Shares Held | Percentage | No of Equity Shares Held | Percentage |
| Flair Writing Industries Limited | 10,000 | 100% | 10,000 | 100% |
| Total | 10,000 | 100% | 10,000 | 100% |

b) **Reconciliation of the Shares Outstanding at the Beginning and at the end of the Reporting Period**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Equity Shares | | Equity Shares | |
| | No.of Shares | Amount | No.of Shares | Amount |
| Shares Outstanding at the Beginning of the Year | 10,000 | 1.00 | 10,000 | 1.00 |
| Add: Issued During the Year | - | - | - | - |
| Less: Bought Back During the Year | - | - | - | - |
| **Shares Outstanding at the end of the Year** | **10,000** | **1.00** | **10,000** | **1.00** |

c) The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his 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 AGM.

## Note 12 : Other Equity

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| i) Retained Earnings | | |
| Balance at the beginning of the Year | 1,445.17 | 957.55 |
| Add : Profit for the year ended | 1,193.34 | 487.62 |
| **Balance at the end of the Year** | **2,638.51** | **1,445.17** |

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**Note 13 : Borrowings**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non - Current** | | |
| **Unsecured - at Amortised cost** | | |
| Loan from holding Company (Refer note 34) | 13,811.63 | 7,567.91 |
| **Total** | **13,811.63** | **7,567.91** |
| | | |
| **Current** | | |
| **Secured - at Amortised cost** | | |
| Working Capital Loan- Cash Credit | 385.38 | 212.18 |
| Current maturities of Long term borrowings | - | 158.46 |
| **Unsecured - at Amortised cost** | | |
| Loan from holding Company (Refer note 34) | - | 264.63 |
| **Total** | **385.38** | **635.27** |

The details of repayment terms, rate of interest, and nature of securities provided in respect of secured loan from banks are as below:

| Nature of Borrowing | Name of the lender | Nature of Borrowing | Loan Currency | As at March 31, 2025 | Rate of Interest | Repayment terms |
|---|---|---|---|---|---|---|
| Term Loan - from Bank | Citi Bank N.A. | Term Loan | INR | - | 8.60% | End to End tenor of 5 Years with 18 months morotorium Repayment will be quarterly basis |
| Cash Credit - from Bank | Citi Bank N.A. | Cash Credit | INR | 387.87 | 8.90% | Revolving 365 days |
| Overdraft from Bank | Axis Bank Ltd | Overdraft | INR | (2.50) | 7.75% | |

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

Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, movable fixed assets of the Company and corporate Guarantee of Flair Writing Industries Limited.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

The Company has not defaulted on financial covenants, repayment of loans and interest during the period and previous years.

The Unsecured Loan taken from Holding Company is subject to interest rate of 8.50% p.a. to 9.00% p.a. which is repayable upto Financial Year ending March 31, 2030.

The Company is filling monthly statement for Inventories, Debtors and Creditors for Raw Material with Citi Bank N.A. for working capital facilities. The below is summary of reconciliation of quarterly statement filed with the bank and books of accounts:

| Quarter ended on | Amount as per books of accounts | Amount as reported in the statements | Difference | Remarks |
|---|---|---|---|---|
| March 31, 2025 | 6,665.26 | 6,665.57 | (0.31) | 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, 2024 | 6,282.96 | 6,282.97 | (0.01) | |
| September 30, 2024 | 5,129.05 | 5,090.99 | 38.06 | |
| June 30, 2024 | 4,810.78 | 4,781.77 | 29.01 | |
| March 31, 2024 | 6,011.48 | 6,020.89 | (9.41) | |
| December 31, 2023 | 3,605.51 | 3,593.36 | 12.15 | |
| September 30, 2023 | 3,289.71 | 3,222.04 | 67.67 | |
| June 30, 2023 | 3,123.10 | 3,109.99 | 13.11 | |

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## Note 14 : Lease Liabilities

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-Current | | |
| Lease Liabilities | 876.13 | 574.50 |
| **Total** | **876.13** | **574.50** |
| | | |
| Current | | |
| Lease Liabilities | 302.37 | 161.77 |
| **Total** | **302.37** | **161.77** |

## Note 15 : Provisions

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-Current | | |
| Provision for Employee Benefits (Refer Note 30) | 39.51 | - |
| **Total** | **39.51** | **-** |
| | | |
| Current | | |
| Provision for Employee Benefits (Refer Note 30) | 152.76 | 38.60 |
| **Total** | **152.76** | **38.60** |

## Note 16 : Deferred Tax Liabilities (Net)

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

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred Tax Liabilities | 113.84 | 56.42 |
| **Total** | **113.84** | **56.42** |

**Movement in Deferred Tax balance for the year ended March 31, 2025** (₹ In lakhs)

| Particulars | Opening Balance | Recognised in Profit or loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Property, Plant and Equipment | 74.43 | 88.73 | - | 163.16 |
| | **74.43** | **88.73** | **-** | **163.16** |
| **Deferred Tax Assets** | | | | |
| Provision for employee benefit obligation | 6.62 | 16.30 | - | 22.93 |
| Provision for Gratuity | - | 10.06 | - | 10.06 |
| Others | 11.39 | 4.94 | - | 16.33 |
| | **18.02** | **31.31** | **-** | **49.32** |
| **Deferred Tax Liability (Net)** | **56.42** | **57.42** | **-** | **113.84** |

**Movement in Deferred Tax balance for the year ended March 31, 2024** (₹ In lakhs)

| Particulars | Opening Balance | Recognised in Profit or loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Property, Plant and Equipment | 54.81 | 19.62 | - | 74.43 |
| | **54.81** | **19.62** | **-** | **74.43** |
| **Deferred Tax Assets** | | | | |
| Provision for employee benefit obligation | 5.18 | 1.45 | - | 6.62 |
| Pre-operative Expenses | 0.18 | (0.18) | - | - |
| Others | 1.83 | 9.56 | - | 11.39 |
| | **7.19** | **10.83** | **-** | **18.02** |
| **Deferred Tax Liability (Net)** | **47.62** | **8.80** | **-** | **56.42** |

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.

## Note 17 : Trade payables

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Outstanding Dues of Micro and Small Enterprises | 266.62 | 215.84 |
| Total Outstanding Dues of Creditors other than Micro and Small Enterprises (refer note 34 for related party balances) | 582.71 | 580.50 |
| **Total** | **849.34** | **796.34** |

**Ageing for trade payables outstanding as at March 31, 2025 is as follows:** (₹ In lakhs)

| Particulars | Outstanding for following periods from transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More Than 3 years | |
| - Micro, Small and Medium Enterprises | 266.62 | - | | - | 266.62 |
| - Others | 579.46 | 1.87 | 0.22 | 1.17 | 582.71 |
| Disputed dues- Micro, Small and Medium Enterprises | - | - | - | - | - |
| Disputed dues- Others | - | - | - | - | - |
| **Total** | **846.08** | **1.87** | **0.22** | **1.17** | **849.34** |

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**Ageing for trade payables outstanding as at March 31, 2024 is as follows:** (₹ In lakhs)

| Particulars | Outstanding for following periods from transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More Than 3 years | |
| - Micro, Small and Medium Enterprises | 215.84 | - | - | - | 215.84 |
| - Others | 579.06 | 0.09 | 1.35 | - | 580.50 |
| Disputed dues- Micro, Small and Medium Enterprises | - | - | - | - | - |
| Disputed dues- Others | - | - | - | - | - |
| **Total** | **794.90** | **0.09** | **1.35** | **-** | **796.34** |

1) Trade Payables are Non-interest bearing and are normally settled within 45-90 days terms. Further Refer Note 32 for Maturity Pattern of Trade Payables.

**2 ) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year: | | |
| - Principal | 266.32 | 213.46 |
| - Interest | 0.30 | 2.37 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Amount of payment made to the supplier beyond the appointed day during the year* | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 0.30 | 2.37 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006. | - | - |

**Note 18 : Other Financial Liabilities**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Payables on account of Purchase of Property, Plant and Equipment | 48.16 | 23.51 |
| Retention money | 5.27 | 5.27 |
| Other Payables | 293.39 | 134.60 |
| **Total** | **346.83** | **163.38** |

**Note 19 : Other Liabilities**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Statutory Remittances | 102.29 | 46.31 |
| Revenue received in advance | | |
| - Others | 36.39 | 141.70 |
| **Total** | 138.68 | **188.01** |

**Note 20 : Current Tax Liabilities (Net)**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current Tax Liabilities** | | |
| Income Tax (Net of advance tax) | 7.87 | 2.57 |
| Total | **7.87** | **2.57** |

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## Note 21 : Revenue From Operation

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **a) Sales of Products** | | |
| Domestic | 13,341.55 | 7,746.38 |
| Export | 634.20 | 371.53 |
| | | |
| **b) Other Operating Revenue** | | |
| Sale of Scrap | 5.93 | 3.10 |
| Export Incentives | 27.80 | 13.01 |
| **Total** | **14,009.48** | **8,134.01** |

**Disclosure under Ind AS 115 "Revenue from Contracts with Customers"**

| | | |
|---|---|---|
| **a) Disaggregation of revenue from Contracts with Customers** | | |
| **Revenue from Operations** | | |
| **Sale of Products** | | |
| Domestic | 13,341.55 | 7,746.38 |
| Export | 634.20 | 371.53 |
| Other operating revenue | 33.73 | 16.10 |
| **Total** | **14,009.48** | **8,134.01** |
| | | |
| **b) Significant changes in the contract liabilities balances during the year** | | |
| Opening Balance | 141.70 | 6.09 |
| Add : Net additions during the year | 36.16 | 141.53 |
| Less : Revenue recognised during the year | (141.47) | 5.93 |
| **Closing Balance** | **36.39** | **141.70** |
| | | |
| **c) Contract liability (advance from Customers)** | | |
| Advances from Customers | 36.39 | 141.70 |
| **Total** | **36.39** | **141.70** |
| | | |
| **d) Reconciliation of revenue as per Contract price as recognised in statement of Profit and Loss** | | |
| Revenue from contracts with customers as per Contract Price | 14,128.50 | 8,132.35 |
| Less : Discount ,rebates , credits etc | 152.76 | 14.44 |
| Add : Other operating revenue | 33.73 | 16.10 |
| **Revenue from contracts with customers as per Statement of Profit and Loss** | **14,009.48** | **8,134.01** |

## Note 22 : Other Income

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Interest** | | |
| - Bank | 5.02 | 0.00 |
| - Others | 122.03 | 4.01 |
| **Other Non-Operating Income** | | |
| Gain on Foreign Exchange Flactuation (Net) | 153.43 | 23.56 |
| Profit On Sale Of Fixed Assets | 0.61 | 2.07 |
| Labour incentive | 218.91 | - |
| Other Non-Operating Income | 9.95 | - |
| Sundry Balance W/Back | 0.02 | 0.91 |
| **Total** | **509.96** | **30.56** |

## Note 23 : Cost of Materials Consumed

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Inventories at the beginning of the year | 1,143.84 | 796.16 |
| Add: Purchase | 8,742.22 | 5,010.85 |
| Less: Inventories at the end of the year | 1,014.49 | 1,143.84 |
| **Total** | **8,871.57** | **4,663.17** |

## Note 24 : Changes in Inventories of Finished Goods and Work-in-Progress

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Semi - Finished Goods | 923.59 | 818.70 |
| Finished Goods | 913.32 | 707.84 |
| Total (A) | **1,836.91** | **1,526.54** |
| **Less: Inventories at the end of the year** | | |
| Semi - Finished Goods | 2,097.80 | 923.59 |
| Finished Goods | 1,245.44 | 913.32 |
| Total (B) | **3,343.25** | **1,836.91** |
| **Total (A-B)** | **(1,506.34)** | **(310.37)** |

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**Note 25 : Employee benefit expense**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Salaries, Wages and Bonus | 1,213.99 | 802.75 |
| Contribution to Provident and Other Funds **(Refer Note 30)** | 133.33 | 53.38 |
| Gratuity **(Refer note 30)** | 60.90 | - |
| Staff Welfare Expenses | 7.81 | 10.38 |
| **Total** | **1,416.03** | **866.52** |

**Note 26 : Finance Costs**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Bank Interest | 13.22 | 93.35 |
| Interest on Right of Use Assets | 108.25 | 73.49 |
| Interest on delay payments to MSME | 0.32 | 2.39 |
| Interest on Direct Tax/ Indirect Tax | 1.04 | 0.14 |
| Borrowing Cost | 834.57 | 300.03 |
| **Total** | **957.41** | **469.39** |

**Note 27 : Depreciation and Amortisation Expense**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Depreciation On Property, Plant And Equipment | 616.58 | 419.53 |
| Depreciation Of Right-Of-Use Assets | 295.91 | 181.63 |
| **Total** | **912.49** | **601.16** |

**Note 28 : Other Expenses**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumable Expenses | 31.95 | 15.08 |
| Electric Power, Fuel and Water | 400.39 | 283.64 |
| Freight Inward | 23.11 | 13.37 |
| Job Work and Other Related Expenditure | 1,318.28 | 549.18 |
| Machine And Mould Maintenance | 85.79 | 75.10 |
| Factory Rent | - | - |
| Factory Expenses | 25.61 | 19.14 |
| Loading & Unloading Expenses | 5.24 | 2.58 |
| | | |
| **Establishment Expenses** | | |
| Bank Charges | 3.54 | 2.25 |
| Insurance Expenses | 11.35 | 6.85 |
| Corporate Social Responsibility **(Refer Note 37)** | 10.75 | 8.15 |
| Legal & Professioanl Fees | 95.58 | 65.56 |
| Office Rent | 1.43 | 2.02 |
| Postage & Courier Expenses | 4.63 | 2.19 |
| Printing and Stationery | 7.24 | 5.50 |
| Miscellaneous Expenses | 9.83 | 1.92 |
| | | |
| **Repairs & Maintenance** | | |
| Computer | 1.66 | 2.10 |
| Vehicles | 7.99 | 1.78 |
| Others | 0.25 | 11.61 |
| Telephone & Communication Charges | 3.62 | 3.27 |
| Travelling & Conveyance | 51.47 | 34.53 |
| Payment to Auditor **(Refer Note 28.1)** | 7.00 | 5.00 |
| | | |
| **Selling and Distribution Expenses** | | |
| Allowance for expected credit loss on trade receivables | 20.60 | - |
| Publicity and Sales Promotion expenses | 7.11 | 14.92 |
| Commission & Brokerage | 5.23 | 2.23 |
| Freight Outward | 279.84 | 156.43 |
| **Total** | **2,419.50** | **1,284.40** |

**Note: 28.1 Payment to Auditor**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **As Auditors:** | | |
| Statutory Audit Fees | 4.00 | 4.00 |
| Tax Audit Fees | 3.00 | 1.00 |
| **Total** | **7.00** | **5.00** |

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**Note 29 : Earnings per share (EPS)**

**In accordance with the Indian Accounting Standard -33 on "Earnings per Share" (EPS):**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| (a) Profit for the period (₹ in Lakhs) | 1,193.34 | 487.62 |
| | | |
| (b) Weighted Average number of Ordinary Shares outstanding for the purpose of Basic Earning per share (Numbers) | 10,000 | 10,000 |
| | | |
| (c) Effect of potential Equity shares on conversion of outstanding share warrants (Numbers) | - | - |
| | | |
| (d) Weighted average number of Equity Shares in Computing diluted earning per share (b+c) (Numbers) | 10,000 | 10,000 |
| | | |
| (e) Earning per share on profit for the year (Face Value Rs.10.00 Per Share) | | |
| '- Basic (a/b) (In ₹) | 11,933.39 | 4,876.17 |
| '- Diluted (a/d) (In ₹) | 11,933.39 | 4,876.17 |

**Note 30 : 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.

**(₹ in lakhs)**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Provident Fund | 39.47 | 16.22 |
| Employer's Contribution to Pension Scheme | 69.29 | 25.75 |
| Employees Contribution to Esic | 24.58 | 11.41 |
| **Total** | **133.33** | **53.38** |

**(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.**

**(₹ In lakhs)**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Defined Benefit obligation at beginning of the year | - | - |
| Add: Current Service Cost | 16.33 | - |
| Interest Cost | - | - |
| Remeasurement during the period due to : | | |
| Actuarial loss / (gain) arising from change in financial assumptions | - | - |
| Actuarial loss / (gain) arising from change in demographic assumption | - | - |
| Actuarial loss / (gain) arising on account of experience variance | - | - |
| Past Service Cost | 44.58 | |
| Benefits paid | (2.25) | - |
| **Defined Benefit obligation at end of the year** | **58.65** | - |
| | | |
| **Net liability is bifurcated as follows :** | | |
| Current | 19.15 | - |
| Non-current | 39.51 | - |
| **Net liablity** | **58.65** | - |

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

**(₹ In lakhs)**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| 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

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Fair Value of Plan Assets | - | - |
| Present Value of Obligation | 58.65 | - |
| Amount Recognised in Balance Sheet Surplus/(Deficit) | (58.65) | - |

### IV) Expenses recognised during the year

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **In Income Statement** | | |
| Current Service Cost | 16.33 | - |
| Interest Cost | - | - |
| Past Service Cost | 44.58 | - |
| Return on Plan Assets | - | - |
| Actuarial (Gain)/Loss | - | - |
| **Net Cost for the year recognised in Income Statement** | **60.90** | - |
| | | |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain)/Loss | - | - |
| Return on Plan Assets | | |
| **Net(Income)/Expenses for the year recognised in Other Comprehensive Income** | - | - |

### V) Investments details

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Government securities | - | - |
| Public Securities | - | - |
| Others | - | - |

### VI) Actuarial Assumptions

| Mortality table (Indian Assured Lives Mortality) | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| | **(Ultimate)** | **(Ultimate)** |
| Discount rate (p.a.) | 6.50% | - |
| Withdrawal Rate | 50% of lower services reducing to 2% at higher services | - |
| Salary escalation (p.a.) | 4.50% | - |

**Sensitivity Analysis**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Assumptions -Discount rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | (57.74) | - |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | 59.60 | - |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | 59.62 | - |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | (57.72) | - |

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

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 19.15 | - |
| Between 2 and 5 years | 39.22 | - |
| Beyond 5 years | 17.46 | - |
| **Total expected payments** | **75.83** | - |
| The weighted average duration of the defined benefit plan obligation at the end of the reporting period | 3 years | - |

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**Note 31 : Fair value measurements**

**Fair Value Measurement Hierarchy**

**As at March 31, 2025** (₹ In lakhs)

| Particulars | Carrying amount | | | | Fair value hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Investments | - | - | 5.10 | 5.10 | | | 5.10 | 5.10 |
| Trade Receivables | - | - | 3,176.88 | 3,176.88 | - | - | 3,176.88 | 3,176.88 |
| Cash and Cash Equivalents | - | - | 1.52 | 1.52 | - | - | 1.52 | 1.52 |
| Other Bank Balance | - | - | 84.52 | 84.52 | - | - | 84.52 | 84.52 |
| Loan | - | - | 1,142.77 | 1,142.77 | - | - | 1,142.77 | 1,142.77 |
| Other Financial Assets | - | - | 72.11 | 72.11 | - | - | 72.11 | 72.11 |
| **Total financial assets** | **-** | **-** | **4,482.90** | **4,482.90** | **-** | **-** | **4,482.90** | **4,482.90** |
| | | | | | | | | |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowing | - | - | 13,811.63 | 13,811.63 | - | - | 13,811.63 | 13,811.63 |
| Current Borrowing | - | - | 385.38 | 385.38 | - | - | 385.38 | 385.38 |
| Trade Payables | - | - | 849.34 | 849.34 | - | - | 849.34 | 849.34 |
| Lease Liabilities | - | - | 1,178.50 | 1,178.50 | - | - | 1,178.50 | 1,178.50 |
| Other Financial Liabilities | - | - | 346.83 | 346.83 | - | - | 346.83 | 346.83 |
| **Total financial liabilities** | **-** | **-** | **16,571.67** | **16,571.67** | **-** | **-** | **16,571.67** | **16,571.67** |

**As at March 31, 2024** (₹ In lakhs)

| Particulars | Carrying amount | | | | Fair value hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Trade Receivables | - | - | 2,099.23 | 2,099.23 | - | - | 2,099.23 | 2,099.23 |
| Cash and Cash Equivalents | - | - | 2.47 | 2.47 | - | - | 2.47 | 2.47 |
| Loan | - | - | 0.05 | 0.05 | - | - | 0.05 | 0.05 |
| Other Financial Assets | - | - | 93.88 | 93.88 | - | - | 93.88 | 93.88 |
| **Total financial assets** | **-** | **-** | **2,195.63** | **2,195.63** | **-** | **-** | **2,195.63** | **2,195.63** |
| | | | | | | | | |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowing | - | - | 7,567.91 | 7,567.91 | - | - | 7,567.91 | 7,567.91 |
| Current Borrowing | - | - | 635.27 | 635.27 | - | - | 635.27 | 635.27 |
| Trade Payables | - | - | 796.34 | 796.34 | - | - | 796.34 | 796.34 |
| Lease Liabilities | - | - | 736.27 | 736.27 | - | - | 736.27 | 736.27 |
| Other Financial Liabilities | - | - | 163.38 | 163.38 | - | - | 163.38 | 163.38 |
| **Total financial liabilities** | **-** | **-** | **9,899.18** | **9,899.18** | **-** | **-** | **9,899.18** | **9,899.18** |

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

**d)** 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:** (₹ in lakhs)

| Due from the date of Invoice | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 0-6 months | 2,763.58 | 1,924.38 |
| 6 months to 12 months | 266.80 | 150.51 |
| beyond 12 months | 146.50 | 24.34 |
| **Total** | **3,176.88** | **2,099.23** |

**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.

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Unutilised credit limit from bank | 500.00 | 316.87 |
| Current Ratio (in Times) | 4.12 | 2.96 |
| Liquid Ratio (in Times) | 1.88 | 1.25 |

**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, 2025** (₹ in lakhs)

| Particulars | As at March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | Total |
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | 385.38 | - | - | 13,811.63 | - | 14,197.01 |
| Trade payables | 849.34 | - | - | - | - | 849.34 |
| Lease Liabilities | 147.80 | 154.57 | 673.42 | 202.71 | - | 1,178.50 |
| Other financial liabilities | 346.83 | - | - | - | - | 346.83 |
| **Total** | **1,729.34** | **154.57** | **673.42** | **14,014.34** | **-** | **16,571.67** |

**As at March 31, 2024** (₹ in lakhs)

| Particulars | As at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | Total |
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | 582.45 | 52.82 | - | - | 7,567.91 | 8,203.19 |
| Trade payables | 796.34 | - | - | - | - | 796.34 |
| Lease Liabilities | 78.12 | 83.65 | 390.46 | 184.04 | - | 736.27 |
| Other financial liabilities | 163.38 | - | - | - | - | 163.38 |
| **Total** | **1,620.29** | **136.48** | **390.46** | **184.04** | **7,567.91** | **9,899.18** |

**III) Market risk- Currency Risk**

The Company operates internationally and a portion of the business is transacted in foreign currencies. Consequently, the Company is exposed to foreign exchange risk through its purchases from overseas markets in foreign currencies. The exposure to Foreign Currency for all other currencies are not material.

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**Exposure to currency risk**

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

(₹ in lakhs)

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | |
|---|---|---|---|---|---|
| | Euro | USD | JPY | Euro | USD |
| **Financial Assets** | | | | | |
| Trade Receivables | - | 118.23 | - | - | 189.61 |
| Other Receivables | - | 601.35 | - | 23.97 | 1,771.60 |
| **Financial Liabilities** | | | | | |
| Trade payables | - | 132.91 | - | - | 12.62 |
| Other Payables | | 32.01 | - | - | 137.18 |
| **Net exposure** | **-** | **554.66** | **-** | **23.97** | **1,811.41** |

**SENSITIVITY ANALYSIS**

Sensitivity analysis of 1% change in exchange rate at the end of reporting year.

(₹ in lakhs)

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | |
|---|---|---|---|---|---|
| | Euro | USD | JPY | Euro | USD |
| **1% Depreciation in INR** | | | | | |
| Impact on Profit & Loss | - | 5.55 | - | 0.24 | 18.11 |
| | | | | | |
| **Total** | **-** | **5.55** | **-** | **0.24** | **18.11** |
| **1% Appreciation in INR** | | | | | |
| Impact on Profit & Loss | - | (5.55) | - | (0.24) | (18.11) |
| | | | | | |
| **Total** | **-** | **(5.55)** | **-** | **(0.24)** | **(18.11)** |

Sensitivity analysis is computed based on the changes in the receivables in foreign currency upon conversion into functional currency, due to exchange rate fluctuations at current reporting year.

**iv) Market Risk - Interest Risk**

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

**Interest Rate Exposure**

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Borrowings** | | |
| Loan from Banks | 13.22 | 93.35 |
| Unsecured Loan from holding Company & Directors | 834.57 | 294.03 |
| Interest on right of use Assets | 108.25 | 73.49 |
| **Total** | **956.05** | **460.86** |

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

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 1% Change in increase in Interest Rate | 9.56 | 4.61 |
| 1% Change in decrease in Interest Rate | (9.56) | (4.61) |

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

**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 Risk Committee of the Company comprising of members from the Board of Directors and the operations, have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

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[illegible]

**(a) Amounts recognised in Profit and Loss**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Current tax | 197.60 | 93.84 |
| Deferred tax | 57.42 | 8.80 |
| Tax adjustments for Earlier Years | 0.41 | 0.05 |
| **Tax expense** | **255.44** | **102.69** |

**(b) Reconciliation of Effective Income Tax Rate**

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Profit before tax | 1,448.78 | 590.30 |
| Company's domestic tax rate | 17.16% | 17.16% |
| Income tax using the Company's tax rate | 248.61 | 101.30 |
| | | |
| **Tax effect of:** | | |
| Permanent disallowances | 6.04 | (9.09) |
| Timing Difference | (57.05) | 1.63 |
| Deferred tax | 57.42 | 8.80 |
| Tax adjustments for Earlier Years | 0.41 | 0.05 |
| **Income tax as per Profit and Loss Account** | **255.44** | **102.69** |
| **Effective Tax Rate** | **17.63%** | **17.40%** |

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## Note 34 : Related Party Disclosure

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

| | Nature of Relationship | Name Of Related Party |
|---|---|---|
| (i) | Holding Company | Flair Writing Industries Limited |
| (ii) | Subsidiary Company | Flamaxe Stationery Pvt Ltd |
| (iii) | Enterprises over which any person described in (i) above is able to influence (The Enterprises): | Pentel Stationery (India) Pvt Ltd<br>Flair Pen & Plastic Industries<br>Flair Pens Limited<br>Flair Writing Aids<br>Hauser Lifestyle Products<br>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 Rathod<br>Vimalchand Rathod<br>Rajesh Rathod<br>Mohit Rathod<br>Sumit Rathod |
| (ii) | Relative of Key Managerial Personnel (KMP) | Jayesh Champalal Jain |

(c) **Transactions with Related Parties** (₹ in lakhs)

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|
| 1 | **Sale Of Goods** | | | |
| | Flair Writing Industries Limited | Holding Company | 2,049.73 | 1,170.98 |
| | Pentel Stationery (India) Pvt Ltd | Enterprises over which any person described in (i) above is able to influence | 5.27 | 52.64 |
| | Flair Cyrosil Industries Pvt. Ltd. | | 125.95 | 43.22 |
| 2 | **Sale Of Fixed Assets** | | | |
| | Flair Writing Industries Limited | Holding Company | 22.95 | - |
| 3 | **Labour Charges** | | | |
| | Flair Writing Industries Limited | Holding Company | - | 0.59 |
| 4 | **Rent Paid** | | | |
| | Flair Writing Industries Limited | Holding Company | 135.73 | 132.60 |
| | Flair Pens Limited | Enterprises over which any person described in (i) above is able to influence | 0.83 | 1.42 |
| | Flair Pen & Plastic Industries | | 205.68 | 69.60 |
| | Flair Writing Aids | | 18.00 | 18.00 |
| 5 | **Purchase Of Goods** | | | |
| | Flair Writing Industries Limited | Holding Company | 1,543.12 | 1,178.12 |
| | Pentel Stationery (India) Pvt Ltd | Enterprises over which any person described in (i) above is able to influence | 0.46 | 4.11 |
| | Flair Cyrosil Industries Pvt. Ltd. | | 187.37 | 73.77 |
| 6 | **Purchase Of Assets** | | | |
| | Flair Writing Industries Limited | Holding Company | 2.39 | 36.80 |
| | Hauser Lifestyle Products | Enterprises over which any person described | - | 35.30 |
| 7 | **Power Charges** | | | |
| | Flair Writing Aids | Enterprises over which any person described in (i) above is able to influence | 3.35 | 10.58 |
| 8 | **Commission Paid** | | | |
| | Jayesh Champalal Jain | Relative of KMP | 4.48 | 1.83 |
| 9 | **Director/Managerial Remuneration** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | - | 7.50 |
| 10 | **Loan Taken** | | | |
| | Flair Writing Industries Limited | Holding Company | 10,337.20 | 7,421.86 |
| 11 | **Loan Repaid** | | | |
| | Flair Writing Industries Limited | Holding Company | 4,358.11 | 3,191.19 |
| 12 | **Loan Given** | | | |
| | Flamaxe Stationery Pvt Ltd | Subsidiary Company | 1,214.10 | - |
| 13 | **Loan Received** | | | |
| | Flamaxe Stationery Pvt Ltd | Subsidiary Company | 80.00 | - |
| 14 | **Interest Expenses** | | | |
| | Flair Writing Industries Limited | Holding Company | 834.57 | 294.03 |
| 15 | **Interest Income** | | | |
| | Flamaxe Stationery Pvt Ltd | Subsidiary Company | 9.63 | - |
| 16 | **Re-imburesement of Expenses (Paid)** | | | |
| | Flair Writing Industries Limited | Holding Company | 305.54 | 229.18 |
| | Flair Pens Limited | Enterprises over which any person described | 0.22 | 0.24 |
| | Flamaxe Stationery Pvt Ltd | Subsidiary Company | 6.12 | - |
| 17 | **Re-imburesement of Expenses (Received)** | | | |
| | Flair Cyrosil Industries Pvt. Ltd. | Enterprises over which any person described | 0.70 | - |

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(d) Outstanding balances as at the year end

(₹ In lakhs)

| Sr. No. | Nature of Transaction | Type | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| 1 | **Investment** | | | |
| | Flomaxe Stationery Pvt Ltd | Subsidiary Company | 5.10 | - |
| 2 | **Trade Payables** | | | |
| | Flair Writing Industries Limited | Holding Company | 68.34 | 171.43 |
| | Hauser Lifestyle Products | Enterprises over which any person described in (i) above is able to influence | - | 8.11 |
| | Pentel Stationery (India) Pvt Ltd Cr. | | 0.22 | - |
| | Flair Cyrosil Industries Pvt. Ltd. | | 5.39 | - |
| 3 | **Trade Receivable** | | | |
| | Flair Writing Industries Limited | Holding Company | 255.64 | - |
| | Pentel Stationery (India) Pvt. Ltd. | Enterprises over which any person described in (i) above is able to influence | 1.27 | - |
| | Flair Cyrosil Industries Pvt. Ltd. | | 10.95 | 32.47 |
| 4 | **Loan Outstanding (Liability)** | | | |
| | Flair Writing Industries Limited | Holding Company | 13,811.63 | 7,832.54 |
| 5 | **Rent Payable** | | | |
| | Flair Writing Aids | Enterprises over which any person described in (i) above is able to influence | - | 0.27 |
| | Flair Pens Limited | | - | 0.03 |
| | Flair Writing Industries Limited | Holding Company | 14.44 | 0.11 |
| 6 | **Loan Outstanding (Assets)** | | | |
| | Flomaxe Stationery Pvt Ltd | Subsidiary Company | 1,142.77 | - |
| 7 | **Other Receivable** | | | |
| | Flair Writing Industries Limited | Holding Company | 0.24 | - |
| | Flomaxe Stationery Pvt Ltd | Subsidiary Company | 6.12 | - |
| 8 | **Other Payable** | | | |
| | Jayesh Champalal Jain | Relative of KMP | 0.23 | 0.37 |

## Note 35 : Capital Management

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

The following table summarizes the capital:

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Gross Debt including lease liability | | |
| Long Term Debt | 13,811.63 | 7,567.91 |
| Short Term Debt | 385.38 | 635.27 |
| Lease liabilities | 1,178.50 | 736.27 |
| Less: Cash and Cash Equivalents | 1.52 | 2.47 |
| **Net Debt (A)** | **15,373.99** | **8,936.99** |
| | | |
| **Total Equity (As per Balance Sheet) (B)** | **2,639.51** | **1,446.17** |
| **Net Gearing Ratio (A/B)** | **5.82** | **6.18** |

## Note 36 : Segment Reporting

**Description of Segment and principal activities**

As per Ind AS-108, "Operating Segment" ( specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act ) the Group's chief operating decision maker, i.e. Managing Director ('CODM') has identified "Writing Instruments and its Allieds" as the reportable segments. Since the Group is having only one reportable segment hence disclosure requirement as per Ind AS 108 is not applicable.

**Geographical Information**

The following table provides an analysis of the Group's sales by region in which the customer is located, irrespective of the origin of the goods.

(₹ In lakhs)

| Revenue from operations | Within India | Outside India | Total |
|---|---|---|---|
| For the year ended March 31, 2025 | 13,347.48 | 662.00 | 14,009.48 |
| For the year ended March 31, 2024 | 7,749.48 | 384.54 | 8,134.01 |
| **Non-Current Assets*** | | | |
| As at March 31, 2025 | 9,466.97 | - | 9,466.97 |
| As at March 31, 2024 | 5,657.12 | - | 5,657.12 |

*Non-Current assets for this purpose excludes non-current investments, non-current financial assets, income tax and deferred tax assets.

**Information about major customers**

Revenue from operations includes ₹ 3,998.22 Lakhs (Previous Year: ₹ 2,491.07 Lakhs) from two customer (Previous Year: two customer) having more than 10% of the total revenue.

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FLAIR WRITING EQUIPMENTS PRIVATE LIMITED
CIN - U36991DD2019PTC009856

## Note 37 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 of the Companies Act 2013, the Company has not formed a Corporate Social Responsibility (CSR) Committee. The Board has 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.

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| a) Amount required to be spent as per Section 135 of Companies Act, 2013 | 10.64 | 8.10 |
| b) Amount Spent during the year | | |
| i) Construction/Acquisition of assets | - | - |
| ii) On purpose other than above | 10.75 | 8.15 |
| c) Short/Excess amount spent under section 135 (5) | | |
| i) Amount required to be spent during the year | 10.64 | 8.10 |
| ii) Actual amount spent/incurred during the year | 10.75 | 8.15 |
| **Short/(Excess) amount spent** | (0.11) | (0.05) |
| 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 38 : Leases

In the Statement of Profit and Loss operating 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 profit is as follows,

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| (A) Reduction in Lease Rentel | (358.80) | (219.60) |
| (B) Increase in Depreciation | 295.91 | 181.63 |
| (C) Increase in Interest | 108.25 | 73.49 |
| **(D) Net Impact on Profit before Tax** | **(45.36)** | **(35.51)** |

## Note 39 : Contingent Liabilities and Commitments

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **A. Contingent Liability** | | |
| a) Disputed GST, Excise and Service Tax Matters | - | - |
| b) Income Tax Matters | 118.69 | - |
| **B. Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for: | 1,432.80 | 1,627.14 |

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## Note 40 : Ratio Analysis

### 1) Analytical Ratio Analysis

| Ratio | Numerator | Denominator | 2024-2025 Ratio | 2023-2024 Ratio | % of Variance | Explanation for change in the ratio by more than 25% |
|---|---|---|---|---|---|---|
| Current Ratio (in times) | Current Assets | Current Liabilities | 4.12 | 2.96 | 39.19% | Increase due to increase in trade receivable and inventories. |
| Debt-Equity Ratio (in times) | Total Debt | Total equity | 5.83 | 6.18 | -5.66% | |
| Debt service coverage ration (in times) | Earning for Debt Service | Debt Service | 0.48 | 0.40 | 20.00% | |
| Return on equity ratio (in %) | Net Profit After Taxes | Total equity | 45.21% | 33.72% | 34.07% | Increase due to increase in profit |
| Inventory turnover ratio (in times) | Cost of goods sold | Average inventory | 2.99 | 2.40 | 24.58% | |
| Trade receivables turnover ratio (in times) | Revenue from Operations | Average trade receivables | 5.31 | 4.59 | 15.69% | |
| Trade payables turnover ratio (in times) | Net Credit Purchase | Average trade payables | 10.62 | 4.18 | 154.07% | Increase due to increase in purchase and decrease in average trade payables |
| Net capital turnover ratio (in times) | Revenue from Operations | Average Working Capital | 2.62 | 3.06 | -14.38% | |
| Net profit ratio (in %) | Net Profit After Taxes | Revenue from Operations | 8.52% | 5.99% | 42.24% | Increase due to increase revenue and increase in profit. |
| Return on capital employed (in %) | Profit before interest and taxes | Capital employed | 13.27% | 10.15% | 30.74% | Increase due to increase in profit |
| Return on investment (in %) | Profit After Taxes | Total Equity | NA* | NA* | - | |

* The ratio is not applicable as the Company does not have any project/investment other than current operations.

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**Note 41 : Additional regulatory information required by Schedule III of Companies Act, 2013**

**1)** 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.

**2)** The Company bas 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.

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 gudrantee, security or the like to or on behalf of the ultimate beneficiaries.

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

**4)** 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.

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

**6)** 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.

**7)** The Company is not declared as willful defaulter by any bank or financial institution or government or any government authority.

**8)** The Company do not have any transactions with Companies struck off under Companies Act, 2013.

**9)** The Company does not have any charge or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.

**10)** The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the Company.

**11)** The borrowing obtained by the company from banks have been applied for the purpose for which it was taken.

**Note 42:**
No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustments or disclosure.

**Note 43:**
The figures for the corresponding previous year has been regrouped/reclassified wherever necessary, to make them comparable.

**Note 44:**
The financial statements were approved for issue by the Board of Directors on May 21, 2025 and are subject to approval of shareholders in their annual general meeting.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002
TEL NO: +91 22 22816968/22834451/40066968
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**Consolidated Independent Auditor's Report**

**To the Members of Flair Writing Equipments Private Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of **Flair Writing Equipments Private Limited** (hereinafter referred to as "**the Parent Company**") and its subsidiary – Flomaxe Stationery Private Limited, (the Parent Company and its subsidiary together referred to as "**the Group**") which comprises Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material 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 Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profits, their consolidated cash flows and their consolidated 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") 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

**Key audit matters**

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

| 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. |

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

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone 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, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

**Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated 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. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 entities 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 respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**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 judgement 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 and its subsidiary 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

• 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 misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group including relevant records so far as it appears from our examination of those books;

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

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies is disqualified as on March 31, 2025 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 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 company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the respective companies to their respective directors during the year are in accordance with the provisions of section 197 of the Act;

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 39 to the Consolidated Financial Statements.

ii. The Group did not have any long-term contracts including derivative contracts 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 Group during the year ended March 31, 2025.

iv. (a) The respective Management of the Parent Company and its subsidiary, 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 (which are material either individually or in the aggregate) 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 subsidiary to or in any other person or entity outside the Group, including foreign entity ("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 or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Management of the Parent Company and its subsidiary which are companies incorporated in India whose financial statement have been audited under the Act, have represented to us, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary shall, 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 performed that have been considered reasonable and appropriate in the circumstances performed by us on the Parent Company and its subsidiary which are companies incorporated in India whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations as provided under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

vi. Based on our examination, which included test checks, performed by us on the Parent Company and its subsidiary incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we have not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Parent Company and its Subsidiary Company Incorporated in India as per the statutory requirements for record retention.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

2. With respect to the matters specified in paragraph 3(xxi) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") 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 Auditor's Reports on the financial statements of Parent Company and its subsidiary as at and for the year ended March 31, 2025, included in the Consolidated Financial Statements of the Group, we report in respect of those companies where audits have been completed under section 143 of the Act, we have not reported any qualifications or adverse remarks.

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

**Khubilai G. Rathore**
**(Partner)**
**M. No: 012807**
**UDIN:25012807BMLXLD6308**

**Place: Mumbai**
**Date: May 21, 2025**

# JESWANI & RATHORE
## CHARTERED ACCOUNTANTS

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Email: jeswani.rathore@gmail.com

**Annexure – "A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Flair Writing Equipments Private 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 with reference to Consolidated Financial Statements 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 Equipments Private Limited (hereinafter referred to as "Parent Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and its subsidiary company (the Parent and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

**Management's and Board of Directors Responsibilities for Internal Financial Controls**

The respective Company's management and Board of Directors of the Parent Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and its subsidiary Company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statement included obtaining an understanding of internal financial controls with reference to 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.

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 internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary Company, which are companies incorporated in India.

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

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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 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 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.

**Opinion**

In our opinion, and to the best of our information and accordingly to the explanations given to us, the Parent Company and its subsidiary Company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial Controls with reference to Consolidated Financial Statements were operating effectively as of March 31, 2025, based on the criteria for internal financial controls with reference Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M. No: 012807**
**UDIN: 25012807BMLXLD6308**

**Place: Mumbai**
**Date: May 21, 2025**

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

(₹ In lakhs)

| | Particulars | Notes | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 1 | 8,262.99 | 3,426.97 |
| b) | Capital Work in Progress | 1 | 995.32 | - |
| c) | Right-of-Use Assets | 1 | 1,086.46 | 689.60 |
| d) | Financial Assets | | | |
| | i) Other Financial Assets | 3 | 67.91 | 93.88 |
| e) | Current Tax Assets (Net) | 4 | 0.99 | 0.99 |
| f) | Other Non-Current Assets | 5 | 586.11 | 1,540.55 |
| | **Total Non-Current Assets** | | **10,999.79** | **5,752.00** |
| | | | | |
| | **Current Assets** | | | |
| a) | Inventories | 6 | 4,393.01 | 2,985.78 |
| b) | Financial Assets | | | |
| | i) Trade Receivables | 7 | 3,537.18 | 2,099.23 |
| | ii) Cash and Cash Equivalents | 8 | 227.74 | 2.47 |
| | iii) Bank Balance other than (ii) above | 9 | 84.52 | - |
| | iv) Loan | 2 | - | 0.05 |
| c) | Other Current Assets | 5 | 1,459.41 | 791.43 |
| | **Total Current Assets** | | **9,701.86** | **5,878.96** |
| | **Total Assets** | | **20,701.66** | **11,630.95** |
| | | | | |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| a) | Equity Share Capital | 10 | 1.00 | 1.00 |
| b) | Other Equity | 11 | 2,641.08 | 1,445.17 |
| | **Equity attributed to equity holders of parent** | | **2,642.08** | **1,446.17** |
| | **Non Controlling Interest** | | **7.37** | - |
| | **Total Equity** | | **2,649.44** | **1,446.17** |
| | | | | |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 12 | 14,094.38 | 7,567.91 |
| | ii) Lease Liabilities | 13 | 876.13 | 574.50 |
| b) | Provisions | 14 | 39.51 | - |
| c) | Deferred Tax Liabilities (Net) | 15 | 115.38 | 56.42 |
| | **Total Non-Current Liabilities** | | **15,125.40** | **8,198.83** |
| | | | | |
| | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | i) Borrowings | 12 | 385.76 | 635.27 |
| | ii) Lease Liabilities | 13 | 302.37 | 161.77 |
| | iii) Trade Payables | | | |
| | Total Outstanding Dues of Micro and Small Enterprises; | 16 | 564.71 | 215.84 |
| | Total Outstanding Dues of Creditors other than Micro and Small Enterprises | 16 | 584.61 | 580.50 |
| | iv) Other Financial Liabilities | 17 | 787.51 | 163.38 |
| b) | Provisions | 14 | 152.76 | 38.60 |
| c) | Other Liabilities | 18 | 141.22 | 188.01 |
| d) | Current Tax Liabilities (Net) | 19 | 7.87 | 2.57 |
| | **Total Current Liabilities** | | **2,926.81** | **1,985.95** |
| | **Total Liabilities** | | **18,052.21** | **10,184.78** |
| | **Total Equity and Liabilities** | | **20,701.66** | **11,630.95** |

The material accounting policies and accompanying notes are an integral part of the Consolidated Financial Statements (Note 1 to 45)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2025

(₹ In lakhs)

| Sr.No. | Particulars | Notes | For the Year ended March 31, 2025 | For the Year ended March 31, 2024 |
|---|---|---|---|---|
| | **INCOME** | | | |
| 1 | Revenue from Operations | 20 | 14,369.18 | 8,134.01 |
| 2 | Other Income | 21 | 499.90 | 30.56 |
| | **Total Income (A)** | | **14,869.08** | **8,164.57** |
| | | | | |
| 3 | **EXPENSES** | | | |
| | (a) Cost of Material Consumed | 22 | 8,871.57 | 4,663.17 |
| | (b) Purchases of Stock-in-Trade | 23 | 330.01 | - |
| | (c) Changes in Inventories of Finished Goods and Work-in-Progress | 24 | (1,506.34) | (310.37) |
| | (d) Employee Benefits Expense | 25 | 1,421.03 | 866.52 |
| | (e) Finance Costs | 26 | 957.93 | 469.39 |
| | (f) Depreciation and Amortisation Expense | 27 | 912.66 | 601.16 |
| | (g) Other Expenses | 28 | 2,426.86 | 1,284.40 |
| | | | | |
| | **Total Expenses (B)** | | **13,413.73** | **7,574.27** |
| | | | | |
| 4 | **Profit Before tax (C=A-B)** | | 1,455.35 | 590.30 |
| | | | | |
| 5 | **Tax Expense:** | | | |
| | (a) Current Tax | | 197.60 | 93.84 |
| | (b) Deferred Tax Expenses/(Credit) | 15 | 58.96 | 8.80 |
| | (c) Short/(Excess) Provision of tax relating to earlier years | | 0.41 | 0.05 |
| | **Total Tax Expenses (D)** | | **256.98** | **102.69** |
| | | | | |
| 6 | **Profit for the year (E=C-D)** | | **1,198.37** | **487.62** |
| | | | | |
| 7 | **Profit for the year attributable to:** | | | |
| | Equity holders of the parent | | 1,195.91 | 487.62 |
| | Non Controlling Interest | | 2.47 | - |
| | | | | |
| 8 | **Earnings Per Equity Share of face value of ₹ 10/- each** | | | |
| | Basic(In ₹) | 29 | 11,959.06 | 4,876.17 |
| | Diluted (In ₹) | 29 | 11,959.06 | 4,876.17 |

The material accounting policies and accompanying notes are an integral part of the Consolidated Financial Statements (Note 1 to 45)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(₹ In lakhs)

| Particulars | | For the Year ended March 31, 2025 | For the Year ended March 31, 2024 |
|---|---|---|---|
| **Cash Flow From Operating Activities** | | | |
| Profit before tax | | 1,455.35 | 590.30 |
| | | | |
| **Adjustments for:** | | | |
| Depreciation and Amortisation Expenses | | 912.66 | 601.16 |
| Finance Costs | | 957.93 | 469.39 |
| Interest Income | | (9.32) | (4.01) |
| (Profit) on sales of Property, Plant and Equipment | | (0.61) | (2.07) |
| Sundry credit balance written back | | (0.02) | (0.91) |
| Foreign exchange gain (net) | | (2.65) | (3.27) |
| Allowance for expected credit loss on trade receivables | | 20.60 | - |
| **Operating Profit Before Change in Working Capital** | | **3,333.95** | **1,650.59** |
| | | | |
| **Movements in working capital:** | | | |
| (Increase) in Trade Receivables | | (1,455.91) | (649.79) |
| (Increase) in Inventories | | (1,407.23) | (658.18) |
| (Increase)/Decrease in Other Financial Assets and Other Assets | | 312.43 | (1,591.83) |
| Decrease in Loan | | 0.05 | 0.35 |
| Increase/(Decrease) in Trade Payables | | 353.00 | (802.66) |
| Increase in Other Financial Liabilities and Other Liabilities | | 731.00 | 126.16 |
| **Cash Generated From/(Used In) Operations** | | **1,867.29** | **(1,925.36)** |
| Income Taxes Paid (Net) | | (192.71) | (117.01) |
| **Net Cash Generated From / (Used in) Operating Activities** | **(A)** | **1,674.58** | **(2,042.36)** |
| | | | |
| **Cash Flows From Investing Activities** | | | |
| Purchase of Property, Plant and Equipment | | (6,470.44) | (1,172.15) |
| Sales of Property, Plant and Equipment and Intangible Asset | | 22.95 | 4.66 |
| Investment in Fixed Deposits | | (84.52) | - |
| Interest income | | 9.32 | 4.01 |
| **Net Cash Generated From / (Used In) Investing Activities** | **(B)** | **(6,522.68)** | **(1,163.48)** |
| | | | |
| **Cash Flow From Financing Activities** | | | |
| Proceeds from Borrowings | | 6,276.95 | 3,808.41 |
| Finance Costs Paid | | (849.68) | (395.91) |
| Repayment of Principal Portion of Lease Liabilities | | (358.80) | (219.60) |
| Receipt of Equity investment from Non-Controlling Interest | | 4.90 | - |
| **Net Cash Generated From / (Used in) Financing Activities** | **(C)** | **5,073.38** | **3,192.90** |
| | | | |
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | **(A+B+C)** | **225.27** | **(12.94)** |
| Cash and Cash Equivalents at the Beginning of the Year | | 2.47 | 15.41 |
| **Cash and Cash Equivalents at the End of the Year** | | **227.74** | **2.47** |
| **Components of Cash and Cash Equivalents** | | | |
| Cash on Hand | | 1.64 | 2.30 |
| Balances with scheduled banks | | | |
| - in Current Accounts | | 226.10 | 0.17 |
| | | | |
| **Total Cash and Cash Equivalents** | | **227.74** | **2.47** |

**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.

The material accounting policies and accompanying notes are an integral part of the Consolidated Financial Statements (Note 1 to 45)

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

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

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

**Statement of Changes in Equity**

**A. Equity Share Capital:**

(₹ In lakhs)

| Balance as at April 01, 2024 | Changes in Equity Share Capital due to prior year errors | Restated balance as at April 01, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|---|---|
| 1.00 | - | - | - | 1.00 |

| Balance as at April 01, 2023 | Changes in Equity Share Capital due to prior year errors | Restated balance at April 01,2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| 1.00 | - | - | - | 1.00 |

**b. Other equity**

(₹ In lakhs)

| Particulars | Retained Earnings |
|---|---|
| | |
| **Balance as at April 1, 2023** | 957.55 |
| Add : Profit for the Year | 487.62 |
| **Balance as at March 31, 2024** | **1,445.17** |
| | |
| **Balance as at April 1, 2024** | 1,445.17 |
| Add : Profit for the Year | 1,195.91 |
| **Balance as at March 31, 2025** | **2,641.08** |

The material accounting policies and accompanying notes are an integral part of the Consolidated Financial Statements (Note 1 to 45)

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

**Khubilal G. Rathore**
**(Partner)**
**M.No. 012807**
**Mumbai**
**Date: May 21, 2025**

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

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

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

**FLAIR WRITING EQUIPMENTS PRIVATE LIMITED**

## 1. GROUP OVERVIEW

The Consolidated Financial Statement comprises financial statements of "Flair Writing Equipments Private Limited" ('Parent Company') and its subsidiary – Flomaxe Stationery Private Limited (Collectively referred as "the Group") for the year ended March 31, 2025.

**Flair Writing Equipments Private Limited** ("the Company") (CIN: U36991DD2019PTC009856) is a private limited Company Incorporated and domiciled in India and having its registered office at 370/2-A, Daman Vapi Road, Kachigam, Nani Daman, Daman, Daman and Diu – 396210, Dadra and Nagar Haveli and Daman and Diu, India.

**Group Structure**

| Name of Company | Country of Incorporation | % Ownership held as at March 31, 2025 | % Ownership held as at March 31, 2024 |
|---|---|---|---|
| Flomaxe Stationery Private Limited | India | 51% | - |

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of Preparation

**a) Statement of Compliance:**

The Group prepares its Consolidated Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These Consolidated Financial Statements include Balance Sheet as at 31 March 2025, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2025, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

**b) Basis of Consolidation**

i) The Consolidated Financial Statements comprise the financial statement of the Parent Company along with its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-company balances and intra-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.

iii) The Audited Financial Statements of subsidiaries have been prepared in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting

KESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 subsidiaries is offset (eliminated) against the parent's portion of equity in subsidiaries.

vi) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the company in order to arrive at the net income attributable to shareholders of the Company.

vii) Non-Controlling Interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet

c) **Basis of Measurement:**

The financial statements for the year ended 31 March 2025 have been prepared on accrual basis following historical cost convention, except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period in accordance with IND AS.

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

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2024.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

d) **Classification of Current / Non-Current Assets and Liabilities:**

The Group presents assets and liabilities in the Balance sheet based on current / non-current classification. It has been classified as current or non-current as per the Group's normal operating cycle, as per para 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

**Operating Cycle:**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**e) Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the parent Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs up to two decimal places, as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

## 2.2. Use of Estimates, Judgements and Assumptions

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors (including expectations of future events) that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

**Estimates and assumptions are required in particular for:**

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

  Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life 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 life 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**

  Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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 judgements to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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

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

- **Application of Discount rates**

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

- **Current versus Non-Current Classification**

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

- **Impairment of Non-Financial Assets**

  The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (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 the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

The Group estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

- **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 judgements 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.

- **Provision for income tax and deferred tax assets**

  The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

## 2.3. PROPERTY,PLANT AND EQUIPMENT (PPE)

i. **Tangible Assets**

- **Freehold Land**

  Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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. **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.

iii. **Depreciation:**

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 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 & Software | 3 |

The residual values, useful life 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/discordment, 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 corrying amount of the asset and are recognized in the statement of Profit and Loss when the assets is derecognized.

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

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 Company estimates the recoverable amount of the CGU to which the asset belongs.

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

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

## 2.4. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.5. Foreign Currency Transactions and Translation

The Group's financial statements are presented in INR, which is 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.

ASWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

**2.6. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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:

I. In the principal market for the asset or liability, or

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

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, 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 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.

**2.7. Revenue from Operations**

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

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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.

**Contract balances and Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract liabilities**

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

**Other Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.8. Tax Expenses**

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recagnised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

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**Current tax**

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Current tax assets and liabilities are offset only if,

- the Company has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

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2.9. **Inventories**

Inventories are stated at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary on an item-by-item basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First In-First Out (FIFO) method.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10. **Leases**

**As a Lessee:**

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

I. the contact involves the use of an identified asset
II. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
III. the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense an a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

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.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

I. fixed lease payments (including in-substance fixed payments), less any lease incentives;
II. variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
III. the amount expected to be payable by the lessee under residual value guarantees;
IV. the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
V. payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

I. the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
II. the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
III. a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Balance Sheet. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

## 2.11. Provisions, Contingent Liabilities, Contingent Assets and Commitments

A provision is recognised 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, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the Financial Statements where an inflow of economic benefit is probable.

## 2.12. Employee Benefits Expense

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

### a) Short-term Employee Benefits

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short-term employee benefits and are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

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Certain employees of the Group are entitled to compensated absences based on statutory provisions. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b) Post-Employment Benefits**

**I. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which a Group pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

**II. Defined benefit plans**

The Group 's gratuity benefit scheme is a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

**2.13. Financial Instruments**

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

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

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## (i) Financial Assets

### a. Initial Recognition and Measurement

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

### b. Subsequent Measurement

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

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

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

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

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

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

### c. Loans, Deposits and Receivable

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

### d. Impairment of Financial Assets

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

**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

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- 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 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 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. |
| Loans to employees | The Group 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) <u>Financial Liabilities</u>**

**a. <u>Initial Recognition and Measurement</u>**

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.

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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 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.

**2.14. 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.

**2.15. 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.

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**2.16. Earnings Per Share**

**Basic Earnings Per Share**

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

**Diluted Earnings Per Share**

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**2.17. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

**2.18. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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CIN - U36991DD2019PTC009856

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

(₹ In lakhs)

| Particulars | Land | Building | Plant and Machinery | Office Equipments | Factory Equipment | Computer and Software | Furniture & Fixtures | Mould | Electrical Instalation | Two Wheelar | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **I. Gross Block** | | | | | | | | | | | | |
| **Balance as on April 01, 2023** | - | - | 2,111.25 | 3.82 | 94.28 | 9.47 | 83.90 | 667.78 | 188.76 | 0.82 | 9.22 | 3,169.30 |
| Additions | - | - | 526.10 | 4.33 | 108.15 | 5.11 | 98.10 | 236.21 | 123.53 | - | 70.63 | 1,172.15 |
| Deletions/Adjustments | - | - | 2.75 | - | - | - | - | - | - | - | - | 2.75 |
| **Balance as on March 31, 2024** | - | - | 2,634.60 | 8.15 | 202.43 | 14.57 | 182.01 | 903.99 | 312.29 | 0.82 | 79.85 | 4,338.70 |
| Additions | 416.07 | 296.50 | 2,103.73 | 11.77 | 70.06 | 7.58 | 69.60 | 2,378.63 | 101.24 | - | 19.95 | 5,475.12 |
| Deletions/Adjustments | - | - | 17.12 | - | - | - | - | 9.11 | - | - | - | 26.23 |
| **Balance as on March 31, 2025** | 416.07 | 296.50 | 4,721.20 | 19.91 | 272.49 | 22.15 | 251.60 | 3,273.51 | 413.53 | 0.82 | 99.79 | 9,787.59 |
| | | | | | | | | | | | | |
| **II. Depreciation** | | | | | | | | | | | | |
| **Balance as on April 01, 2023** | - | - | 326.56 | 0.79 | 14.52 | 2.29 | 7.87 | 111.71 | 28.31 | 0.01 | 0.30 | 492.36 |
| Charge for the year | - | - | 254.27 | 1.05 | 26.82 | 3.77 | 14.11 | 87.11 | 24.57 | 0.08 | 7.75 | 419.53 |
| Deletions/Adjustments | - | - | 0.16 | - | - | - | - | - | - | - | - | 0.16 |
| **Balance as on March 31, 2024** | - | - | 580.67 | 1.84 | 41.34 | 6.06 | 21.98 | 198.82 | 52.88 | 0.09 | 8.05 | 911.72 |
| Charge for the year | - | 0.15 | 322.78 | 2.81 | 46.50 | 5.55 | 20.16 | 174.35 | 33.66 | 0.08 | 10.71 | 616.76 |
| Deletions/Adjustments | - | - | 1.56 | - | - | - | - | 2.32 | - | - | - | 3.88 |
| **Balance as on March 31, 2025** | - | 0.15 | 901.89 | 4.64 | 87.84 | 11.61 | 42.14 | 370.85 | 86.54 | 0.16 | 18.76 | 1,524.59 |
| | | | | | | | | | | | | |
| **III- Net Block** | | | | | | | | | | | | |
| **Balance as on March 31, 2025** | 416.07 | 296.34 | 3,819.32 | 15.27 | 184.65 | 10.54 | 209.46 | 2,902.66 | 326.99 | 0.66 | 81.04 | 8,262.99 |
| **Balance as on March 31, 2024** | - | | 2,053.93 | 6.31 | 161.09 | 8.51 | 160.03 | 705.17 | 259.41 | 0.74 | 71.80 | 3,426.97 |

Note: Movable Property, Plant and Eqipment are hypothecated against cash credit facilities availed by the company amounting to Rs. 500 lakhs.

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

(₹ In lakhs)

| Particulars | Leased Assets |
|---|---|
| **I. Gross Block** | |
| As at April 01.2023 | 908.15 |
| Additions | - |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2024** | 908.15 |
| Additions | 692.77 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2025** | 1,600.92 |
| | |
| **II. Depreciation** | |
| As at April 01,2023 | 36.92 |
| Charge for the year | 181.63 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2024** | 218.55 |
| Charge for the year | 295.91 |
| Deletions/Adjustments | - |
| **Balance as on March 31, 2025** | 514.46 |
| | |
| **III- Net Block** | |
| **As at March 31, 2025** | 1,086.46 |
| **As at March 31, 2024** | 689.60 |

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## Note 1 : Capital Work in Progress

(₹ in lakhs)

| PARTICULARS | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Solar EPC | 260.14 | - |
| Building | 84.86 | - |
| Air Compressor | 9.13 | - |
| Factory Equipment | 8.02 | - |
| Machinery | 602.99 | - |
| Weighing Scales | 1.27 | - |
| Electric Fitting & Installation | 28.91 | - |
| **Total** | **995.32** | - |

**Ageing for CWIP as at March 31, 2025 is as follows**

(₹ in lakhs)

| 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 | 995.32 | - | - | - | 995.32 |
| Project is temporarily suspended | - | - | - | - | - |
| Total | **995.32** | - | - | - | **995.32** |

**Ageing for CWIP as at March 31, 2024 is as follows**

(₹ in lakhs)

| 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 | - | - | - | - | - |
| Project is temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

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FLAIR WRITING EQUIPMENTS PRIVATE LIMITED
CIN - U36991DD2019PTC009856

**Note 2 : Loans**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Current | | |
| Loans and Advances to Employees (Unsecured, Considered good) | - | 0.05 |
| **Total** | **-** | **0.05** |

**Note 3 : Other Financial Assets**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current** | | |
| Security Deposit | 66.91 | 93.88 |
| Bank Deposits (Maturity more than 12 months) | 1.00 | - |
| Interest Receivable | 0.01 | - |
| **Total** | **67.91** | **93.88** |

**Note 4 : Income tax Assets**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current Tax Assets** | | |
| Income Tax Assets | 0.99 | 0.99 |
| **Total** | **0.99** | **0.99** |

**Note 5 : Other Current Assets**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current** | | |
| Capital Advance (Including MSME) | 583.58 | 1,539.54 |
| Prepaid Expenses | 2.54 | 1.01 |
| **Total** | **586.11** | **1,540.55** |
| | | |
| **Current** | | |
| Advance to Suppliers | 727.03 | 348.48 |
| Balances with Government Authorities | 687.96 | 434.46 |
| Prepaid Expenses | 24.98 | 8.41 |
| Others | 19.43 | 0.07 |
| **Total** | **1,459.41** | **791.43** |

**Note 6 : Inventories**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Inventories #** | | |
| Raw and Packing Materials | 1,006.15 | 1,136.93 |
| Raw and Packing Materials - Goods in Transit | 15.47 | 6.91 |
| Semi-Finished Goods | 2,097.80 | 923.59 |
| Finished Goods | 1,245.44 | 913.32 |
| Stock of Spares | 28.15 | 5.04 |
| **Total** | **4,393.01** | **2,985.78** |

# 1) Inventories have been valued as per Note 2(9) of Significant Accounting Policies.
2) Inventories are hypothecated against Cash Credit facilities availed by the Company totaling Rs. 500 lakhs.
3) The cost of inventories recognised as an expense during the year was Rs. 7,695.24 lakhs (March 31, 2024: Rs. 4352.81 lakhs).
4) The Company has no write-down of inventory to net realisable value as at March 31, 2025 and March 31, 2024.

**Note 7 : Trade Receivables**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured, Considered good** | | |
| Trade Receivables (refer note 34 for related party balances) # | 3,557.76 | 2,099.23 |
| Less: Allowance for expected credit loss | 20.60 | - |
| **Total** | **3,537.18** | **2,099.23** |

# 1) Trade Receivables are hypothecated against Cash Credit facilities availed by the Company totaling to Rs. 500 lakhs.

The average credit period on sales of goods is 60-90 days.

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Ageing for trade receivables – non-current outstanding as at March 31, 2025 are as follows:

(₹ In lakhs)

| 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 | |
| **Trade Receivables - Billed** | | | | | | |
| Undisputed trade receivables – considered good | 3,124.35 | 266.80 | 144.51 | 22.12 | - | 3,557.78 |
| 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 | (0.46) | - | (20.13) | - | - | (20.60) |
| **Total** | **3,123.88** | **266.80** | **124.38** | **22.12** | **-** | **3,537.18** |

Ageing for trade receivables – non-current outstanding as at March 31, 2024 are as follows:

(₹ In lakhs)

| 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 | 1,924.38 | 150.51 | 24.34 | - | - | 2,099.23 |
| 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 | - | - | - | - | - | - |
| **Total** | **1,924.38** | **150.51** | **24.34** | **-** | **-** | **2,099.23** |

**Note 8 : Cash and Cash Equivalents**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on Hand | 1.64 | 2.30 |
| **Balances with Banks** | | |
| - In Current Accounts | 226.10 | 0.17 |
| **Total** | **227.74** | **2.47** |

**Note 9 : Other Bank Balance**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deposits with original maturity of more than three months but less than twelve months | 84.52 | - |
| **Total** | **84.52** | **-** |

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## Note 10 : Equity Share Capital

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Share Capital** | | |
| 10,000 Equity Shares of Rs 10/- each | 1.00 | 1.00 |
| **Total** | **1.00** | **1.00** |
| | | |
| **Issued, Subscribed and Fully Paid-Up:** | | |
| 10,000 Equity Shares of Rs 10/- each fully paid up | 1.00 | 1.00 |
| **Total** | **1.00** | **1.00** |

**a) Details of Shareholders in the Company**

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of Equity Shares Held | Percentage | No of Equity Shares Held | Percentage |
| Flair Writing Industries Limited | 10,000 | 100% | 10,000 | 100% |
| Total | **10,000** | **100%** | **10,000** | **100%** |

**b) Reconciliation of the Shares Outstanding at the Beginning and at the end of the Reporting Period**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Equity Shares | | Equity Shares | |
| | No.of Shares | Amount | No.of Shares | Amount |
| Shares Outstanding at the Beginning of the Year | 10,000 | 1.00 | 10,000 | 1.00 |
| Add: Issued During the Year | - | - | - | - |
| Less: Bought Back During the Year | - | - | - | - |
| **Shares Outstanding at the end of the Year** | **10,000** | **1.00** | **10,000** | **1.00** |

**c)** The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his 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 AGM.

## Note 11 : Other Equity

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| i) Retained Earnings | | |
| Balance at the beginning of the Year | 1,445.17 | 957.55 |
| Add : Profit for the year ended | 1,195.91 | 487.62 |
| **Balance at the end of the Year** | **2,641.08** | **1,445.17** |

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**Note 12 : Borrowings**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non - Current** | | |
| **Unsecured - at Amortised cost** | | |
| Loan from holding Company (Refer Note 34) | 13,811.63 | 7,567.91 |
| Loan from Directors (Refer Note 34) | 282.75 | - |
| **Total** | **14,094.38** | **7,567.91** |
| | | |
| **Current** | | |
| **Secured - at Amortised cost** | | |
| Working Capital Loan- Cash Credit | 385.38 | 212.18 |
| Current maturities of Long term borrowings | - | 158.46 |
| **Unsecured - at Amortised cost** | | |
| Loan from holding Company (Refer Note 34) | - | 264.63 |
| Loan from Directors (Refer Note 34) | 0.38 | - |
| **Total** | **385.76** | **635.27** |

The details of repayment terms, rate of interest, and nature of securities provided in respect of secured loan from banks are as below:

| Nature of Borrowing | Name of the lender | Nature of Borrowing | Loan Currency | As at March 31, 2025 | Rate of Interest | Repayment terms |
|---|---|---|---|---|---|---|
| Term Loan - from Bank | Citi Bank N.A. | Term Loan | INR | - | 8.60% | End to End tenor of 5 Years with 18 months moratorium Repayment will be quarterly basis |
| Cash Credit - from Bank | Citi Bank N.A. | Cash Credit | INR | 387.87 | 8.90% | Revolving 365 days |
| Overdraft from Bank | Axis Bank Ltd | Overdraft | INR | (2.50) | 7.75% | |

Refer Note 32 for information on Company's exposure to Interest rate and Liquidity risks.

Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, movable fixed assets of the Company and corporate Guarantee of Flair Writing Industries Limited.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

The Company has not defaulted on financial covenants, repayment of loans and interest during the period and previous years.

The Unsecured Loan taken from Holding Company is subject to interest rate of 8.50% p.a. to 9.00% p.a. which is repayable upto Financial Year ending March 31, 2030.

The Company is filling monthly statement for Inventories, Debtors and Creditors for Raw Material with Citi Bank N.A. for working capital facilities. The below is summary of reconcilliation of quarterly statement filed with the bank and books of accounts:

| Quarter ended on | Amount as per books of accounts | Amount as reported in the statements | Difference | |
|---|---|---|---|---|
| March 31, 2025 | 6,665.26 | 6,665.57 | (0.31) | 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, 2024 | 6,282.96 | 6,282.97 | (0.01) | |
| September 30, 2024 | 5,129.05 | 5,090.99 | 38.06 | |
| June 30, 2024 | 4,810.78 | 4,781.77 | 29.01 | |
| March 31, 2024 | 6,011.48 | 6,020.89 | (9.41) | |
| December 31, 2023 | 3,605.51 | 3,593.36 | 12.15 | |
| September 30, 2023 | 3,289.71 | 3,222.04 | 67.67 | |
| June 30, 2023 | 3,123.10 | 3,109.99 | 13.11 | |

**Note 13 : Lease Liabilities**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-Current | | |
| Lease Liabilities | 876.13 | 574.50 |
| **Total** | **876.13** | **574.50** |
| | | |
| Current | | |
| Lease Liabilities | 302.37 | 161.77 |
| **Total** | **302.37** | **161.77** |

**Note 14 : Provisions**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-Current | | |
| Provision for Employee Benefits (Refer Note 30) | 39.51 | - |
| **Total** | **39.51** | **-** |
| | | |
| Current | | |
| Provision for Employee Benefits (Refer Note 30) | 152.76 | 38.60 |
| **Total** | **152.76** | **38.60** |

**Note 15 : Deferred Tax Liabilities (Net)**

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

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred Tax Liabilities | 115.38 | 56.42 |
| **Total** | **115.38** | **56.42** |

**Movement in Deferred Tax balance for the year ended March 31, 2025** (₹ In lakhs)

| Particulars | Opening Balance | Recognised in Profit or loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Property, Plant and Equipment | 74.43 | 92.54 | - | 166.97 |
| | **74.43** | **92.54** | **-** | **166.97** |
| **Deferred Tax Assets** | | | | |
| Provision for employee benefit obligation | 6.62 | 16.30 | - | 22.93 |
| Provision for Gratuity | - | 10.06 | - | 10.06 |
| B/F Losses and Unabsorbed Depreciation | - | 2.13 | - | 2.13 |
| Others | 11.39 | 5.07 | - | 16.46 |
| | **18.02** | **33.57** | **-** | **51.59** |
| **Deferred Tax Liability (Net)** | **56.42** | **58.96** | **-** | **115.38** |

**Movement in Deferred Tax balance for the year ended March 31, 2024** (₹ In lakhs)

| Particulars | Opening Balance | Recognised in Profit or loss | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Property, Plant and Equipment | 54.81 | 19.62 | - | 74.43 |
| | **54.81** | **19.62** | **-** | **74.43** |
| **Deferred Tax Assets** | | | | |
| Provision for employee benefit obligation | 5.18 | 1.45 | - | 6.62 |
| Pre-operative Expenses | 0.18 | (0.18) | - | - |
| Others | 1.83 | 9.56 | - | 11.39 |
| | **7.19** | **10.83** | **-** | **18.02** |
| **Deferred Tax Liability (Net)** | **47.62** | **8.80** | **-** | **56.42** |

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.

**Note 16 : Trade payables**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Outstanding Dues of Micro and Small Enterprises | 564.71 | 215.84 |
| Total Outstanding Dues of Creditors other than Micro and Small Enterprises (refer note 34 for related party balances) | 584.61 | 580.50 |
| **Total** | **1,149.32** | **796.34** |

**Ageing for trade payables outstanding as at March 31, 2025 is as follows:** (₹ In lakhs)

| Particulars | Outstanding for following periods from transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More Than 3 years | |
| - Micro, Small and Medium Enterprises | 564.71 | - | | - | 564.71 |
| - Others | 581.36 | 1.87 | 0.22 | 1.17 | 584.61 |
| Disputed dues- Micro, Small and Medium Enterprises | - | - | - | - | - |
| Disputed dues- Others | - | - | - | - | - |
| **Total** | **1,146.07** | **1.87** | **0.22** | **1.17** | **1,149.32** |

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**Ageing for trade payables outstanding as at March 31, 2024 is as follows:**

(₹ In lakhs)

| Particulars | Outstanding for following periods from transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More Than 3 | |
| - Micro, Small and Medium Enterprises | 215.84 | - | - | - | 215.84 |
| - Others | 579.06 | 0.09 | 1.35 | - | 580.50 |
| Disputed dues- Micro, Small and Medium Enterprises | - | - | - | - | - |
| Disputed dues- Others | - | - | - | - | - |
| Total | 794.90 | 0.09 | 1.35 | - | 796.34 |

1) Trade Payables are Non-Interest bearing and are normally settled within 45-90 days terms. Further Refer Note 32 for Maturity Pattern of Trade Payables.

**2 ) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year: | | |
| - Principal | 564.41 | 213.46 |
| - Interest | 0.30 | 2.37 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Amount of payment made to the supplier beyond the appointed day during the year* | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 0.30 | 2.37 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006. | - | - |

**Note 17 : Other Financial Liabilities**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Payables on account of Purchase of Property, Plant and Equipment | 482.38 | 23.51 |
| Retention money | 5.27 | 5.27 |
| Other Payables | 299.86 | 134.60 |
| **Total** | **787.51** | **163.38** |

**Note 18 : Other Liabilities**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Statutory Remittances | 104.83 | 46.31 |
| Revenue received in advance | | |
| - Others | 36.39 | 141.70 |
| **Total** | **141.22** | **188.01** |

**Note 19 : Current Tax Liabilities (Net)**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current Tax Liabilities** | | |
| Income Tax (Net of advance tax) | 7.87 | 2.57 |
| **Total** | **7.87** | **2.57** |

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## Note 20 : Revenue From Operation

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **a) Sales of Products** | | |
| Domestic | 13,622.79 | 7,746.38 |
| Export | 711.35 | 371.53 |
| | | |
| **b) Other Operating Revenue** | | |
| Sale of Scrap | 5.93 | 3.10 |
| Export Incentives | 29.12 | 13.01 |
| **Total** | **14,369.18** | **8,134.01** |

**Disclosure under Ind AS 115 "Revenue from Contracts with Customers"**

| | | |
|---|---|---|
| **a) Disaggregation of revenue from Contracts with Customers** | | |
| **Revenue from Operations** | | |
| **Sale of Products** | | |
| Domestic | 13,622.79 | 7,746.38 |
| Export | 711.35 | 371.53 |
| Other operating revenue | 35.04 | 16.10 |
| **Total** | **14,369.18** | **8,134.01** |
| | | |
| **b) Significant changes in the contract liabilities balances during the year** | | |
| Opening Balance | 141.70 | 6.09 |
| Add : Net additions during the year | 36.16 | 141.53 |
| Less : Revenue recognised during the year | (141.47) | 5.93 |
| **Closing Balance** | **36.39** | **141.70** |
| | | |
| **c) Contract liability (advance from Customers)** | | |
| Advances from Customers | 36.39 | 141.70 |
| **Total** | **36.39** | **141.70** |
| | | |
| **d) Reconciliation of revenue as per Contract price as recognised in statement of Profit and Loss** | | |
| Revenue from contracts with customers as per Contract Price | 14,486.90 | 8,132.35 |
| Less : Discount ,rebates , credits etc | 152.76 | 14.44 |
| Add : Other operating revenue | 35.04 | 16.10 |
| **Revenue from contracts with customers as per Statement of Profit and Loss** | **14,369.18** | **8,134.01** |

## Note 21 : Other Income

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Interest** | | |
| - Bank | 5.03 | 0.00 |
| - Others | 112.40 | 4.01 |
| **Other Non-Operating Income** | | |
| Gain on Foreign Exchange Flactuation (Net) | 152.98 | 23.56 |
| Profit On Sale Of Fixed Assets | 0.61 | 2.07 |
| Labour incentive | 218.91 | - |
| Other Non-Operating Income | 9.95 | - |
| Sundry Balance W/Back | 0.02 | 0.91 |
| **Total** | **499.90** | **30.56** |

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## Note 22 : Cost of Materials Consumed

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Inventories at the beginning of the year | 1,143.84 | 796.16 |
| Add: Purchase | 8,749.35 | 5,010.85 |
| Less: Inventories at the end of the year | 1,021.62 | 1,143.84 |
| **Total** | **8,871.57** | **4,663.17** |

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

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Purchase of Stock-in-Trade | 330.01 | - |
| **Total** | **330.01** | **-** |

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

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Semi - Finished Goods | 923.59 | 818.70 |
| Finished Goods | 913.32 | 707.84 |
| Total (A) | **1,836.91** | **1,526.54** |
| **Less: Inventories at the end of the year** | | |
| Semi - Finished Goods | 2,097.80 | 923.59 |
| Finished Goods | 1,245.44 | 913.32 |
| Total (B) | **3,343.25** | **1,836.91** |
| **Total (A-B)** | **(1,506.34)** | **(310.37)** |

## Note 25 : Employee benefit expense

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Salaries, Wages and Bonus | 1,218.99 | 802.75 |
| Contribution to Provident and Other Funds **(Refer Note 30)** | 133.33 | 53.38 |
| Gratuity **(Refer note 30)** | 60.90 | - |
| Staff Welfare Expenses | 7.81 | 10.38 |
| **Total** | **1,421.03** | **866.52** |

## Note 26 : Finance Costs

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Bank Interest | 13.22 | 93.35 |
| Interest on Right of Use Assets | 108.25 | 73.49 |
| Interest on delay payments to MSME | 0.32 | 2.39 |
| Interest on Direct Tax/ Indirect Tax | 1.14 | 0.14 |
| Borrowing Cost | 835.00 | 300.03 |
| **Total** | **957.93** | **469.39** |

## Note 27 : Depreciation and Amortisation Expense

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Depreciation On Property, Plant And Equipment | 616.76 | 419.53 |
| Depreciation Of Right-Of-Use Assets | 295.91 | 181.63 |
| **Total** | **912.66** | **601.16** |

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## Note 28 : Other Expenses

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumable Expenses | 31.95 | 15.08 |
| Electric Power, Fuel and Water | 400.52 | 283.64 |
| Freight Inward | 23.40 | 13.37 |
| Job Work and Other Related Expenditure | 1,318.28 | 549.18 |
| Machine And Mould Maintenance | 85.88 | 75.10 |
| Factory Rent | - | - |
| Factory Expenses | 25.66 | 19.14 |
| Loading & Unloading Expenses | 5.26 | 2.58 |
| | | |
| **Establishment Expenses** | | |
| Bank Charges | 3.56 | 2.25 |
| Insurance Expenses | 11.35 | 6.85 |
| Corporate Social Responsibility **(Refer Note 37)** | 10.75 | 8.15 |
| Legal & Professioanl Fees | 95.86 | 65.56 |
| Office Rent | 1.60 | 2.02 |
| Postage & Courier Expenses | 4.63 | 2.19 |
| Printing and Stationery | 7.26 | 5.50 |
| Miscellaneous Expenses | 9.98 | 1.92 |
| | | |
| **Repairs & Maintenance** | | |
| Computer | 1.68 | 2.10 |
| Vehicles | 7.99 | 1.78 |
| Others | 0.39 | 11.61 |
| Telephone & Communication Charges | 3.72 | 3.27 |
| Travelling & Conveyance | 51.68 | 34.53 |
| Payment to Auditor **(Refer Note 28.1)** | 8.00 | 5.00 |
| | | |
| **Selling and Distribution Expenses** | | |
| Allowance for expected credit loss on trade receivables | 20.60 | - |
| Publicity and Sales Promotion expenses | 7.11 | 14.92 |
| Commission & Brokerage | 5.23 | 2.23 |
| Freight Outward | 284.52 | 156.43 |
| **Total** | **2,426.86** | **1,284.40** |

## Note: 28.1 Payment to Auditor

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **As Auditors:** | | |
| Statutory Audit Fees | 4.50 | 4.00 |
| Tax Audit Fees | 3.50 | 1.00 |
| **Total** | **8.00** | **5.00** |

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**Note 29 : Earnings per share (EPS)**

**In accordance with the Indian Accounting Standard -33 on "Earnings per Share" (EPS):**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| (a) Profit for the period (₹ in lakhs) | 1,195.91 | 487.62 |
| | | |
| (b) Weighted Average number of Ordinary Shares outstanding for the purpose of Basic Earning per share (Numbers) | 10,000 | 10,000 |
| | | |
| (c) Effect of potential Equity shares on conversion of outstanding share warrants (Numbers) | - | - |
| | | |
| (d) Weighted average number of Equity Shares in Computing diluted earning per share (b+c) (Numbers) | 10,000 | 10,000 |
| | | |
| (e) Earning per share on profit for the year (Face Value Rs.10.00 Per Share) | | |
| - Basic (a/b) (in ₹) | 11,959.06 | 4,876.17 |
| - Diluted (a/d) (in ₹) | 11,959.06 | 4,876.17 |

**Note 30 : 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.

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Provident Fund | 39.47 | 16.22 |
| Employer's Contribution to Pension Scheme | 69.29 | 25.75 |
| Employees Contribution to ESIC | 24.58 | 11.41 |
| **Total** | **133.33** | **53.38** |

**(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 of the Balance Sheet date. The Group has an 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.**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Defined Benefit obligation at beginning of the year | - | - |
| Add: Current Service Cost | 16.33 | - |
| Interest Cost | - | - |
| Remeasurement during the period due to : | | |
| Actuarial loss / (gain) arising from change in financial assumptions | - | - |
| Actuarial loss / (gain) arising from change in demographic assumption | - | - |
| Actuarial loss / (gain) arising on account of experience variance | - | - |
| Past Service Cost | 44.58 | |
| Benefits paid | (2.25) | - |
| **Defined Benefit obligation at end of the year** | **58.65** | **-** |
| | | |
| **Net liability is bifurcated as follows :** | | |
| Current | 19.15 | - |
| Non-current | 39.51 | - |
| **Net liability** | **58.65** | **-** |

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

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| 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 | - | - |

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

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Fair Value of Plan Assets | - | - |
| Present Value of Obligation | 58.65 | - |
| Amount Recognised in Balance Sheet Surplus/(Deficit) | **(58.65)** | **-** |

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IV) **Expenses recognised during the year**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **In Income Statement** | | |
| Current Service Cost | 16.33 | - |
| Interest Cost | - | - |
| Past Service Cost | 44.58 | - |
| Return on Plan Assets | - | - |
| Actuarial (Gain)/Loss | - | - |
| **Net Cost for the year recognised in Income Statement** | 60.90 | - |
| | | |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain)/Loss | - | - |
| Return on Plan Assets | | |
| **Net(Income)/Expenses for the year recognised in Other Comprehensive Income** | - | - |

V) **Investments details**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Government securities | - | - |
| Public Securities | - | - |
| Others | - | - |

VI) **Actuarial Assumptions**

| Mortality Table (Indian Assured Lives Mortality) | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| | (Ultimate) | (Ultimate) |
| Discount rate (p.a.) | 6.50% | - |
| Withdrawal Rate | 50% of lower services reducing to 2% at higher services | - |
| Salary escalation (p.a.) | 4.50% | - |

**Sensitivity Analysis**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Assumptions -Discount rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | (57.74) | - |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | 59.60 | - |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level | | |
| Impact of Increase in (-/+ 0.5%) on defined benefit obligation | 59.62 | - |
| Impact of Decrease in (-/+ 0.5%) on defined benefit obligation | (57.72) | - |

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 Group 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

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 19.15 | - |
| Between 2 and 5 years | 39.22 | - |
| Beyond 5 years | 17.46 | - |
| **Total expected payments** | 75.83 | - |
| The weighted average duration of the defined benefit plan obligation at the end of the reporting period | 3 years | - |

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## Note 31 : Fair value measurements

### Fair Value Measurement Hierarchy

As at March 31, 2025

(₹ In lakhs)

| Particulars | Carrying amount | | | | Fair value hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Trade Receivables | - | - | 3,537.18 | 3,537.18 | - | - | 3,537.18 | 3,537.18 |
| Cash and Cash Equivalents | - | - | 227.74 | 227.74 | - | - | 227.74 | 227.74 |
| Other Bank Balance | - | - | 84.52 | 84.52 | - | - | 84.52 | 84.52 |
| Other Financial Assets | - | - | 67.91 | 67.91 | - | - | 67.91 | 67.91 |
| **Total financial assets** | - | - | **3,917.36** | **3,917.36** | - | - | **3,917.36** | **3,917.36** |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowing | - | - | 14,094.38 | 14,094.38 | - | - | 14,094.38 | 14,094.38 |
| Current Borrowing | - | - | 385.76 | 385.76 | - | - | 385.76 | 385.76 |
| Trade Payables | - | - | 1,149.32 | 1,149.32 | - | - | 1,149.32 | 1,149.32 |
| Lease Liabilities | - | - | 1,178.50 | 1,178.50 | - | - | 1,178.50 | 1,178.50 |
| Other Financial Liabilities | - | - | 787.51 | 787.51 | - | - | 787.51 | 787.51 |
| **Total financial liabilities** | - | - | **17,595.47** | **17,595.47** | - | - | **17,595.47** | **17,595.47** |

As at March 31, 2024

(₹ In lakhs)

| Particulars | Carrying amount | | | | Fair value hierarchy | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Trade Receivables | - | - | 2,099.23 | 2,099.23 | - | - | 2,099.23 | 2,099.23 |
| Cash and Cash Equivalents | - | - | 2.47 | 2.47 | - | - | 2.47 | 2.47 |
| Loan | - | - | 0.05 | 0.05 | | - | 0.05 | 0.05 |
| Other Financial Assets | - | - | 93.88 | 93.88 | - | - | 93.88 | 93.88 |
| **Total financial assets** | - | - | **2,195.63** | **2,195.63** | - | - | **2,195.63** | **2,195.63** |
| **Financial liabilities** | | | | | | | | |
| Non-Current Borrowing | - | - | 7,567.91 | 7,567.91 | - | - | 7,567.91 | 7,567.91 |
| Current Borrowing | - | - | 635.27 | 635.27 | - | - | 635.27 | 635.27 |
| Trade Payables | - | - | 796.34 | 796.34 | - | - | 796.34 | 796.34 |
| Lease Liabilities | - | - | 736.27 | 736.27 | - | - | 736.27 | 736.27 |
| Other Financial Liabilities | - | - | 163.38 | 163.38 | - | - | 163.38 | 163.38 |
| **Total financial liabilities** | - | - | **9,899.18** | **9,899.18** | - | - | **9,899.18** | **9,899.18** |

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) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
d) 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:** (₹ in lakhs)

| Due from the date of invoice | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 0-6 months | 3,123.88 | 1,924.38 |
| 6 months to 12 months | 266.80 | 150.51 |
| beyond 12 months | 146.50 | 24.34 |
| **Total** | **3,537.18** | **2,099.23** |

### 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.

(₹ in lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Unutilised credit limit from bank | 500.00 | 316.87 |
| Current Ratio (In Times) | 3.31 | 2.96 |
| Liquid Ratio (In Times) | 1.88 | 1.25 |

**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, 2025 (₹ in lakhs)

| Particulars | As at March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | TOTAL |
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | 385.76 | - | - | 14,094.38 | - | 14,480.14 |
| Trade payables | 1,149.32 | - | - | - | - | 1,149.32 |
| Lease Liabilities | 147.80 | 154.57 | 673.42 | 202.71 | - | 1,178.50 |
| Other financial liabilities | 787.51 | - | - | - | - | 787.51 |
| Total | **2,470.39** | **154.57** | **673.42** | **14,297.09** | **-** | **17,595.47** |

As at March 31, 2024 (₹ in lakhs)

| Particulars | As at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 0-6 Months | 6-12 Months | 1-3 years | 3-5 Years | Above 5 Years | TOTAL |
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | 582.45 | 52.82 | - | - | 7,567.91 | 8,203.19 |
| Trade payables | 796.34 | - | - | - | - | 796.34 |
| Lease Liabilities | 78.12 | 83.65 | 390.46 | 184.04 | - | 736.27 |
| Other financial liabilities | 163.38 | - | - | - | - | 163.38 |
| Total | **1,620.29** | **136.48** | **390.46** | **184.04** | **7,567.91** | **9,899.18** |

### iii) Market risk- Currency Risk

The Company operates internationally and a portion of the business is transacted in foreign currencies. Consequently, the Company is exposed to foreign exchange risk through its purchases from overseas markets in foreign currencies. The exposure to Foreign Currency for all other currencies are not material.

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**Exposure to currency risk**
The details of unhedged foreign currency at the exchange rate at reporting date are:

(₹ In lakhs)

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | |
|---|---|---|---|---|---|
| | Euro | USD | JPY | Euro | USD |
| **Financial Assets** | | | | | |
| Trade Receivables | - | 194.94 | - | - | 189.61 |
| Other Receivables | - | 601.35 | - | 23.97 | 1,771.60 |
| **Financial Liabilities** | | | | | |
| Trade payables | - | 132.91 | - | - | 12.62 |
| Other Payables | | 32.01 | - | - | 137.18 |
| **Net exposure** | - | **631.37** | - | **23.97** | **1,811.41** |

**SENSITIVITY ANALYSIS**

Sensitivity analysis of 1% change in exchange rate at the end of reporting year.

(₹ In lakhs)

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | |
|---|---|---|---|---|---|
| | Euro | USD | JPY | Euro | USD |
| **1% Depreciation in INR** | | | | | |
| Impact on Profit & Loss | - | 6.31 | - | 0.24 | 18.11 |
| | | | | | |
| TOTAL | - | **6.31** | - | **0.24** | **18.11** |
| **1% Appreciation in INR** | | | | | |
| Impact on Profit & Loss | - | (6.31) | - | (0.24) | (18.11) |
| | | | | | |
| TOTAL | - | **(6.31)** | - | **(0.24)** | **(18.11)** |

Sensitivity analysis is computed based on the changes in the receivables in foreign currency upon conversion into functional currency, due to exchange rate fluctuations at current reporting year.

**iv) Market Risk - Interest Risk**

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

**Interest Rate Exposure**

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Borrowings** | | |
| Loan from Banks | 13.22 | 93.35 |
| Unsecured Loan from holding Company & Directors | 835.00 | 294.03 |
| Interest on right of use Assets | 108.25 | 73.49 |
| Total | **956.48** | **460.86** |

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

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 1% Change in increase in Interest Rate | 9.56 | 4.61 |
| 1% Change in decrease in Interest Rate | (9.56) | (4.61) |

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

**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 Risk Committee of the Company comprising of members from the Board of Directors and the operations, have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

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## Note 33 : Income Tax Expense

**(a) Amounts recognised in Profit and Loss** (₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Current tax | 197.60 | 93.84 |
| Deferred tax | 58.96 | 8.80 |
| Tax adjustments for Earlier Years | 0.41 | 0.05 |
| **Tax expense** | **256.98** | **102.69** |

**(b) Reconciliation of Effective Income Tax Rate** (₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Profit before tax | 1,455.35 | 590.30 |
| Company's domestic tax rate | 17.16% | 17.16% |
| Income tax using the Company's tax rate | 249.74 | 101.30 |
| | | |
| **Tax effect of:** | | |
| Permanent disallowances | 6.04 | (9.09) |
| Timing Difference | (57.05) | 1.63 |
| Others | (1.13) | - |
| Deferred tax | 58.96 | 8.80 |
| Tax adjustments for Earlier Years | 0.41 | 0.05 |
| **Income tax as per Profit and Loss Account** | **256.98** | **102.69** |
| **Effective Tax Rate** | **17.66%** | **17.40%** |

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## Note 34 : Related Party Disclosure

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

| | Nature of Relationship | Name Of Related Party |
|---|---|---|
| (i) | Holding Company | Flair Writing Industries Limited |
| (ii) | Enterprises over which any person described in (i) above is able to influence (The Enterprises): | Pentel Stationery (India) Pvt Ltd<br>Flair Pen & Plastic Industries<br>Flair Pens Limited<br>Flair Writing Aids<br>Hauser Lifestyle Products<br>Flair Cyrosil Industries Pvt. Ltd. |

**(b) Other Related Parties with whom transactions have taken plac**

| | Nature of Relationship | Name Of Related Party |
|---|---|---|
| (i) | Key Managerial Personnel (KMP) | Khubilal Rathod<br>Vimalchand Rathod<br>Rajesh Rathod<br>Mohit Rathod<br>Sumit Rathod |
| (ii) | Key Managerial Personnel (KMP) in Subsidiary Company | Dipakbhai Himmatbhai Kaswala<br>Manojkumar Lavjibhai Dobariya<br>Nitin Jamanbhai Madhani |
| (iii) | Relative of Key Managerial Personnel (KMP) | Jayesh Jain |

**(c) Transactions with Related Parties**

(₹ In lakhs)

| Sr. No. | Nature of Transaction | Type | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|
| 1 | **Sale Of Goods** | | | |
| | Flair Writing Industries Limited | Holding Company | 2,084.82 | 1,170.98 |
| | Pentel Stationery (India) Pvt Ltd | Enterprises over which any person described in (i) above is able to influence | 5.27 | 52.64 |
| | Flair Cyrosil Industries Pvt. Ltd. | | 125.95 | 43.22 |
| 2 | **Sale Of Fixed Assets** | | | |
| | Flair Writing Industries Limited | Holding Company | 22.95 | - |
| 3 | **Labour Charges** | | | |
| | Flair Writing Industries Limited | Holding Company | - | 0.59 |
| 4 | **Rent Paid** | | | |
| | Flair Writing Industries Limited | Holding Company | 135.90 | 132.60 |
| | Flair Pens Limited | Enterprises over which any person described in (i) above is able to influence | 0.83 | 1.42 |
| | Flair Pen & Plastic Industries | | 205.68 | 69.60 |
| | Flair Writing Aids | | 18.00 | 18.00 |
| 5 | **Purchase Of Goods** | | | |
| | Flair Writing Industries Limited | Holding Company | 1,543.12 | 1,178.12 |
| | Pentel Stationery (India) Pvt Ltd | Enterprises over which any person described in (i) above is able to influence | 0.46 | 4.11 |
| | Flair Cyrosil Industries Pvt. Ltd. | | 187.37 | 73.77 |
| 6 | **Purchase Of Assets** | | | |
| | Flair Writing Industries Limited | Holding Company | 2.39 | 36.80 |
| | Hauser Lifestyle Products | Enterprises over which any person described in (i) above is able to influence | - | 35.30 |
| 7 | **Power Charges** | | | |
| | Flair Writing Aids | Enterprises over which any person described in (i) above is able to influence | 3.35 | 10.58 |
| 8 | **Commission Paid** | | | |
| | Jayesh Champalal Jain | Relative of KMP | 4.48 | 1.83 |
| 9 | **Director/Managerial Remuneration** | | | |
| | Khubilal J. Rathod | Key Managerial Personnel | - | 7.50 |
| | Rajesh Rathod | Key Managerial Personnel | 1.25 | - |
| | Dipakbhai Himmatbhai Kaswala | Key Managerial Personnel (KMP) in Subsidiary Company | 1.25 | - |
| | Manojkumar Lavjibhai Dobariya | Key Managerial Personnel (KMP) in Subsidiary Company | 1.25 | - |
| | Nitin Jamanbhai Madhani | Key Managerial Personnel (KMP) in Subsidiary Company | 1.25 | - |
| 10 | **Loan Taken** | | | |
| | Flair Writing Industries Limited | Holding Company | 10,337.20 | 7,421.86 |
| | Dipakbhai Himmatbhai Kaswala | Key Managerial Personnel (KMP) in Subsidiary Company | 64.88 | - |
| | Manojkumar Lavjibhai Dobariya | Key Managerial Personnel (KMP) in Subsidiary Company | 150.28 | - |
| | Nitin Jamanbhai Madhani | Key Managerial Personnel (KMP) in Subsidiary Company | 67.58 | - |
| 11 | **Loan Repaid** | | | |
| | Flair Writing Industries Limited | Holding Company | 4,358.11 | 3,191.19 |
| 12 | **Interest Expenses** | | | |
| | Flair Writing Industries Limited | Holding Company | 834.57 | 294.03 |
| | Dipakbhai Himmatbhai Kaswala | Key Managerial Personnel (KMP) in Subsidiary Company | 0.10 | - |
| | Manojkumar Lavjibhai Dobariya | Key Managerial Personnel (KMP) in Subsidiary Company | 0.22 | - |
| | Nitin Jamanbhai Madhani | Key Managerial Personnel (KMP) in Subsidiary Company | 0.10 | - |
| 13 | **Re-imburesement of Expenses (Paid)** | | | |
| | Flair Writing Industries Limited | Holding Company | 305.54 | 229.18 |
| | Flair Pens Limited | Enterprises over which any person described in (i) above is able to influence | 0.22 | 0.24 |
| 14 | **Re-imburesement of Expenses (Received)** | | | |
| | Flair Cyrosil Industries Pvt. Ltd. | Enterprises over which any person described in (i) above is able to influence | 0.70 | - |

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(d) Outstanding balances as at the year end

(₹ In lakhs)

| Sr. No. | Nature of Transaction | Type | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| 1 | **Trade Payables** | | | |
| | Flair Writing Industries Limited | Holding Company | 68.34 | 171.43 |
| | Hauser Lifestyle Products | Enterprises over which any person described in (i) above is able to influence | - | 8.11 |
| | Pentel Stationery (India) Pvt Ltd Cr. | | 0.22 | - |
| | Flair Cyrosil Industries Pvt. Ltd. | | 5.39 | - |
| 2 | **Trade Receivable** | | | |
| | Flair Writing Industries Limited | Holding Company | 294.07 | - |
| | Pentel Stationery (India) Pvt. Ltd. | Enterprises over which any person described in (i) above is able to influence | 1.27 | - |
| | Flair Cyrosil Industries Pvt. Ltd. | | 10.95 | 32.47 |
| 3 | **Loan Outstanding (Liability)** | | | |
| | Flair Writing Industries Limited | Holding Company | 13,811.63 | 7,832.54 |
| | Dipakbhai Himmatbhai Kaswala | Key Managerial Personnel (KMP) in Subsidiary Company | 64.97 | - |
| | Manojkumar Lavjibhai Dobariya | Key Managerial Personnel (KMP) in Subsidiary Company | 150.49 | - |
| | Nitin Jamanbhai Madhani | Key Managerial Personnel (KMP) in Subsidiary Company | 67.68 | - |
| 4 | **Rent Payable** | | | |
| | Flair Writing Aids | Enterprises over which any person described in (i) above is able to influence | - | 0.27 |
| | Flair Pens Limited | | - | 0.03 |
| | Flair Writing Industries Limited | Holding Company | 14.61 | 0.11 |
| 5 | **Other Receivable** | | | |
| | Flair Writing Industries Limited | Holding Company | 0.24 | - |
| 6 | **Other Payable** | | | |
| | Jayesh Champalal Jain | Relative of KMP | 0.23 | 0.37 |

## Note 35 : Capital Management

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

The following table summarizes the capital:

(₹ In lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Gross Debt including lease liability | | |
| Long Term Debt | 14,094.38 | 7,567.91 |
| Short Term Debt | 385.76 | 635.27 |
| Lease liabilities | 1,178.50 | 736.27 |
| Less: Cash and Cash Equivalents | 227.74 | 2.47 |
| **Net Debt (A)** | **15,430.90** | **8,936.99** |
| | | |
| **Total Equity (As per Balance Sheet) (B)** | **2,649.44** | **1,446.17** |
| **Net Gearing Ratio (A/B)** | **5.82** | **6.18** |

## Note 36 : Segment Reporting

**Description of Segment and principal activities**

As per Ind AS-108, "Operating Segment" ( specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act ) the Group's chief operating decision maker, i.e. Managing Director ('CODM') has identified "Writing Instruments and its Allieds" as the reportable segments. Since the Group is having only one reportable segment hence disclosure requirement as per Ind AS 108 is not applicable.

**Geographical information**

The following table provides an analysis of the Group's sales by region in which the customer is located, irrespective of the origin of the goods.

(₹ In lakhs)

| Revenue from operations | Within India | Outside India | Total |
|---|---|---|---|
| For the year ended March 31, 2025 | 13,628.72 | 740.46 | 14,369.18 |
| For the year ended March 31, 2024 | 7,749.48 | 384.54 | 8,134.01 |
| **Non-Current Assets*** | | | |
| As at March 31, 2025 | 10,930.89 | - | 10,930.89 |
| As at March 31, 2024 | 5,657.12 | - | 5,657.12 |

*Non-Current assets for this purpose excludes non-current investments, non-current financial assets, income tax and deferred tax assets.

**Information about major customers**

Revenue from operations includes ₹ 3,998.22 Lakhs (Previous Year: ₹ 2,491.07 Lakhs) from two customer (Previous Year: two customer) having more than 10% of the total revenue.

## Note 37 : Corporate Social Responsibility Expenditure(CSR)

As per Section 135 of the Companies Act 2013, the Company has not formed a Corporate Social Responsibility (CSR) Committee. The Board has 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.

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| a) Amount required to be spent as per Section 135 of Companies Act, 2013 | 10.64 | 8.10 |
| b) Amount Spent during the year | | |
| i) Construction/Acquisition of assets | - | - |
| ii) On purpose other than above | 10.75 | 8.15 |
| c) Short/Excess amount spent under section 135 (5) | | |
| i) Amount required to be spent during the year | 10.64 | 8.10 |
| ii) Actual amount spent/incurred during the year | 10.75 | 8.15 |
| **Short/(Excess) amount spent** | **(0.11)** | **(0.05)** |
| d) Nature of CSR activities | Education and Social welfare | |
| e) Details of related party transations in relation to CSR expenditure as per relevant Accounting Standards | - | - |

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## Note 38 : Leases

In the Statement of Profit and Loss operating 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 profit is as follows.

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| (A) Reduction in Lease Rentel | (358.80) | (219.60) |
| (B) Increase in Depreciation | 295.91 | 181.63 |
| (C) Increase in Interest | 108.25 | 73.49 |
| **(D) Net Impact on Profit before Tax** | **(45.36)** | **(35.51)** |

## Note 39 : Contingent Liabilities and Commitments

(₹ In lakhs)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **A. Contingent Liability** | | |
| a) Disputed GST, Excise and Service Tax Matters | - | - |
| b) Income Tax Matters | 118.69 | - |
| **B. Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for: | 1,444.42 | 1,627.14 |

## Note 40 : Ratio Analysis

### 1) Analytical Ratio Analysis

| Ratio | Numerator | Denominator | 2024-2025 Ratio | 2023-2024 Ratio | % of Variance | Explanation for change in the ratio by more than 25% |
|---|---|---|---|---|---|---|
| Current Ratio (in times) | Current Assets | Current Liabilities | 3.31 | 2.96 | 11.82% | |
| Debt-Equity Ratio (in times) | Total Debt | Total equity | 5.91 | 6.18 | -4.37% | |
| Debt service coverage ration (in times) | Earning for Debt Service | Debt Service | 0.48 | 0.40 | 20.00% | |
| Return on equity ratio (in %) | Net Profit attributable to equity shareholders | Shareholders equity | 45.26% | 33.72% | 34.22% | Increase due to increase in profit |
| Inventory turnover ratio (in times) | Cost of goods sold | Average inventory | 3.08 | 2.40 | 28.33% | Increase due to increase in inventories |
| Trade receivables turnover ratio (in times) | Revenue from Operations | Average trade receivables | 5.10 | 4.59 | 11.11% | |
| Trade payables turnover ratio (in times) | Net Credit Purchase | Average trade payables | 9.33 | 4.18 | 123.21% | Increase due to increase in purchase and decrease in average trade payables |
| Net capital turnover ratio (in times) | Revenue from Operations | Average Working Capital | 2.69 | 3.06 | -12.09% | |
| Net profit ratio (in %) | Net Profit After Taxes | Revenue from Operations | 8.32% | 5.99% | 38.90% | Increase due to increase revenue and increase in profit. |
| Return on capital employed (in %) | Profit before interest and taxes | Capital employed | 13.10% | 10.15% | 29.06% | Increase due to increase in profit |
| Return on investment (in %) | Profit After Taxes | Total Equity | NA* | NA* | - | |

* The ratio is not applicable as the Company does not have any project/investment other than current operations.

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**Note 41 : Additional regulatory information required by Schedule III of Companies Act, 2013**

**1)** No proceeding have been initiated or are pending against the Group for holding any Benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**2)** The Group 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.

The Group 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.

**3)** The Group has complied with the number of layers prescribed under the Companies Act, 2013.

**4)** 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.

**5)** The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

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

**7)** The Group is not declared as willful defaulter by any bank or financial institution or government or any government authority.

**8)** The Group do not have any transactions with Companies struck off under Companies Act, 2013.

**9)** The Group does not have any charge or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.

**10)** The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the Company.

**11)** The borrowing obtained by the Group from banks have been applied for the purpose for which it was taken.

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**Note 42 : 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:**

(₹ In lakhs)

| Name of the Entity | As at March 31, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 Equipments Private Limited | 99.90% | 2,639.51 | 99.79% | 1,193.34 | - | - | 99.79% | 1,193.34 |
| **b) Indian Subsidiary** | | | | | | | | |
| Flomaxe Stationery Private Limited | 0.10% | 2.57 | 0.21% | 2.57 | - | - | 0.21% | 2.57 |
| Total | **100.00%** | **2,642.08** | **100.00%** | **1,195.91** | - | - | **100.00%** | **1,195.91** |
| **c) Non-Controlling Interest** | | | | | | | | |
| Flomaxe Stationery Private Limited | | **7.37** | | **2.47** | | - | | **2.47** |

(₹ In lakhs)

| Name of the Entity | As at March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 Equipments Private Limited | 100.00% | 1,446.17 | 100.00% | 487.62 | - | - | 100.00% | 487.62 |
| Total | **100.00%** | **1,446.17** | **100.00%** | **487.62** | - | - | **100.00%** | **487.62** |

**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]**

(₹ In lakhs)

| Name of Subsidiary | Flomaxe Stationery Private Limited | |
|---|---|---|
| Reporting Period | As at March 31, 2025 | As at March 31, 2024 |
| The Date since which Subsidiary was acquired | 27-Dec-24 | |
| Reporting Currency | INR | INR |
| Equity Share Capital | 10.00 | - |
| Other Equity | 5.03 | - |
| Total Assets | 2,191.81 | - |
| Total Liabilities | 2,176.77 | - |
| Investments | - | - |
| Revenue from Operation | 359.71 | - |
| Profit Before Tax | 6.58 | - |
| Provision for Tax | 1.54 | - |
| Profit After Tax | 5.03 | - |
| Other Comprehensive Income | - | - |
| Total Comprehensive Income | 5.03 | - |
| Proposed Dividend | - | - |
| % of Share Holding | 51% | - |

**Note 43:**

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustments or disclosure.

**Note 44:**

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

**Note 45:**

The financial statements were approved for issue by the Board of Directors on May 21, 2025 and are subject to approval of shareholders in their annual general meeting.

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Khubilal G. Rathore
(Partner)
M.No. 012807
Mumbai
Date: May 21, 2025

For and on behalf of the Board of Directors
Flair Writing Equipments Private Limited

Khubilal Jugraj Ji

Vimalchand Rathod
Director
(DIN. 00123007)

Khubilal Rathod
Director
(DIN. 00122867)