

2nd ANNUAL REPORT
FOR THE YEAR ENDED 31-03-2021

FLAIR WRITING EQUIPMENTS PRIVATE
LIMITED

CIN: U36991DD2019PTC009856

Sr.No.370/2-A,Daman Vapi Road, Kachigam, Nani Daman, Daman,

Daman & Diu - 396210

JESWANI & RATHORE

CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002

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Financial Statements Independent Auditor's Report

To the Members of Flair Writing Equipments Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Flair Writing Equipments Private Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year ended March 31, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, its profits including total comprehensive income, changes in equity and its cash flows for the for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit of the 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 Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

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



Sr. No.	Key Audit Matter	Auditor's 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 Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report



unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid 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 of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations on its financial position in its 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, 2021.



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

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



K.L.Rathore
(Partner)

M. No: 012807

UDIN: 21012807AAAA BT5864

Place: Mumbai

Date: 06.11.2021

JESWANI & RATHORE

CHARTERED ACCOUNTANTS

408/C, NIRANJAN, 99, MARINE DRIVE, MUMBAI-400 002

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Annexure - A to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting **Flair Writing Equipments Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

COVID-19 pandemic has resulted in a different and unique working environment which required performance of audit procedures remotely.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**K.L. Rathore
(Partner)**

M. No: 012807

UDIN: 21012807 AAAABT5864

Place: Mumbai

Date: 06.11.2021

JESWANI & RATHORE

CHARTERED ACCOUNTANTS

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Annexure – B to the Independent Auditors' Report

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

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

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, on the basis of available information.
- b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanation given by the management and the title deeds/lease deeds and other records examined by us, we report that title deeds/lease deeds in respect of all immovable properties are held in the name of the Company.

ii. In respect of its inventories:

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

- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses (iii)(a), (b) and (c) of Paragraph 3 of the order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the



Company. Thus reporting under clause (vi) of paragraph 3 of the order is not applicable to the Company.

- vii. According to the information and explanations given to us, in respect of statutory dues :
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect aforesaid dues as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c) According to the records of the Company and information and explanations provided to us, there is no disputed amounts payable in respect of, Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Service Tax, Cess and other material statutory dues, as on the last day of the period ending as on March 31, 2021.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the period.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Company has utilised the moneys raised by way of term loan(s) for the purposes for which they were raised.
- x. In our Opinion and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. 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 (xi) of paragraph 3 of the Order is not applicable to the company.
- xii. The company is not a nidhi Company and therefore, the reporting under this clause (xii) of paragraph 3 of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, the reporting under this clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013 and hence provisions of clause (xv) of paragraph 3 of the Order are not applicable to the company.



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

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



K.L.Rathore
(Partner)

M. No: 012807

UDIN: 21012807AAAA13T5864

Place: Mumbai
Date: 06.11.2021

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

PARTICULARS	Note	(Amount in Rs.)	
		As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment			
b) Capital Work-in-Progress	1	74,161,200	45,637,370
c) Right-of-Use of Leased Assets	1	-	10,824,700
	1	5,348,956	-
Total Non-Current Assets		79,510,156	56,462,070
2) Current Assets			
a) Inventories			
b) Financial Assets	2	28,963,115	6,505,361
i) Trade Receivables			
ii) Cash and Cash Equivalents	3	46,349,106	6,532,818
c) Other Current Assets	4	53,431	12,840
	5	29,518,138	11,611,034
Total Current Assets		104,883,790	24,662,053
Total Assets		184,393,947	81,124,123
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	6	100,000	100,000
b) Other Equity	7	11,036,979	(6,194,118)
Total Equity		11,136,979	(6,094,118)
Liabilities			
1 Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	8	73,950,000	49,000,000
ii) Deferred tax	9	2,552,053	369,311
b) Lease Liabilities	10	5,438,677	-
Total Non-Current Liabilities		81,940,730	49,369,311
2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	8	65,168,342	9,106,643
ii) Trade Payables	11		
total outstanding dues of micro enterprises and small enterprise		3,841,546	1,787,038
total outstanding dues of creditors other than micro enterprises and small		16,853,033	8,922,546
iii) Other Financial Liabilities	12	2,432,586	866,537
b) Other Current Liabilities	13	1,598,412	16,938,070
c) Provisions	14	750,603	228,096
d) Current Tax Liabilities (Net)	15	671,716	-
Total Current Liabilities		91,316,238	37,848,930
Total Liabilities		173,256,968	87,218,241
Total Equity and Liabilities		184,393,947	81,124,123

Significant Accounting Policies

The accompanying Notes form an integral part of these Financial Statements (Note 1 to 36)


As per our attached Report of even date

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

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



K.L. Rathore
(Partner)
M.No. 012807
Mumbai
Date: 06.11.2021


Khublal Rathod
Director
(DIN. 00122867)


Vimalchand Rathod
Director
(DIN. 00123007)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

PARTICULARS	NOTE NO.	For The Year Ended March 31, 2021	The Period From November 4, 2019 To March 31, 2020
INCOME			
Revenue from Operation	16	118,752,958	6,429,061
Other Income	17	66,432	40,129
Total Income		118,819,390	6,469,190
EXPENSES			
Cost of Material consumed	18	74,804,594	6,534,885
Changes in Inventories of Finished Goods and Work-in-Progress	19	(16,041,139)	(3,400,533)
Employee Benefit Expense	20	12,371,912	3,102,317
Finance Costs	21	7,716,086	2,659,774
Depreciation Expense	1	7,543,681	1,344,140
Other Expenses	22	11,604,719	2,053,414
Total Expenses		97,999,852	12,293,997
Profit/(Loss) Before tax		20,819,538	(5,824,807)
Tax Expense:			
(1) Current Tax		1,405,699	-
(2) Deferred Tax	9	2,182,742	369,311
Total Tax Expenses		3,588,441	369,311
Profit/(Loss) for the Year		17,231,097	(6,194,118)
Items that will not be reclassified to Profit or Loss			
i) Actuarial Loss on Defined Benefit Plan		-	-
ii) Income Tax on the above		-	-
Items that will be reclassified to profit or loss			
Total Other Comprehensive Income for the Year (Net of Tax)		-	-
Total Comprehensive Income for the Year		17,231,097	(6,194,118)
Earnings per share in Rs.			
Basic Earnings Per Share	24	1,723.11	(619.41)
Diluted Earnings Per Share	24	1,723.11	(619.41)

Significant Accounting Policies


The accompanying Notes form an integral part of these Financial Statements (Note 1 to 36)

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

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


K.L. Rathore
(Partner)
M.No. 012807
Mumbai
Date: 06.11.2021




Khubilal Rathod
Director
(DIN. 00122867)


Vimalchand Rathod
Director
(DIN. 00123007)

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at March 31, 2021	As at March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the Year	20,819,538	(5,824,807)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation Expenses	7,543,681	1,344,140
Interest expenses	7,512,634	2,659,774
Interest on Leased Assets	203,452	-
Changes in Assets and Liabilities		
Trade Receivables	(39,816,288)	(6,532,818)
Inventories	(22,457,754)	(6,505,361)
Loans and other Financial Assets, Other Assets and Non current assets	(17,907,104)	(11,611,034)
Trade Payables	9,984,996	10,709,584
Other Financial Liabilities, Other Liabilities, Non Current Liabilities and Provisions	(13,251,103)	18,032,703
Cash Generated From Operations	(47,367,949)	2,272,181
Less: Income Taxes Paid	733,983	-
NET CASH GENERATED BY OPERATING ACTIVITIES	(48,101,932)	2,272,181
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase fixed assets	(24,756,542)	(57,806,210)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(24,756,542)	(57,806,210)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	81,011,699	58,106,643
Interest expenses	(7,512,634)	(2,659,774)
Issue of share	-	100,000
Payment of Lease Rent	(600,000)	-
NET CASH USED IN FINANCING ACTIVITIES	72,899,065	55,546,869
Net Increase/(Decrease) in Cash and Cash Equivalents	40,591	12,840
Cash and Cash Equivalents at the Beginning of the Year	12,840	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	53,431	12,840

Note:

- 1) The cash flow statement has been prepared under the "Indirect Method" as set out Indian accounting Standard (Ind AS-7) statement of cash flow.
- 2) The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

Significant Accounting Policies

The accompanying Notes form an integral part of these Financial Statements (Note 1 to 36)

As per our attached Report of even date

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

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




K.L. Rathore
(Partner)
M.No. 012807
Mumbai
Date: 06.11.2021



Khubilal Rathod
Director
(DIN. 00122867)

Vimaichand Rathod
Director
(DIN. 00123007)

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Statement of Changes in Equity

A. Equity Share Capital:

Particulars	(Amount in Rs.)		(Amount in Rs.)	
	As at March 31, 2021		As at March 31, 2020	
	No.	Rs.	No.	Rs.
i) Equity Shares of INR 10 each Issued. Subscribed and Fully Paid Up				
Balance at the beginning of the Period/Year	10,000	1,00,000	-	-
Change in Equity Share Capital during the Period/Year (Refer Note 6)	-	-	10,000	1,00,000
Balance at the end of the Year	10,000	1,00,000	10,000	1,00,000

b. Other equity

Particulars	(Amount in Rs.)		
	Retained Earnings	Other Comprehensive Income	Total
Balance as at November 04, 2019	-	-	-
Add : Profit/(Loss) for the Year	(61,94,118)	-	(61,94,118)
Balance as at March 31, 2020	(61,94,118)	-	(61,94,118)
Balance as at April 1, 2020	(61,94,118)	-	(61,94,118)
Add : Profit/(Loss) for the year	1,72,31,097	-	1,72,31,097
Balance as at March 31, 2021	1,10,36,979	-	1,10,36,979

Significant Accounting Policies

The accompanying Notes form an integral part of these Financial Statements (Note 1 to 36)

As per our attached Report of even date

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

K.L. Rathore
(Partner)
M.No. 012807
Mumbai
Date: 06.11.2021



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

Khubilal Rathod

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

1. CORPORATE INFORMATION

Flair Writing Equipments Private Limited ('the Company') 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. The Company 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. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation of Financial Statements

a) Compliance with Ind AS

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

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

b) Historical cost convention

The financial statements have been prepared on a historical cost basis.

c) Functional and presentation currency

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

2.2. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.



Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimates and assumptions are required in particular for:

▪ **Determination of the estimated useful lives of Property Plant and Equipment:**

Property, Plant and Equipment are depreciated over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the management'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 include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

▪ **Provisions**

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

▪ **Application of Discount rates**

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

▪ **Current versus Non-Current Classification**

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

▪ **Impairment of Non-Financial Assets**

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



the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

▪ **Impairment of Financial Assets**

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

2.3. PROPERTY, PLANT AND EQUIPMENT (PPE)

i. **Tangible Assets**

• **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. **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 Schedule – II of Companies Act, 2013.

The useful life of major assets is as under:

Assets	Useful life (in years)
Furniture & Fixtures	10
Electrical Installation	10
Office Equipments	5
Plant & Machinery	15
Factory Equipments	5
Mould	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.

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.

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

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

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

2.4. Finance Costs

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

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

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

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

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

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

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

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

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

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

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

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



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

2.7. Revenue Recognition

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

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

Sale of products:

Revenue from sale of 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

Other Income

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

2.8. Tax Expenses

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

- Current tax :

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

- Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.



2.9. Inventories

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

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

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

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

2.10. Leases

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

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

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



2.11. Provisions

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

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

2.12. Employee Benefits Expense

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

a) Compensated Absences

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

b) Payments of Bonus:

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

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.

(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.

2) Financial Assets measured 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. Impairment of Financial Assets

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

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

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

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

Trade Receivables

Customer Credit Risk is managed by the 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 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 Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.

Following is the policy for specific financial assets:-

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.

(ii) Financial Liabilities

a. Initial Recognition and Measurement

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

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

b. Subsequent Measurement

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

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.

2.14. 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 company are segregated.

2.16. Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

2.17. Segment Reporting

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

2.18. Global Health Pandemic on COVID -19

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



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 1 : Property, Plant and Equipment

Particulars	GROSS BLOCK		Deletions	Gross Carrying Value as of March 31, 2021	Balance as on April 01, 2020	Depreciation for the year	Accumulated Depreciation on Deletions	Balance as on March 31, 2021	NET BLOCK	
	Gross Carrying Value as of April 01, 2020	Additions							WDV As On March 31, 2021	WDV As On April 01, 2020
Plant and Equipments										
Injection Moulding Machine	31,400,657	12,999,700	-	44,400,357	961,283	4,707,612	-	5,668,895	38,731,462	30,439,374
Machinery	574,000	6,319,412	-	6,893,412	1,593	230,001	-	231,594	6,661,819	572,407
Factory Equipment	62,234	389,065	-	451,299	2,996	48,456	-	51,452	399,846	59,238
Mould	9,647,013	13,967,239	-	23,614,252	272,169	1,573,123	-	1,845,292	21,768,960	9,374,844
Sealing Machine	1,484,653	-	-	1,484,653	22,138	93,959	-	116,098	1,368,555	1,462,515
Weighing Scale	17,700	-	-	17,700	856	3,359	-	4,215	13,485	16,844
Furniture & Fixtures										
	57,150	1,359,644	-	1,416,794	490	41,526	-	42,016	1,374,778	56,660
Electricla Instalation										
	3,738,103	546,183	-	4,284,286	82,615	359,375	-	441,990	3,842,296	3,655,488
Total	46,981,510	35,581,242	-	82,562,752	1,344,140	7,057,412	-	8,401,552	74,161,200	45,637,370

Note: Movable Fixed Assets are hypothecated against Cash Credit facilities availed by the Company amounting to Rs. 2 Crores

Note 1 : Capital Work-in-Progress

Particulars	As At March 31, 2021	As At March 31, 2020
Machinery	-	10,824,700
TOTAL	-	10,824,700

Note 1: Right-of-Use of Leased Assets

Particulars	GROSS BLOCK		Deletions	Gross Carrying Value as of March 31, 2021	Balance as on April 01, 2020	Depreciation for the year	Accumulated Depreciation on Deletions	Balance as on March 31, 2021	NET BLOCK	
	Gross Carrying Value as of April 01, 2020	Additions							WDV As On March 31, 2021	WDV As On March 31, 2020
Lease Assets										
	-	5,835,225	-	5,835,225	-	486,269	-	486,269	5,348,956	-
TOTAL	-	5,835,225	-	5,835,225	-	486,269	-	486,269	5,348,956	-



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 2 : Inventories

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories #		
Finished Goods	10,010,337	1,906,021
Semi-Finished Goods	9,431,335	1,494,512
Raw and Packing Materials (Includes in transit Rs.1,33,812/- (March 31, 2020 Rs. NIL))	9,521,443	3,104,828
Total	28,963,115	6,505,361

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

2) Inventories are hypothecated against Cash Credit facilities availed by the Company amounting to Rs. 2 Crores.

Note 3 : Trade Receivables

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
Trade Receivables #		
- Others	46,349,106	6,532,818
- From Related Party (Refer Note 29)	-	-
Total	46,349,106	6,532,818

1) Refer Note 26 for Ageing of Trade Receivables

2) Trade Receivables are hypothecated against Cash Credit facilities availed by the Company amounting to Rs. 2 Crores.

Note 4 : Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on Hand	24,850	908
Balances with Banks		
- In Current Accounts	28,581	11,932
Total	53,431	12,840

Note 5 : Other Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	270,140	67,963
Balances with Government Authorities	16,154,943	11,543,071
Advance to suppliers	13,093,055	-
Total	29,518,138	11,611,034



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 6 : Equity Share Capital

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
Total	100,000	100,000
Issued, Subscribed and Fully Paid-Up:		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
Total	100,000	100,000

a) Details of Shareholders in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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

(Amount in Rs.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Equity Shares		Equity Shares	
	No. of Shares	(Amount in Rs.)	No. of Shares	(Amount in Rs.)
Shares Outstanding at the Beginning of the Period/Year	10,000	100,000	-	-
Add: Issued During the Period/Year	-	-	10,000	100,000
Less: Bought Back During the Period/Year	-	-	-	-
Shares Outstanding at the end of the Period/Year	10,000	100,000	10,000	100,000

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 7. Other Equity

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Retained Earnings		
Balance at the beginning of the Period/Year	(6,194,118)	-
Add : Profit/(Loss) for the Period/Year	17,231,097	(6,194,118)
Balance at the end of the Year (a)	11,036,979	(6,194,118)
ii) Other Comprehensive Income		
Balance at the beginning of the period/year	-	-
Re-measurement gains/ (losses) on Defined Benefit Plans	-	-
Balance at the end of the Year (b)	-	-
Balance at the end of the Year of Other Equity (a+b)	11,036,979	(6,194,118)



Note 8 : Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	73,950,000	49,000,000
Total	73,950,000	49,000,000
Current		
Secured - at Amortised cost		
Working Capital Loan- Cash Credit	1,322,552	1,111,643
Unsecured - at Amortised cost		
Loan from holding Company	60,244,674	7,995,000
Loan from Directors	3,601,116	-
Total	65,168,342	9,106,643

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2021	Rate of Interest	Repayment terms
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	73,950,000	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	1,322,552	8.60%	Revolving 365 days

Refer Note 26 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. First exclusive charge on present & future movable fixed assets (Plant & Machinery)

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

Building at 708/1,708/2,708/3,708/4,708/5,708/6 & 709/12 & 709/18 Dabhel, District Daman owned by Flair Writing Industries Limited.



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 9 : 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 :

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Deferred Tax (Liabilities)/Assets	2,552,053	369,311
Total	2,552,053	369,311

2020-21

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	(Amount in Rs.)			
	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liabilities				
Property, Plant and Equipment	481,872	888,043	-	1,369,915
Others	-	1,366,006	-	1,366,006
	481,872	2,254,049	-	2,735,921
Deferred Tax Assets				
Expenses allowed on payment basis	39,141	89,662	-	128,803
Others	73,420	(18,355)	-	55,065
	112,561	71,307	-	183,868
Total	369,311	2,182,742	-	2,552,053

2019-20

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	(Amount in Rs.)			
	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liabilities				
Property, Plant and Equipment	-	481,872	-	481,872
	-	481,872	-	481,872
Deferred Tax Assets				
Expenses allowed on payment basis	-	39,141	-	39,141
Others	-	73,420	-	73,420
	-	112,561	-	112,561
Total	-	369,311	-	369,311

Note 10 : Lease Liabilities

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	5,438,677	-
Total	5,438,677	-

Note 11 : Trade payables

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Trade Payables		
- Micro, Small and Medium Enterprises	3,841,546	1,787,038
- Others	15,021,491	3,087,432
- Related Party (Refer Note 29)	1,831,542	5,835,114
Total	20,694,579	10,709,584

1) Trade Payables are Non-Interest bearing and are normally settled within 90 days terms. Further (Refer Note 26) for Maturity Pattern of Trade Payables.



2) Total outstanding dues of Micro Enterprises and Small Enterprises

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

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid as on year end	3,825,265	1,770,757
(ii) Interest due thereon remaining unpaid as on the end of the accounting year	16,281	16,281
(iii) Interest paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) Interest accrued and remaining unpaid as on year end.	-	-
(vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
Total	3,841,546	1,787,038

Note 12 : Other Financial Liabilities

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Other Payables	2,432,586	866,537
Total	2,432,586	866,537

Note 13 : Other Current Liabilities

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Payables on account of Purchase of Property, Plant and Equipment	1,029,066	16,417,665
Statutory Dues	569,346	520,405
Total	1,598,412	16,938,070

Note 14 : Provision

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Current		
Provision for Employee Benefits#	750,603	228,096
Total	750,603	228,096

Provision for Employee Benefit Include bonus

Note 15 : Current Tax Liabilities (Net)

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Income Tax (net of advance tax)	671,716	-
Total	671,716	-



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 16 : Revenue From Operation

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Operating Income		
Sales of Products		
Local	11,87,52,958	64,29,061
Total	11,87,52,958	64,29,061

Note 17 : Other Income

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Foreign Exchange Gain	-	40,129
Development income	66,432	-
Total	66,432	40,129

Note 18 : Cost of Materials Consumed

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Opening stock	31,04,828	-
Add. Purchase	8,12,21,209	96,39,713
Less. Closing stock	95,21,443	31,04,828
Total	7,48,04,594	65,34,885

Note 19 : Changes in Inventories of Finished Goods

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Opening Stock	14,94,512	-
Semi - Finished Goods	19,06,021	-
Finished Goods		
Total (A)	34,00,533	-
Closing Stock	94,31,335	14,94,512
Semi - Finished Goods	1,00,10,337	19,06,021
Finished Goods		
Total (B)	1,94,41,672	34,00,533
Total (A-B)	(1,60,41,139)	(34,00,533)

Note 20 : Employee benefit expense

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Salaries, Wages and Bonus	1,13,76,262	27,78,943
Contribution to Provident and Other Funds (Refer Note 23)	9,95,650	3,23,374
Total	1,23,71,912	31,02,317



Note 21 : Finance Costs

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Interest on Bank Borrowings	49,93,498	9,22,291
Interest on Right of Use Assets	2,03,452	-
Other Borrowing Cost	25,10,436	92,545
Bank Charges	8,700	16,44,938
Total	77,16,086	26,59,774

Note 22 : Other Expenses

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Manufacturing Expenses		
Consumable Expenses	2,19,324	-
Electric Power, Fuel And Water	10,60,955	5,16,965
Factory Rent	8,40,000	3,94,839
Job Work and Other Related Expenditure	76,00,852	4,20,360
Machine And Mould Maintenance	2,39,772	13,834
Factory Expenses	52,007	13,600
Carriage Inwards	1,16,843	-
Repair & Maintenance	23,818	-
Establishment Expenses		
Freight Outward	3,64,450	76,150
Foreign Exchange Loss	1,10,869	-
Legal & Professional Fees	4,40,854	25,000
Office Rent	60,000	16,452
Insurance Expenses	1,48,023	8,810
Pre-Operative Expenses	-	5,34,821
Payment to Auditor (Refer Note 22.1)	1,80,000	25,000
Printing and Stationery	34,655	7,300
Miscellaneous Expenses	1,12,296	283
Total	1,16,04,719	20,53,414

Note: 22.1 Payment to Auditor

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
As Auditors:		
Statutory Audit Fees	1,50,000	25,000
Tax Audit Fees	30,000	-
Total	1,80,000	25,000



Note 23 : 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.

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31,
Employer's Contribution to Provident Fund	3,44,134	1,15,765
Employer's Contribution to Pension Scheme	6,51,516	2,07,609
Total	9,95,650	3,23,374

Note 24 : Earnings per share (EPS)

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

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

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

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31,
Profit attributable to Equity holders for Basic Earnings	1,72,31,097	(61,94,118)
Weighted average number of Equity Shares for basic EPS	10,000	10,000
Weighted average number of Equity Shares adjusted for the effect of dilution*	10,000	10,000
Face Value Per Share	10	10
Basic Earning Per Share (in Rs.)	1,723.11	(619.41)
Diluted earning Per Share (in Rs.)	1,723.11	(619.41)



Note 25 : Fair value measurements

Fair Value Measurement Hierarchy

(Amount in Rs.)

Particulars	Carrying amount				Fair value hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade Receivables	-	-	4,63,49,106	4,63,49,106	-	-	4,63,49,106	4,63,49,106
Cash and Cash Equivalents	-	-	53,431	53,431	-	-	53,431	53,431
Total financial assets	-	-	4,64,02,537	4,64,02,537	-	-	4,64,02,537	4,64,02,537
Financial liabilities								
Non-Current Borrowing			7,39,50,000	7,39,50,000			7,39,50,000	7,39,50,000
Current Borrowing			6,51,68,342	6,51,68,342			6,51,68,342	6,51,68,342
Trade Payables	-	-	2,06,94,579	2,06,94,579	-	-	2,06,94,579	2,06,94,579
Other Financial Liabilities	-	-	24,32,586	24,32,586	-	-	24,32,586	24,32,586
Total financial liabilities	-	-	16,22,45,507	16,22,45,507	-	-	16,22,45,507	16,22,45,507

(Amount in Rs.)

Particulars	Carrying amount				Fair value hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade Receivables	-	-	65,32,818	65,32,818	-	-	65,32,818	65,32,818
Cash and Cash Equivalents	-	-	12,840	12,840	-	-	12,840	12,840
Total financial assets	-	-	65,45,658	65,45,658	-	-	65,45,658	65,45,658
Financial liabilities								
Non-Current Borrowing			4,90,00,000	4,90,00,000			4,90,00,000	4,90,00,000
Current Borrowing			91,06,643	91,06,643			91,06,643	91,06,643
Trade Payables	-	-	1,07,09,584	1,07,09,584	-	-	1,07,09,584	1,07,09,584
Other Financial Liabilities	-	-	8,66,537	8,66,537	-	-	8,66,537	8,66,537
Total financial liabilities	-	-	6,96,82,764	6,96,82,764	-	-	6,96,82,764	6,96,82,764

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 :

- 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



As at March 31, 2020

(Amount in Rs.)

PARTICULARS	As at March 31, 2020					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	91,06,643	-	2,45,00,000	2,45,00,000	-	5,81,06,643
Trade payables	1,07,09,584	-	-	-	-	1,07,09,584
Other financial liabilities	8,66,537	-	-	-	-	8,66,537
Total	2,06,82,764	-	2,45,00,000	2,45,00,000	-	6,96,82,764

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.

Exposure to currency risk

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

(Amount in Rs.)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	USD	USD
Financial Assets		
Trade Receivables	-	-
Financial Liabilities		
Trade payables	10,29,066	-
Total exposure	(10,29,066)	-

SENSITIVITY ANALYSIS

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

(Amount in Rs.)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	USD	USD
1% Depreciation in INR		
Impact on Profit & Loss	(10,291)	-
TOTAL	(10,291)	-
1% Appreciation in INR		
Impact on Profit & Loss	10,291	-
TOTAL	10,291	-

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

Interest Rate Exposure

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings		
Loan from Banks	49,93,498	9,22,291
Unsecured Loan from holding Company & Directors	25,10,436	76,264
Total	75,03,934	9,98,555

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

Particulars	As at March 31, 2021	As at March 31, 2020
1% Change in increase in Interest Rate	75,039	9,986
1% Change in decrease in Interest Rate	(75,039)	(9,986)

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.



Note 27 : Movement in Deferred Tax**Movement in Deferred Tax balances for the period ended March 31, 2021**

(Amount in Rs.)

Particulars	As at April 01, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Liabilities						
Property, Plant and Equipment	4,81,872	8,88,043	-	13,69,915	-	13,69,915
Others	-	13,66,006	-	13,66,006	-	13,66,006
	4,81,872	22,54,049	-	27,35,921	-	27,35,921
Deferred Tax Assets						
Expenses allowed on payment basis	39,141	89,662	-	1,28,803	1,28,803	-
Pre-operative expenses	73,420	(18,355)	-	55,065	55,065	-
	1,12,561	71,307	-	1,83,868	1,83,868	-
Deferred Tax Asset/ (Liability)	3,69,311	21,82,742	-	25,52,053	1,83,868	27,35,921

Movement in Deferred Tax balances for the period ended March 31, 2020

(Amount in Rs.)

Particulars	As at November 4, 2019	Recognised in profit or loss	Recognised in OCI	As at March 31, 2020	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Liabilities						
Property, Plant and Equipment	-	4,81,872	-	4,81,872	-	4,81,872
	-	4,81,872	-	4,81,872	-	4,81,872
Deferred Tax Assets						
Expenses allowed on payment basis	-	39,141	-	39,141	39,141	-
Pre-operative expenses	-	73,420	-	73,420	73,420	-
	-	1,12,561	-	1,12,561	1,12,561	-
Deferred Tax Asset/ (Liability)	-	3,69,311	-	3,69,311	1,12,561	4,81,872

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.



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 28 : Income Tax Expense

(a) Amounts recognised in Profit and Loss

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Current tax	14,05,699	-
Deferred income tax liability / (asset), net	21,82,742	3,69,311
Tax expense	35,88,441	3,69,311

(b) Reconciliation of Effective Income Tax Rate

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
Profit before tax	2,08,19,538	(58,24,807)
Company's domestic tax rate	17.16%	17.16%
Income tax using the Company's tax rate	35,72,633	9,99,537
Tax effect of:		
Deferred income tax liability / (asset), net	21,82,742	3,69,311
Expense (allowed)/disallowed	(21,66,934)	(9,99,537)
Income tax as per Profit and Loss Account	35,88,441	3,69,311
Effective Tax Rate	17.24%	6.34%



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 29 : Related Party Disclosure

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

(i) Nature of Relationship	Name of Related Party
Holding Company	Flair Writing Industries Limited
Fellow Subsidiary Company	Flair Distributor Private Limited

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

(i) Nature of Relationship	Name of Related Party
Key Managerial Personnel (KMP)	Khubilal Rathod
	Vimalchand Rathod
	Rajesh Rathod
	Mohit Rathod
	Sumit Rathod

(c) Transactions with Related Parties

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
1	Sale of Goods			
	Flair Writing Industries Limited	Holding Company	38,51,635	1,58,403
2	Rent Paid			
	Flair Writing Industries Limited	Holding Company	15,00,000	6,25,000
3	Purchase of goods			
	Flair Writing Industries Limited	Holding Company	3,70,72,147	44,45,586
4	Purchase of Assets			
	Flair Writing Industries Limited	Holding Company	42,20,568	-
5	Loan taken			
	Flair Writing Industries Limited	Holding Company	9,65,60,000	79,95,000
	Mohit Rathod	Director	35,00,000	-
6	Loan Repaid			
	Flair Writing Industries Limited	Holding Company	4,66,00,000	-
7	Issue of Share			
	Flair Writing Industries Limited	Holding Company	-	1,00,000
8	Power Charges			
	Flair Writing Industries Limited	Holding Company	-	5,60,629
9	Reimbursement of Expenses (Paid)			
	Flair Writing Industries Limited	Holding Company	1,41,528	17,110
10	Interest Expenses			
	Flair Writing Industries Limited	Holding Company	24,01,121	76,264
	Mohit Rathod		1,09,315	-

(d) Outstanding balances as at the year end

Sr. No.	Nature of Transaction	Type	As at March 31, 2021	As at March 31, 2020
1	Trade Payables			
	Flair Writing Industries Limited	Holding Company	18,31,542	58,35,114
2	Share Capital			
	Flair Writing Industries Limited	Holding Company	1,00,000	1,00,000
3	Loan payables			
	Flair Writing Industries Limited	Holding Company	6,02,44,674	79,95,000
	Mohit Rathod	Director	36,01,116	-



FLAIR WRITING EQUIPMENTS PRIVATE LIMITED

Note 30 : 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.

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Debt	13,91,18,342	5,81,06,643
Less: Cash and Cash Equivalents	53,431	12,840
Net Debt (A)	13,90,64,912	5,80,93,803
Total Equity (As per Balance Sheet) (B)	1,11,36,979	(60,94,118)
Net Gearing Ratio (A/B)	12.49	(9.53)

Note 31 : Segment Reporting

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

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

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

Note 32 : Corporate Social Responsibility Expenditure(CSR)

Since provision of Section 135 of the Act is not applicable to the Company in the relevant financial year and hence the Company has not made any provision for CSR Expenditure.

Note 33 : Leases

The company has adopted Ind AS 116 'Leases', with effect from 04th November 2020 using the prospective method. This has resulted in recognizing a right-of-use asset of Rs. 58,35,225/- and a corresponding lease liability of Rs. 58,35,225/-.

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,

Particulars	For the year ended March 31, 2021	For the period from November 4, 2019 to March 31, 2020
(A) Reduction in Lease Rentel	(6,00,000)	-
(B) Increase in Depreciation	4,86,269	-
(C) Increase in Interest	2,03,452	-
(D) Net Impact on Profit before Tax	(89,721)	-

Note 34 : Capital and Other Commitments

The Company has no Capital and Other Commitment for the year ended March 31, 2021.

Note 35 : Contingent Liability

The Company does not have any Contingent Liability for the year ended March 31, 2021.

Note 36:

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

Significant Accounting Policies

The accompanying Notes Form an integral part of these Financial Statements (Note 1 to 36)

As per our attached Report of even date

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

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


K.L. Rathore
(Partner)
M.No. 012807
Mumbai
Date: 06.11.2021




Khubilal Rathod
Director
(DIN. 00122867)


Vimalchand Rathod
Director
(DIN. 00123007)