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

FLAIR WRITING INDUSTRIES LIMITED
CONSOLIDATED

CIN: U51100MH2016PLC284727

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

Consolidated Independent Auditor's Report

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on

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these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition (Refer note 2.7 of the Consolidated Financial Statements)**	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	**Recoverability of Indirect tax and Insurance Claim receivables (Refer note 5 of the Consolidated Financial Statements)**	
	As at March 31, 2023, non-current assets in respect of Indirect tax receivables include VAT and Service Tax recoverable amounting to Rs. 4.97 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to Rs. 15.91 million which is pending adjudication.	The Company has taken advice of the expert(s) with respect to the respective claim to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

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

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

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

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

Management's Responsibilities for the Consolidated Financial Statements

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

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the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

f) With respect to the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

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

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

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

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

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations as provided under sub clause (iv)(a) and (iv) (b) above, contain any material misstatement.

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

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

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

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

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

Place: Mumbai
Date: June 23, 2023

JESWANI & RATHORE
CHARTERED ACCOUNTANTS

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

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

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

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

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

Opinion

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

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

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

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Balance Sheet as at March 31, 2023

(Rs. in millions)

	PARTICULARS	NOTES	As at March 31, 2023	As at March 31, 2022
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	2,400.90	1,900.66
b)	Capital Work in Progress	1	16.00	17.82
c)	Intangible Assets	1	19.98	23.53
d)	Right-of-Use of Leased Assets	1	74.77	35.91
e)	Goodwill	1	3.60	-
f)	Financial Assets			
	i) Loans	2	0.29	0.36
	ii) Other Financial Assets	3	55.62	22.34
g)	Current Tax Assets (Net)	4	0.56	0.22
h)	Other Non-Current Assets	5	163.81	50.12
	Total Non-Current Assets		**2,735.54**	**2,050.97**
	Current Assets			
a)	Inventories	6	2,137.61	1,842.95
b)	Financial Assets			
	i) Trade Receivables	7	1,706.72	1,469.70
	ii) Cash and Cash Equivalents	8	7.89	3.28
	iii) Bank Balance other than (ii) above	9	0.05	0.05
	iv) Loans	2	3.28	2.23
	v) Other Financial Assets	3	8.42	2.74
c)	Other Current Assets	5	242.31	202.75
	Total Current Assets		**4,106.28**	**3,523.71**
	Total Assets		6,841.82	5,574.68
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	10	466.94	233.47
b)	Other Equity	11	3,882.56	2,946.92
	Total Equity		**4,349.51**	**3,180.40**
	Non Controlling Interest		**2.78**	**-**
	Liabilities			
1	**Non-Current Liabilities**			
a)	Financial Liabilities			
	i) Borrowings	12	418.01	734.08
	ii) Lease Liabilities	13	67.72	13.59
	iii) Other Financial Liabilities	14	2.60	13.04
b)	Provisions	15	63.01	60.60
c)	Deferred Tax Liabilities (Net)	16	95.65	95.11
d)	Other Non-Current Liabilities	18	2.60	3.19
	Total Non-Current Liabilities		**649.60**	**919.61**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	12	737.91	529.24
	ii) Lease Liabilities	13	10.62	30.08
	iii) Trade Payables			
	Due to Micro and Small Enterprises	17	228.03	169.72
	Due to other than Micro and Small Enterprise	17	407.63	333.20
	iv) Other Financial Liabilities	14	204.25	196.35
b)	Provisions	15	77.15	56.22
c)	Other Current Liabilities	18	109.24	76.71
d)	Current Tax Liabilities (Net)	19	65.12	83.15
	Total Current Liabilities		**1,839.94**	**1,474.67**
	Total Liabilities		**2,489.54**	**2,394.28**
	Total Equity and Liabilities		6,841.82	5,574.68

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

As per our attached Report of even date

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS *

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

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

Khubilal Jugraj

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

MDhala

Mayur Gala
Chief Financial Officer

Vishal Chanda

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

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

(Rs. in millions)

PARTICULARS		NOTES	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME				
Revenue from Operations		20	9,426.60	5,774.83
Other Income		21	116.31	101.58
Total Income	**(A)**		**9,542.91**	**5,876.42**
EXPENSES				
Cost of Material Consumed		22	5,081.51	3,337.38
Purchase of Traded items		23	61.65	46.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		24	(55.47)	(301.55)
Employee Benefits Expense		25	1,173.36	882.88
Finance Costs		26	99.91	91.22
Depreciation/Amortisation Expense		27	273.41	243.66
Other Expenses		28	1,330.42	832.41
Total Expenses	**(B)**		**7,964.80**	**5,132.10**
Profit Before Tax	**(C=A-B)**		**1,578.11**	**744.31**
Tax Expense				
Current Tax			404.98	190.18
Deferred Tax		16	2.01	(7.93)
Tax adjustments for Earlier Years			0.72	(0.24)
Total Tax Expense	**(D)**		**407.72**	**182.00**
Profit for the Year	**(E=C-D)**		**1,170.39**	**562.31**
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
i) Actuarial Loss on Defined Benefit Plan			(2.14)	2.35
ii) Income Tax on the above			0.54	(0.59)
Total Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**(1.60)**	**1.76**
Total Comprehensive Income for the Year	**(G=E+F)**		1,168.79	564.07
Profit for the year attributable to:				
Equity holders of the parent			1,171.51	562.31
Non Controlling Interest			(1.12)	-
Other Comprehensive Income for the Year				
Equity holders of the parent			(1.60)	1.76
Non Controlling Interest			-	-
Total Comprehensive Income for the Year				
Equity holders of the parent			1,169.91	564.07
Non Controlling Interest			(1.12)	-
Earnings Per Equity Share of face value of Rs. 5/- each				
Basic (In Rs)		30	12.54	6.02
Diluted (In Rs)		30	12.54	6.02

Significant Accounting Policies

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

As per our attached Report of even date

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

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

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

Khubilal Jugraji

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

MDGala

Mayur Gala
Chief Financial Officer

Vishal Chanda

Vishal Chanda
Company Secretary

Place. Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

Consolidated Statement of Changes in Equity

a. Equity share capital:

(Rs. in millions)

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

b. Other equity

(Rs. in millions)

Particulars	Reserve & Surplus		Other Reserve	Total
	Retained Earning	Share Premium	Other Comprehensive Income	
Balance as at April 1, 2021	2,217.24	195.64	(30.52)	2,382.36
Add : Profit for the period	562.31	-	-	562.31
Add: Amortization Expenses of Lease deposit of earlier Years	0.50	-	-	0.50
Less : Other Comprehensive Income	-	-	1.76	1.76
Balance as at March 31, 2022	**2,780.05**	**195.64**	**(28.76)**	**2,946.92**
Add : Profit for the period	1,171.51	-	-	1,171.51
Add: impact of business combination (Refer Note 45)	(0.79)	-	-	(0.79)
Less : Issue of Bonus share #	(37.84)	(195.64)	-	(233.47)
Less : Other Comprehensive Income	-	-	(1.60)	(1.60)
Balance as at March 31, 2023	**3,912.92**	**-**	**(30.36)**	**3,882.56**

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

Significant Accounting Policies

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

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

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023

FLAIR WRITING INDUSTRIES LIMITED

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

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Year	1,578.11	744.31
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		-
Depreciation Expenses	273.41	243.66
Interest Expenses	96.55	85.93
Interest on Leased Assets	3.36	5.29
Provision For Doubtful Debts	10.33	1.93
Profit on sales of Liquid Fund	-	(3.08)
Interest Income	(5.63)	(7.36)
Profit/(Loss) of sales of Property, Plant and Equipment	0.04	(0.32)
Changes in Assets and Liabilities		
(Increase)/Decrease in Inventories	(294.66)	(529.10)
(Increase)/Decrease in Trade Receivables	(247.35)	(313.23)
(Increase)/Decrease in Loans	(0.99)	(0.37)
(Increase)/Decrease in Other Financial Assets	(38.96)	(3.26)
(Increase)/Decrease in Other Non-Current/Current Assets	(153.26)	30.93
Increase/(Decrease) in Trade Payables	132.74	92.04
Increase/(Decrease) in Other Financial Liabilities	(2.54)	34.03
Increase/(Decrease) in Provisions	21.74	18.53
Increase/(Decrease) in Other Non-Current/Current Liabilities	39.98	57.90
Cash Generated From Operations	**1,412.89**	**457.83**
Income Taxes Paid	(433.58)	(107.54)
NET CASH GENERATED BY OPERATING ACTIVITIES	**979.31**	**350.29**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Asset	(744.75)	(392.43)
Sales of Property, Plant and Equipment and Intangible Asset	3.18	24.11
Purchase of Mutual Fund	-	(722.46)
Sale of Mutual Fund	-	888.21
Interest Income	5.63	7.36
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	**(735.94)**	**(195.21)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken/(Repaid)	(107.40)	(39.80)
Interest on Loan	(96.55)	(85.93)
Payment of Lease Rent	(34.30)	(32.73)
NET CASH USED IN FINANCING ACTIVITIES	**(238.26)**	**(158.46)**
Net increase/(Decrease) in Cash and Cash Equivalents	5.11	(3.38)
Add: Cash and cash equivalents pursuant to business combinations (Refer Note 45)	(0.50)	-
Cash and Cash Equivalents at the Beginning of the Year	3.28	6.66
Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7.89**	**3.28**

Note:

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

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

Significant Accounting Policies

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

As per our attached Report of even date

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Dhiren K. Rathore
(Partner)
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For and on behalf of the Board of Directors
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Vimalchand Rathod
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(DIN. 00123007)

MDGala

Mayur Gala
Chief Financial Officer

Vishal Chanda

Vishal Chanda
Company Secretary

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1. A. GROUP OVERVIEW

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

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

Group Structure

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Compliance with Ind AS

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

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

b) Principle of Consolidation

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS *

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

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

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

c) Historical cost convention

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

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

d) Functional and presentation currency

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

2.2. USE OF ESTIMATES,JUDGMENTS AND ASSUMPTIONS

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

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

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estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimates and assumptions are required in particular for:

- **<u>Determination of the estimated useful lives of Property Plant and Equipment and Intangible Assets:</u>**

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

- **<u>Recoverability of trade receivables</u>**

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

- **<u>Provisions</u>**

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

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

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

- **<u>Application of Discount rates</u>**

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

- **Current versus Non-Current Classification**

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

- **Impairment of Non-Financial Assets**

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

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

- **Impairment of Financial Assets**

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

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

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

2.3. PROPERTY,PLANT AND EQUIPMENT (PPE)

i. **Tangible Assets**

- **Freehold Land**

  Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

  Property, Plant and Equipment are stated at historical cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

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

ii. **Intangible assets**

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

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

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

iv. **Depreciation/Amortisation :**

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

The useful life of major assets is as under:

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Assets	Amortised (in years)
Trademarks	10
Others	10

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

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

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

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

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

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

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

2.4. Finance Costs

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

2.5. Foreign Currency Transactions and Translation

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

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

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

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

2.6. Fair Value Measurement

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

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

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

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

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

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

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

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

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

2.7. Revenue Recognition

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

Sale of Products

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

Export Entitlements

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

Other Income

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

2.8. Tax Expenses

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

- **Current tax :**

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

- **Deferred tax :**

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

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

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws)

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.9. Inventories

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

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

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

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

2.10. Leases

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

2.11. Contingent Liabilities and Commitments

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

2.12. Provisions

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

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

2.13. Employee Benefits Expense

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

a) Short-term obligations

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

b) Post-employment obligations

I. **Defined contribution plans**

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

II. **Defined benefit plans**

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

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

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

c) Compensated Absences

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

d) Payments of Bonus

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

2.14. Financial Instruments

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

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

(i) Financial assets

a. Initial Recognition and Measurement

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

b. Subsequent Measurement

1) Financial Assets carried at Amortised Cost

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

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

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

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

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

c. Loans, Deposits and Receivable

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

d. Investment in Mutual Fund

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

e. Impairment of Financial Assets

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

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

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

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

Trade Receivable

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

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

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

Following is the policy for specific financial assets:-

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.
Loans to employees	The Company avails guarantee for loan provided to employees. In case of default inrepayment of loan, the same is recovered from the salary of the guarantor.

ii. Financial Liabilities

a. Initial Recognition and Measurement

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

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

b. Subsequent Measurement

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

c. De-recognition of Financial Instruments

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

d. Offsetting of Financial Instruments

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

iii. **Derivative Financial Instruments and Hedge Accounting**

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

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

2.15. Cash and Cash Equivalents

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

2.16. Cash Flow Statement

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

2.17. Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

2.18. Segment Reporting

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

2.19. Government Grants

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

2.20. Recent Accounting Pronouncements

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

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

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

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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

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

JESWANI & RATHORE * CHARTERED ACCOUNTANTS * MUMBAI

Note 1 : Property, Plant and Equipment

(Rs in millions)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01,2022	Additions	Deletions	As at March 31, 2023	As at April 01,2022	Depreciation	Accumulated Depreciation on Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land – Freehold	195.35	43.49	-	238.83	-	-	-	-	238.83	195.35
Buildings	459.14	-	-	459.14	58.20	14.94	-	73.13	386.01	400.95
Plant and Machinery	1,321.38	417.70	1.71	1,737.37	488.38	115.79	1.60	602.57	1,134.80	833.01
Office Equipment	11.40	4.45	-	15.85	8.23	1.36	-	9.59	6.25	3.17
Factory Equipments	58.75	23.91	-	82.66	33.50	9.02	-	42.51	40.15	25.25
Computer Equipment	22.30	4.16	-	26.47	16.22	2.52	-	18.74	7.73	6.09
Furniture & Fixtures	59.61	17.28	-	76.89	25.05	6.49	-	31.54	45.35	34.55
Mould	606.10	145.28	-	751.38	302.87	72.72	-	375.59	375.79	303.23
Electrical Installation	94.30	21.93	-	116.23	36.58	9.20	-	45.78	70.44	57.72
Two Wheeler	1.96	0.18	0.09	2.04	0.46	0.18	0.09	0.55	1.49	1.50
Vehicles	60.46	66.83	12.05	115.25	20.60	9.54	8.95	21.19	94.06	39.86
Total	2,890.74	745.21	13.85	3,622.11	990.08	241.76	10.63	1,221.21	2,400.90	1,900.66

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

Note 1 : Intangible Assets

(Rs in millions)

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

Note 1 : Rights-of-Use Assets

(Rs in millions)

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

Note 1 : Capital Work In Progress

(Rs in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

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

(Rs in millions)

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

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

(Rs in millions)

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

Note 1 : Goodwill

(Rs in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 2 : Loans

(Rs. in millions)

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

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

Note 3 :Other Financial Assets

(Rs. in millions)

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

Note 4 :Current Tax Assets (Net)

(Rs. in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 5 : Other Assets

(Rs. in millions)

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

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

Note 6 :Inventories

(Rs. in millions)

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

The Inventories has been valued as per Note 2(10) of Significant Accounting Policies.
Inventories are hypothecated against cash credit facilities availed by the company amounting to Rs. 1215 millions.

Note 7 :Trade Receivables

(Rs. in millions)

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

(Rs. in millions)

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

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

(Rs. in millions)

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

Note 8 : Cash and Cash Equivalents

(Rs. in millions)

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

Note 9 : Other Bank Balances

(Rs. in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 10 : Equity Share Capital

(Rs. in millions)

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

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

a) Reconciliation of number of Shares outstanding

(Rs. in millions)

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

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	1,86,77,760	20%	46,69,440	20%
Vimalchand J. Rathod	1,40,08,320	15%	35,02,080	15%
Rajesh K. Rathod	93,38,880	10%	23,34,720	10%
Mohit K. Rathod	93,38,880	10%	23,34,720	10%
Sumit V. Rathod	93,38,880	10%	23,34,720	10%
Nirmala K. Rathod	93,38,880	10%	23,34,720	10%
Manju-a V. Rathod	93,38,880	10%	23,34,720	10%

c) Rights/Preference/Restriction attached to Equity Shares

The Company has one class of Equity Shares with face value of Rs. 5/- each (P.Y. Rs. 10/- each). Each Shareholder has a voting right in proportion to his/he 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 th Shareholders in the Annual General Meeting (AGM), and in the case of Interim Dividend, it is ratified by the Shareholders at the Annual General Meeting.

d) Share held by each promoter [as per section 2(69) of the Companies Act, 2013]:

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

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

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 11: Other Equity

(Rs. in millions)

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

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 12 : Borrowings

(Rs. in millions)

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

(Rs. in millions)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2023	Rate of Interest	Repayment terms
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	0.60	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	7.50	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.29	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	1.30	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	5.60	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	1.70	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	4.00	TBILL+3.71	End to End tenor of 5 Years with quarterly rest and no moratorium
Packing Credit - from Bank	Axis Bank	PCRE	INR	14.75	6.30%	98 Days
Packing Credit - from Bank	Axis Bank	PCRE	INR	20.00	6.60%	66 Days
Packing Credit - from Bank	Citi Bank N.A.	PCRE	INR	12.25	7.71%	86 Days
Car Loan	Axis Bank	Car Loan	INR	3.59	7.71%	60 Months
Car Loan	Axis Bank	Car Loan	INR	9.00	8.45%	37 Months
Car Loan	Axis Bank	Car Loan	INR	8.50	8.45%	37 Months
Cash Credit - from Bank	Axis Bank	Cash Credit	INR	112.49	8.10%	Revolving 365 days
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	477.48	9.50%	Revolving 365 days
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	69.00	TBILL+2	End to End tenor of 5 Years with quarterly rest and 6 month moratorium
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.97	8.60%	End to End tenor of 5 Years with quarterly rest and 18 month moratorium

Note:

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

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

c) Negative lien on immovable properties at:
Building at 708/1,708/2,708/3,708/4,708/6 & 709/12 &709 /18 Dabhel, District Daman owned by Flair Writing Industries Ltd

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

(Rs. in millions)

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

Note 13 : Leased Liablities

(Rs. in millions)

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

Note 14 : Other Financial Liabilities

(Rs. in millions)

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

Note 15 : Provisions

(Rs. in millions)

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

Note 16 : DEFERRED TAX LIABILITIES/(ASSETS) :

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

(Rs. in millions)

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

2022-23

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

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

2021-22

Deferred tax liabilities/(assets) in relation to:

(Rs. in millions)

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 17 : Trade Payables

(Rs. in millions)

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

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(Rs. in millions)

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

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

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(Rs. in millions)

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

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

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

2) Total outstanding dues of Micro Enterprises and Small Enterprises

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

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount payable	228.03	169.72
(ii) Interest amount due and remaining unpaid	-	-
(iii) Interest paid	-	-
(iv) Payment Beyond the appinted day during the year	-	-
(v) Interest due and payable for the period of delay	-	-
(vi) Interest Accrued and remaining unpaid	-	-
(vii) Amount of further interest remaining due and payable succeeding years	-	-

Note 18 : Other Liabilities

(Rs. in millions)

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

Government Grants includes Subsidy Received on Capital Goods.

Note 19 : Current Tax Liabilities (Net)

(Rs. in millions)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 20 : Revenue From Operations

(Rs. In millions)

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

Note 21 : Other Income

(Rs. In millions)

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

Note 22 : Cost of Materials Consumed

(Rs. In millions)

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

Note 23 : Purchase of Traded Items

(Rs. In millions)

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

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

(Rs. In millions)

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

Note 25 : Employee Benefits Expense

(Rs. In millions)

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

Note 26 : Finance Costs

(Rs. In millions)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 27 : Depreciation

(Rs. in millions)

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

Note 28 : Other Expenses

(Rs. in millions)

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

Note 28.1 Payment to Auditor

(Rs. in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 29 : Gratuity and other post employment benefit plans

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

(a) Defined contribution plan

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

(Rs. in millions)

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

(b) Defined benefit plan

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

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

Defined Benefit Plan

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

(Rs. in millions)

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

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

(Rs. in millions)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in millions)

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

IV) Expenses recognised during the year

(Rs. in millions)

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

V) Investments details

(Rs. in millions)

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

VI) Actuarial Assumptions

MORTALITY TABLE (INDIAN ASSURED LIVES MORTALITY)	For the year ended March 31, 2023	For the year ended March 31, 2022
	(Ultimate)	**(Ultimate)**
Discount rate (p.a.)	7.30%	6.05%
Withdrawal Rate	50% of lower services reducing to 2% at higher services	50% of lower services reducing to 2% at higher services
Salary escalation (p.a.)	4.50%	4.50%

Sensitivity Analysis

(Rs. in millions)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

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

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

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

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

(Rs. in millions)

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 30 : Earnings per share (EPS)

(Rs. in millions)

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

JESWANI & RATHORE ★ MUMBAI ★ CHARTERED ACCOUNTANTS

FLAIR WRITING INDUSTRIES LIMITED

Note 31 : Financial Instruments

Fair Value Measurement Hierarchy
As at March 31, 2023 (Rs. in millions)

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

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

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

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.
b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.
c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.
d) The fair value of investment in Mutual Fund is measured at cost quoted price or NAV.
e) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

Note 32 : Financial Risk Management

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

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

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

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

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

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

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

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

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

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

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

Due from the date of invoice	As at March 31, 2023	As at March 31, 2022
Less than 6 months	1,656.55	1,395.83
6 months to 12 months	32.38	32.30
beyond 12 months	17.78	41.58
Total	**1,706.72**	**1,469.70**

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unutilised credit limit from bank (Rs. in millions)	797.97	625.51
Current Ratio	2.23	2.39
Liquid Ratio	1.02	1.10

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

As at March 31, 2023

(Rs. in millions)

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

As at March 31, 2022

(Rs. in millions)

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

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Interest Rate Exposure

(Rs. in millions)

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

(b) Sensitivity

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

(Rs. in millions)

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

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

iv) Market risk- Currency Risk

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

Exposure to currency risk

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

(Rs. in millions)

PARTICUALRS	As at March 31, 2023					As at March 31, 2022				
	USD	EURO	GBP	CHF	JPY	USD	EURO	GBP	CHF	JPY
Financial assets										
Trade receivables	338.55	17.47	-	-	-	213.22	11.72	-	-	-
Other assets	121.93	6.51		55.65	3.28	66.67	0.83	-	-	5.30
						-	-	-	-	-
Financial liabilities						-	-	-	-	-
Trade payables	25.62	66.20	-	-	13.90	37.49	6.79	-	0.49	1.35
Other liabilities	43.64	-	-	-	-	21.33	26.53	-	-	-
Net Exposure	**391.22**	**(42.23)**	**-**	**55.65**	**(10.62)**	**221.07**	**(20.77)**	**-**	**(0.49)**	**3.96**

SENSITIVITY ANALYSIS

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges (Rs. in millions)

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

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

v) Commodity Risk

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

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

Note 33 : Movement in deferred tax

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

(Rs. in millions)

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

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

(Rs. in millions)

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

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

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

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

Note 34 : Income tax expense

(a) Amounts recognised in profit and loss

(Rs. in millions)

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

(b) Amounts recognised in other comprehensive income

(Rs. in millions)

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

(c) Reconciliation of effective income tax rate

(Rs. in millions)

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

FLAIR WRITING INDUSTRIES LIMITED

Note 35 : Related Party Disclosure

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

Nature of Relationship	Name of Related Party
(i) **Key Managerial Personnel (KMP)**	Khubilal J. Rathod
	Vimalchand J. Rathod
	Rajesh Rathod
	Mohit Rathod
	Sumit Rathod
	Punit Saxena
	Manoj Laiwani
	Rajneesh Bhandari
	Sheetal B. Shetty
	Sangeeta Sethi
	Arun Mohan Jain
	Bishan Singh Rawat
	Mayur Gala
	Prakash Gupta
	Vishal Chanda
(ii) **Relatives of Key Managerial Personnel**	Nirmala Rathod
	Manjula Rathod
	Sangita Rathod
	Shalini Rathod
	Sonal Rathod
	Kiemaya Rathod
	Suntia Jain
	Jayesh Jain
(iii) **Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):**	Flair Pens Ltd.
	Pentel Stationery (India) Pvt. Ltd.
	Flair Writing Aids
	Flair Pen & Plastic Industries
	Hauser Lifestyle Products
	Rathod N Rathod

(c) Transactions with Related Parties

(Rs. in millions)

Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Sale of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	13.41	1.21
	Hauser Lifestyle Products		17.12	1[illegible].04
2	**Sale of Fixed Assets**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.04
3	**Sale of Licence**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	2.0[illegible]
4	**Purchase of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	60.64	30.4[illegible]
	Hauser Lifestyle Products		68.05	2.9[illegible]
5	**Purchase of Licence**			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	6.0[illegible]
	Hauser Lifestyle Products		0.11	[illegible]
6	**Purchase of Fixed Assets**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7.52	-
	Flair Pen & Plastic Industries		2.00	-
7	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.64	0.6[illegible]
	Vimalchand J. Rathod	Key Managerial Personne	1.59	1.[illegible]
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	16.18	16.[illegible]
	Flair Writing Aids		0.34	[illegible]
	Flair Pen & Plastic Industries		13.66	10.[illegible]
	Rathod N Rathod		0.18	0.1[illegible]
	Nirmala Rathod	Relative of KMP	2.28	2.[illegible]
	Manjula Rathod	Relative of KMP	2.28	2.[illegible]

8	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	19.94	12.1
9	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.8
10	**Re-imburesement of Expenses (Paid)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.21	1.0
	Hauser Lifestyle Products		-	0.0
	Vimalchand Rathod	Key Managerial Personnel	0.09	-
	Khubilal J. Rathod	Key Managerial Personnel	0.11	-
11	**Re-imburesement of Expenses (Received)**			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.01	-
12	**Interest Expenses**			
	Khubilal J. Rathod	Key Managerial Personnel	1.12	6.30
	Vimalchand J. Rathod	Key Managerial Personnel	4.13	9.14
	Rajesh Rathod	Key Managerial Personnel	2.53	7.96
	Mohit Rathod	Key Managerial Personnel	2.12	8.49
	Sumit Rathod	Key Managerial Personnel	3.54	10.68
	Nirmala Rathod	Relative of KMP	3.63	3.5
	Manjula Rathod	Relative of KMP	0.55	0.55
	Sangita Rathod	Relative of KMP	6.82	6.75
	Shalini Rathod	Relative of KMP	7.43	7.37
	Sonal Rathod	Relative of KMP	2.58	2.62
	Sunita Jain	Relative of KMP	0.27	0.27
	Kiernaya Rathod	Relative of KMP	0.17	0.16
13	**Director/Managerial Remuneration**			
	Vimalchand J. Rathod	Key Managerial Personnel	4.20	3.60
	Khubilal J. Rathod	Key Managerial Personnel	1.20	-
	Rajesh Rathod	Key Managerial Personnel	6.00	2.40
	Mohit Rathod	Key Managerial Personnel	6.00	2.40
	Sumit Rathod	Key Managerial Personnel	6.00	2.40
	Mayur Gala	Key Managerial Personnel	3.93	3.02
	Vishal Chanda	Key Managerial Personnel	0.81	-
	Prakash Gupta	Key Managerial Personnel	0.07	0.16
	Jayesh Jain	Relative of KMP	2.81	3.07
14	**Director/Managerial Commission**			
	Khubilal J. Rathod	Key Managerial Personnel	4.80	3.00
	Jayesh Jain	Relative of KMP	10.42	
15	**Sitting Fees**			
	Arun Mohan Jain	Key Managerial Personnel	-	0.0
	Sangeeta Seth	Key Managerial Personnel	-	0.0
	Punit Saxena	Key Managerial Personnel	0.02	-
	Manoj Lalwani	Key Managerial Personnel	0.02	-
	Rajneesh Bhandari	Key Managerial Personnel	0.13	-
	Bishan Singh Rawat	Key Managerial Personnel	0.16	0.0
16	**Loan Taken**			
	Khubilal J. Rathod	Key Managerial Personnel	2.87	9.9
	Vimalchand J. Rathod	Key Managerial Personnel	6.91	12.6
	Rajesh Rathod	Key Managerial Personnel	53.15	13.1
	Mohit Rathod	Key Managerial Personnel	40.09	11.4
	Sumit Rathod	Key Managerial Personnel	37.77	12.0
17	**Loan Repaid**			
	Khubilal J. Rathod	Key Managerial Personnel	36.54	89.
	Vimalchand J. Rathod	Key Managerial Personnel	107.83	40.
	Rajesh Rathod	Key Managerial Personnel	108.99	97
	Mohit Rathod	Key Managerial Personnel	113.71	87
	Sumit Rathod	Key Managerial Personnel	155.83	73.
	Nirmala Rathod	Relative of KMP	2.08	[illegible]
	Manjula Rathod	Relative of KMP	0.55	0
	Sangita Rathod	Relative of KMP	4.64	4.
	Shalini Rathod	Relative of KMP	6.19	4.
	Sonal Rathod	Relative of KMP	2.48	2.

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

(d) Outstanding balances as at the year end **(Rs. in millions)**

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

JESWANI & RATHORE
MUMBAI
CHARTERED ACCOUNTANTS

Note 36 : Capital Management

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

Note 37 : Segment Reporting

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

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

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

Note 38 : Corporate Social Responsibility Expenditure(CSR)

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

(Rs. in millions)

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

Note 39 : Leases

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

(Rs. in millions

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

JESWANI & RATHORE MUMBAI CHARTERED ACCOUNTANTS

Note 40 : Capital and Other Commitments

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Letter of Credit	4.22	80.08
b) Estimated amount of contracts remaining to be executed on capital account and not provided for:	373.10	59.58

Note 41 : Contingent Liability

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

(Rs. in millions)

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

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

Note 42 : Scheme of Amalgamation

The Board of Directors of Flair Distributor Private Limited ("Transferor Company") and Flair Writing industries Limited ("Transferee Company") or the "Company") in their meeting held on 13th July, 2020 hac approved a Scheme of Amalgamation ("Scheme") for merger of Transferor Company with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 201 with the Appointed date being April 01, 2020. The Effect of Scheme has given on April 01, 2022 , prusant to order of the Hon'ble High Court of Bombay on dated Feb 17, 2023.

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

1.) Analytical Ratio Analysis

Ratio	Numerator	Denominator	2022-2023 Numerator	2022-2023 Denominator	2022-2023 Ratio	2021-22 Ratio	Difference	Variance (in %)	Explanation for change in the ratio by more than 25%
Current Ratio (in times)	Current Assets	Current Liabilities	4,106.28	1,839.94	2.23	2.39	-0.16	-7%	
Debt-Equity Ratio (in times)	Total Debt	Total equity	1,234.25	4,349.51	0.28	0.41	-0.13	-31%	Decreased due to principa repayments of loans and increase in profits during the year.
Debt service coverage ratio (in times)	Earning for Debt Service	Debt service	1,810.98	657.07	2.76	1.61	1.14	71%	Increased due to lower finance cost and increase in profit during the year
Return on equity ratio (in %)	Net Profit after taxes	Average total equity	1,171.51	3,764.95	31.12%	19.40%	11.71%	60%	Increased due to increase in profits during the year
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	9,426.60	1,588.21	5.94	4.39	1.54	35%	Increased due to increase in sales during the year
Trade Payable turnover ratio (in times)	Purchase	Average trade payables	5,375.47	569.29	9.44	7.89	1.55	20%	
Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	6,971.86	1,990.28	3.50	2.82	0.69	24%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	9,426.60	2,157.69	4.37	2.86	1.51	53%	Increased due to increase in sales during the year
Net profit ratio (in %)	Profit for the year	Revenue from operations	1,171.51	9,426.60	12.43%	9.74%	2.69%	28%	Increased due to increase in profits during the year
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	1,678.02	5,679.42	29.55%	18.23%	11.31%	62%	Increased due to decrease in lease liability and increase in profits during the year
Return on investment (in %)	Net Profit after taxes	Total equity	1,171.51	4,349.51	26.93%	17.68%	9.25%	52%	Increased due to increase in profit during the year

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MUMBAI
CHARTERED ACCOUNTANTS

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

3) Utilisation of borrowed funds and share premium:

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

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

4) Compliance with number of layers of companies:

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

5) Undisclosed income:

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

6) Details of crypto currency or virtual currency:

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

7) Valuation of Property,Plant and Equipment :

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

8) Willful Defaulter :

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

9) Details of Transaction with Struck of Companies :

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

10) Registration of charges or satisfaction with Registrar of Companies

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

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

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

(Rs in millions)

Name of the Entity	As at March 31, 2023							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
a) Parent								
Flair Writing Industries Ltd	98.08%	4,265.96	95.48%	1,118.61	100.00%	(1.60)	95.48%	1,117.01
b) Indian Subsidiary								
Flair Writing Equipments Private Limited	2.20%	95.76	5.17%	60.60	-	-	5.18%	60.60
Flair Cyrosil Industries Private Limited	-0.28%	(12.20)	-0.66%	(7.70)	-	-	-0.66%	(7.70)
	100.00%	4,349.51	100.00%	1,171.51	100.00%	(1.60)	100.00%	1,169.91
c) Non-Controlling Interest								
Flair Cyrosil Industries Private Limited		2.78		(1.12)		-		(1.12)

(Rs in millions)

Name of the Entity	As at March 31, 2022							
	Net Assets i.e. Total Assets Minus		Share of Profit		Other Comprehensive		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
a) Parent								
Flair Writing Industries Ltd	98.63%	3,136.72	95.79%	538.63	100.00%	1.76	95.80%	540.39
b) Indian Subsidiary								
Flair Distributor Private Limited	0.28%	8.77	-0.04%	(0.20)	-	-	-0.04%	(0.20)
Flair Writing Equipments Private Limited	1.10%	34.91	4.25%	23.87	-	-	4.23%	23.87
TOTAL	100%	3,180.40	100%	562.31	100%	1.76	100%	564.07
c) Non-Controlling Interest		-		-		-		-

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

Salient features of the Financial Statements of Subsidiary [Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 -AOC-1]

Subsidiary

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

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MUMBAI
CHARTERED ACCOUNTANTS

Note 45: Business Combination

On August 30, 2022 the Company acquired 62.55% (50110 Equity shares of Rs. 100 each) stake in Flair Cyrosil Industries Private Limited. The Company has further invested through right issue by infusing Rs. 30.99 millions in Flair Cyrosil Industries Private Limited and has issued equity shares in lieu thereof. Accordingly, Flair Cyrosil Industries Private Limited has become a 90% subsidary of the company.

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

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

Particulars	
Net Fixed Asseets	2.99
Non Current Assets	45.05
Current Assets	0 73
Total Assets (A)	**48.77**
Non Current Liabilites	45.97
Currrent Liabillites	0.54
Total Liabilities(B)	**46.52**
Total identifiable net assets at fair value (C)=(A)-(B)	2.25
Minority Interest (D)	0.84
Total identifiable net assets acquired at fair value (E)=(C)-(D)	1.41
Purchase Consideration transferred in Cash (F)	5.01
Goodwill arising on acquisition (F-E)	**3.60**

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

Note 46

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

As per our Report of even date

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

JESWANI & RATHORE * MUMBAI * CHARTERED ACCOUNTANTS

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

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: June 23, 2023