



Flair Writing Industries Limited

(An ISO 9001:2015; ISO 14001 : 2015 & SA 8000 : 2014 Certified Company)
CIN NO.: L51100MH2016PLC284727

63 B/C, Government Industrial Estate, Charkop, Kandivali West,
Mumbai - 400 067, Maharashtra, India

+91 22 2868 3876 / 06, 4203 0405, 2967 6004/5/6

Ref: FWIL/SEC/2024-25/49

Date: August 01, 2024

BSE Limited Listing Department P.J. Towers, 1st Floor, Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 544030	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051 Symbol: FLAIR
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Dear Sir/Madam,

Sub: Corrigendum to the Annual Report 2023-24

Ref: Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In due compliance with the provisions of the Companies Act, 2013 read with Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Flair Writing Industries Limited ("the Company") had submitted the Annual Report of the Company for financial year 2023-24 along with the Notice of the 24th Annual General Meeting to be held on August 22, 2024 at 03.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OVAM").

This is to inform that Company has noticed certain inadvertent typographical errors in the Board's Report and Business Reporting Sustainability Report (BRSR) section of Annual Report. Accordingly, vide this corrigendum, Company wishes to inform its shareholders that below information is part of the Board's Report and BRSR and should be read in conjunction with this corrigendum.

On Page 53 of the Annual Report, the number of shares were inadvertently mentioned as 1,100,000,000 (Eleven hundred million) instead of 110,000,000 (One Hundred and Ten million). Accordingly, the revised paragraph under the head "CHANGE IN SHARE CAPITAL" shall be read as follows:

"The Authorised Share Capital of the Company is ₹ 550,000,000/- (Rupees Five Hundred Fifty million only) divided into 110000,000 (One Hundred and Ten million) Equity Shares of face value of ₹ 5/- (Rupees Five only) each."

In this regard, please note the following changes made in the BRSR 2023-24 highlighted in table below in grey colour:

- On page no. 82 of Annual Report under Section A point no. 25- Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance Redressal Mechanism in Place (Yes/No)	2023-24 (Current financial year)	2022-23 (Previous financial year)



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	(If yes, then provide a weblink to the grievance redress policy)	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	No	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, Securities and Exchange Board of India Complaints Redress System https://scores.gov.in/scores/Welcome.html , investors@flairpens.com	0	0	NA	0	0	NA
Shareholders	Yes, https://www.flairworld.in/investor-relation.aspx	709	0	NA	0	0	NA
Employees and workers	Yes, https://www.flairworld.in/investor-relation.aspx	0	0	NA	0	0	NA
Customers	Yes, https://flairpens.com/contact-us.html	0	0	NA	0	0	NA
Value Chain Partners	No	0	0	NA	0	0	NA
Other (please specify)	Yes, https://flairpens.com/contact-us.html	0	0	NA	0	0	NA

2. On page no. 102 of Annual Report under Section C- point No.7 of Principle 6- Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

Parameter	Unit	2023-24 (Current financial year)	2022-23 (Previous financial year)



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Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54.67	14.75
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	7,136.93	7,591.71
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MTCO ₂ e/₹ in million	0.78	0.84
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MTCO ₂ e/₹ in million adjusted for PPP	0.22	0.23
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MTCO ₂ e/Product in portfolio	9.34	10.88
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Other contents of the BRSR section of Annual Report of Company remain unchanged.

The copy of this corrigendum and the updated version of the Annual Report has been uploaded on the website of the Company www.flairworld.in

We further wish to inform you that the said inadvertent typographical error has no impact on the financial statements of the Company for the year ended 31st March 2024 and that this corrigendum should be read in conjunction with the Annual Report 2023-24.

We sincerely regret the inconvenience caused. Enclosed is the revised Annual Report for reference.

Kindly take this information on record and confirm compliance.

Thanking you,

Yours faithfully,
For Flair Writing Industries Limited

Vishal Kishor Chanda
Company Secretary & Compliance Officer



Leveraging Legacy to New Horizons



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Investor Information

L51100MH2016PLC284727

CIN

544030

BSE Code

FLAIR

NSE Symbol

₹ 26,438 million

Market Capitalisation as on
March 31, 2024

NIL

Dividend Declared

August 22, 2024

AGM Date

Video Conference/Other Audio Visual Means

AGM Venue

An electronic version of this report is available online at:
<https://www.flairworld.in/investor-relation.aspx>



Scan this QR code
to navigate
investor-related
information



Disclaimer: This document contains statements about expected future events and financials of Flair Writing Industries Limited ('Flair', 'We', 'The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Leveraging Legacy to New Horizons

Drawing on proven reputation, customer trust, and past experiences, companies innovate and explore fresh opportunities. This strategic approach not only adapts to modern challenges but also attracts new partnerships and investors. By combining historical achievements with forward-thinking strategies, companies navigate uncertainties, build resilience, and drive advancements in their industries. Thus, harnessing legacy becomes a cornerstone for sustained relevance and growth in dynamic markets.

With a legacy spanning nearly 5 decades, Flair has established itself as a leader in the industry, embodying innovation and adaptability. While staying true to our roots, we have strategically diversified our offerings beyond our flagship brand, demonstrating a forward-thinking approach to evolving market dynamics and consumer needs.

Leveraging our strong brand recognition, extensive distribution channels, and manufacturing expertise, we are well-positioned to explore adjacent markets and enhance our revenue streams.

We also recognise the value of our established brand, trusted product lines, and robust manufacturing capabilities. By combining our heritage with innovative approaches, we aim to meet the evolving needs of our customers and tap into emerging trends.

While venturing into new horizons, we remain dedicated to upholding the high standards of quality and innovation that have defined our success. This balanced approach allows us to capitalise on our legacy while embracing growth and evolution. This further reinforces our industry leadership, thereby solidifying our brand identity in an ever-changing environment.

At Flair, we believe in the power of leveraging our legacy to explore new horizons. With a rich history and a strong foundation, we are well-positioned to embrace new opportunities, expand into untapped markets, and venture into exciting new product segments.

ABOUT FLAIR

Taking the Leap to Stock Exchange Listings

At Flair, we have undergone a transformative shift from being just a participant in the industry to becoming one of the leading brands in the market. Since inception, we have scripted a journey of dynamic progress, with each achievement propelling us to scale greater heights.

Our initial public offering (IPO) represents a strategic move to propel the Company into the next phase of expansion and value creation. We got listed at NSE and BSE on December 1, 2023.

₹ 593 crore

TOTAL ISSUE SIZE

49.28 times

OVERSUBSCRIPTION

49%

LISTING DAY GAIN



ABOUT FLAIR

Shaping India's Writing Industry since 1976

Among the Top 3 players in the Writing Instruments Industry in India

Largest Player in the Pens Segment in India by Revenue

Largest Distribution Network in India

Largest Exporter of Writing Instruments from India



Our legacy spans nearly 5 decades, beginning with the introduction of Flair brand products. Since then, we have always continued to grow from strength-to-strength. We are now among the top 3 organised players in the writing instruments segment in the domestic market.

We have an extensive range of products across various

price points catering to a complete range of consumers including students, professionals and offices. We recognise the varying customer profiles and needs across different price points. Instead of creating one-size-fits-all brands, we have strategically built multiple brands, offering an extensive range of products at different price points. We manufacture and distribute writing instruments including pens, sketch pens, markers, highlighters and calculators. To capitalise on our manufacturing capabilities, vast experience and extensive customer base, we have successfully diversified into manufacturing of houseware items and steel bottles.

VISION

Our vision is to attain 100% customer satisfaction through products designed with superior quality.



MISSION

Our mission is to strive for constant innovation to deliver superior quality and a seamless writing experience through our products.



CORE VALUES



INTEGRITY



CUSTOMER SATISFACTION



TRUST



DIVERSITY



INNOVATION



QUALITY



TEAMWORK



TRANSPARENCY

Commitment to quality and innovation is the cornerstone of



KEY HIGHLIGHTS

Milestones that Matter: Key Highlights of the Year

As we reflect on the Company's evolution, our performance highlights both financial achievements and non-financial milestones. With a legacy spanning over five decades, we have consistently evolved, adapting to market demands while maintaining a firm commitment to quality and innovation.



OPERATIONAL HIGHLIGHTS



8,000+

DISTRIBUTORS

220 crore+

PIECES PER ANNUM OF
INSTALLED CAPACITY

3,30,000+

WHOLESALERS AND RETAILERS

150+

SUPER STOCKISTS

FINANCIAL HIGHLIGHTS



₹ 993 crore

TOTAL INCOME

₹ 191 crore

EBITDA

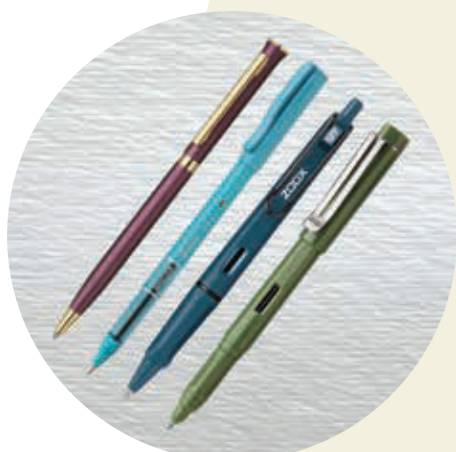
₹ 118 crore

PAT

17.5 %

RETURN ON CAPITAL
EMPLOYED

KEY BUSINESS METRICS



770

PRODUCTS OFFERED

969+

SALES AND MARKETING
TEAM MEMBERS

1.81 crore+

WRITING INSTRUMENTS
SOLD

SUSTAINABILITY HIGHLIGHTS



5.92 %

REDUCTION IN ENERGY
INTENSITY PER RUPEE
OF TURNOVER

3,402 KL

WATER TREATED BEFORE
DISCHARGE

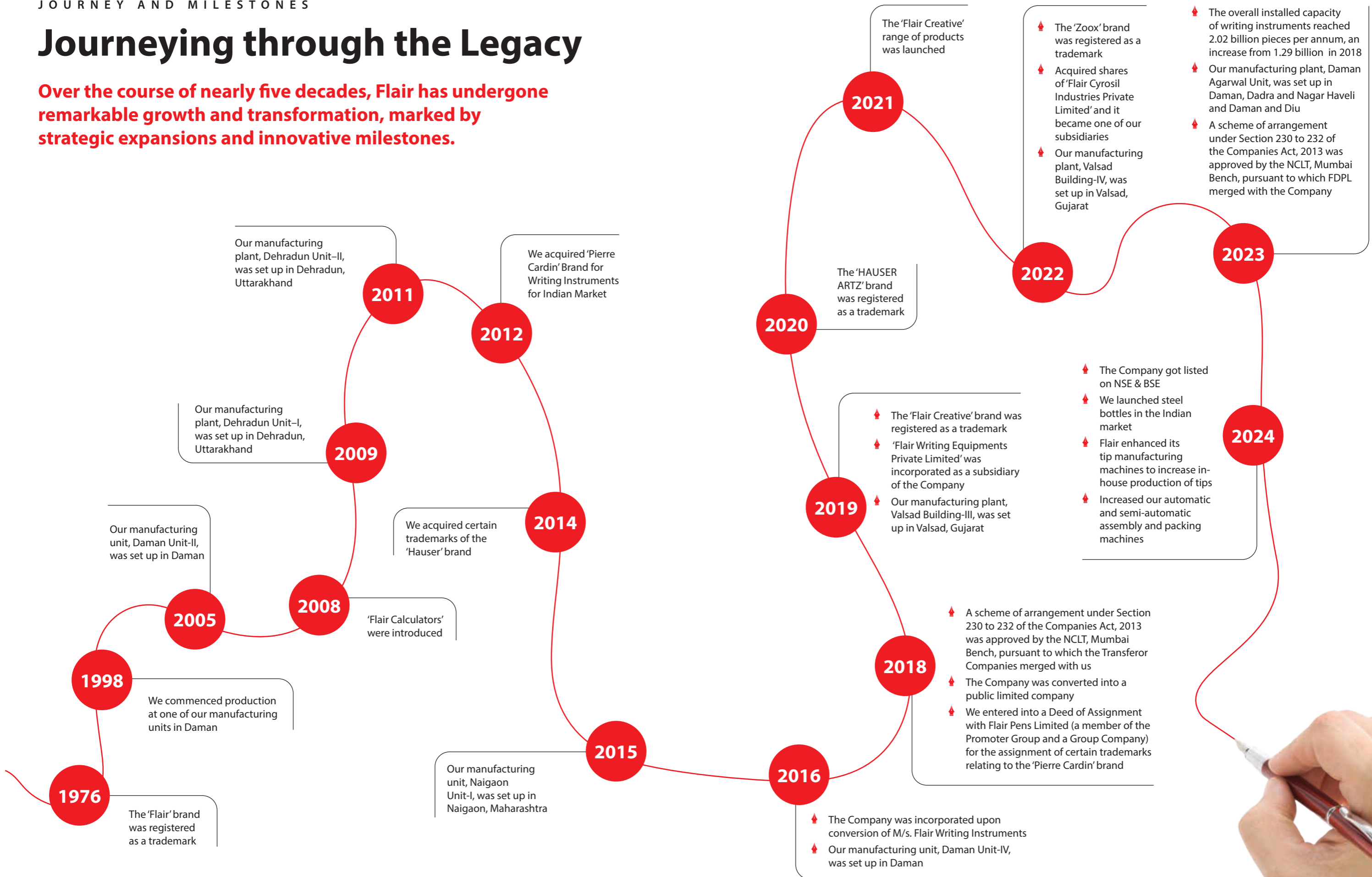
5.99 %

REDUCTION IN SCOPE 2
EMISSIONS

JOURNEY AND MILESTONES

Journeying through the Legacy

Over the course of nearly five decades, Flair has undergone remarkable growth and transformation, marked by strategic expansions and innovative milestones.



MANUFACTURING LOCATIONS

Excellence in Manufacturing: Our Competitive Edge

Our strategically located manufacturing plants across India are designed to maximise efficiency and logistical advantages. This allows us to effectively meet diverse market demands while maintaining high quality and timely delivery standards. Going forward, our focus is on continuous innovation and operational excellence by advancing our technology and manufacturing capabilities.



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

(Note*: Certain writing instruments and calculators are manually assembled at Naigaon Unit-I.)
Daman & Diu also includes 2 plant from our Subsidiaries FWEPL & FC IPL

OUR WRITING INDUSTRY BRANDS

Exploring Our Legacy of Writing Brands

In the world of writing instruments, we proudly offer a range of renowned brands that cater to diverse preferences and discerning needs.

As part of our commitment to serving diverse customers, we offer a comprehensive product range designed to accommodate different price points. Our pricing chart illustrates options for mass-market, mid-premium, and premium segments, ensuring accessibility and quality across our entire spectrum of offerings.

PRODUCTS ACROSS VARIOUS PRICE POINTS

Premium (> ₹ 100)

Maintain leadership with higher margins



Mid-Premium (₹ 16-100)

Premiumisation strategy for achieving better margins and brand positioning



Mass (< ₹ 15)

Pricing and reach impact the volume growth



FLAIR



Established in 1976, our flagship brand 'Flair' originated from Wimco Pen Company. It focussed on manufacturing fountain pens, ball pens, and refills under the leadership of Mr. Khubilal Jugraj Rathod. Over the past five decades, we have emerged as a leader in the writing industry, driven by a strong commitment to quality and innovation.

Flair's product range includes a variety of pens (ball pens, fountain pens, gel pens, roller pens, plastic pens, and metal pens). This is the largest category in terms of the number of products offered with stationery (mechanical pencils, highlighters, correction pens, markers, gel crayons and kids' stationery kits) and calculators. We offer writing products in the mid-mass category and the brand has market offerings of more than 770 SKUs.

This diverse range of products reflects our commitment to meeting varied consumer needs and preferences across the Indian and international markets. Our 'Flair' brand boasts a wide price range making it accessible to a broad customer base.

328+

PRODUCTS



Our leading 'Flair' products are 'Ezee-Click', 'Woody', 'Yolo' and 'Writometer' Pens.



Inky CEO

Charisma

Sunny

Woody

Yolo

Writometer Executive

Move

Glitter

Miami

HAUSER



Hauser is a well-established German Brand, has been known for its high quality writing. Hauser has always been popular for its wide range of products and its writing ease. The designs, while exhibiting an understated elegance, are crafted with an aerodynamic form factor and a specially designed writing system for its largest selling instrument Hauser XO, rendering them exceptionally well-suited for everyday professional and personal use.

Under the 'Hauser' brand, our product range includes metal and plastic pens such as ball pens, fountain pens, gel pens, and liquid ink pens. It also includes a selection of stationery items including whiteboard and permanent markers, highlighters, mechanical pencils, and correction pens.

280+

PRODUCTS

Hauser XO is the top-selling writing instrument, achieving an average monthly sales volume of 2.44 crore pieces during 2023-24.



XO

XO Jumbo Gel

Sonic Gel

Celebrity

Duet

UV Gel

INX Fountain Pen

Checkers Pencil

2XL

PIERRE CARDIN



For over two decades, our premium brand portfolio has been graced by Pierre Cardin writing instruments. Each pen is a work of art, capturing the essence of its French heritage and the elegance that Pierre Cardin is renowned for. We very well understand our customers and their specific needs and offer best of the personalised solutions to meet their corporate and gifting needs.

The 'Pierre Cardin' brand encompasses a range of writing instruments including ball pens, fountain pens, roller pens, and gift sets. Designed for discerning consumers in the premium segment, including professionals and offices, our 'Pierre Cardin' product line offers exceptional craftsmanship and style. This strategic acquisition of the brand for India in the Writing Instrument category gives us an edge and emphasises our dedication to providing luxury writing solutions that resonate with our esteemed clientele.

192+

PRODUCTS



Writing is a pleasure and each writing instrument with the *Pierre Cardin* label is an article of extreme beauty and preciseness. I am proud to introduce a sophisticated and complete collection of writing instruments”

Pierre Cardin WORLD RENOWNED FRENCH DESIGNER



President Fountain Pen



Combi Pen



Jewel Gold Pen



Vellfire Roller Pen



Pearl Satin Gold Ball Pen



Momento Roller Pen



Pride Roller Pen



Monza Ball Pen



Musk Gold Ball Pen

DIVERSIFYING WITHIN THE SEGMENTS

Expanding Our Frontier in Writing Instruments

Our continuous efforts to expand and diversify within the writing instruments segment pave the way for the introduction of new initiatives. These include the 'Zoox' brand, our original equipment manufacturer (OEM) business, and our range of corporate gifting solutions.

INTRODUCING

ZOOX[®]
REDEFINE FUTURE

In addition to our established brands, we have expanded our product offerings with the introduction of 'Zoox,' a premium-category plastic based pen brand. It is a series of contemporary writing tools with futuristic design aspects and a minimalistic appearance. Our commitment to 'redefining the future' ensures that you receive the best writing experience possible. The 'Zoox' brand represents our dedication to delivering quality and style at competitive price points including premium imported brands appealing to discerning customers seeking both value and performance.

7

PRODUCTS



ELECTRONIC CALCULATOR

OUR TRUSTED FLAIR CALCULATORS

We introduced Flair calculators in 2008, catering to both commercial and educational needs. Our calculator lineup includes pocket, semi-desktop, desktop, and scientific models. Flair calculators are recognised for their user-friendly designs, large displays, dual power options, and advanced functions like checking and correcting capabilities. With a strong distribution network across India, we have established ourselves as a reliable brand in this segment.



ENHANCING OUR CORPORATE GIFTING SOLUTIONS

Our corporate gifting business provides a specialised service offering custom-designed writing instruments and complementary products such as keychains and notebooks to our corporate clients. This service involves close collaboration with external suppliers to source high-quality items that meet our clients' specific preferences and branding needs.

To ensure the success of our customisation efforts, we have invested in dedicated facilities equipped with cutting-edge laser engraving and multi-colour printing machines. These tools allow us to personalise each product with precision, whether it is etching logos, adding names, or including special messages.

Laser Engraving Technology for Customised Product Offerings



STRATEGIC OEM PARTNERSHIPS

Our contract manufacturing services on an OEM basis represent a key aspect of our business, significantly contributing to our revenue and global presence in the writing instruments industry. Over the years, we have gained expertise in meeting stringent quality standards and manufacturing requirements by international companies partnering with us for OEM production. This arrangements allows us to utilise our manufacturing capabilities to deliver high-quality, customised products that meets the unique specifications of our OEM partners. We also manufacture for international brands under OEM agreements for domestic markets.

24+

COUNTRIES SERVED

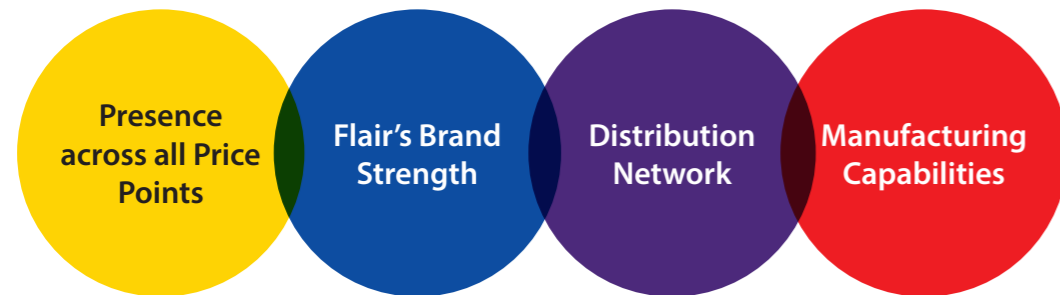
DIVERSIFYING ACROSS THE PORTFOLIO

Diversifying into New Opportunities with Our Offerings

With a diverse range of product offerings, the Company possesses the agility to scale up and refine specific product lines in response to market demands and the changing needs of our consumer base. As we witness growth across various segments, expansion within each category has become crucial to capture the demand across different price points.

Our strategic aim is to strengthen and expand our existing product portfolio. By utilising the established equity of our 'Flair,' 'Hauser,' and 'Pierre Cardin' brands, we are poised to create a robust customer base for these new business avenues. Aligning with this trend, we have successfully introduced a range of 'Flair Creative' products, houseware products, and steel bottles. Through this strategic diversification, we aim to capitalise on emerging market opportunities, cater to evolving consumer preferences, and fortify our position as a leading provider of premium and innovative products across various segments.

FLAIR'S STRENGTH



BUILT A QUALITY PRODUCT PORTFOLIO FOR THE NEWER CATEGORIES



Flair Creatives



Steel Bottles



Houseware Products

Leveraging the legacy of Flair to Scale New Opportunities: Creating Long-Term Value for the Business

FLAIR CREATIVES



At Flair, we took a strategic step forward by introducing the 'Flair Creative' range in 2021. This launch was driven by our vision to tap into a newer market segment with immense potential for bundled offerings. Through 'Flair Creative,' we aim to cater to the growing demand for creative and artistic products, aligning with the increasing focus on extracurricular activities and creativity.

From vibrant watercolours and crayons to precision sketch pens and fine liners, our collection offers a comprehensive selection of tools for artists of all ages and skill levels. Furthermore, we provide essential accessories such as erasers, wooden pencils, geometry boxes, sharpeners, and scales.

KEY MILESTONES

- ◆ Crossed over 100 crore in revenue within the third year of operations
- ◆ Envisions a higher growth segment driven by shifting consumer preference, portfolio expansion and channel fill
- ◆ Ensures greater control on quality with planned shift for in-house manufacturing of focussed categories

14.78%

TOTAL SHARE IN THE BUSINESS SEGMENT

8.64%

EXPORTS SHARE

BRAND LICENSING AGREEMENT WITH DISNEY

We have signed an agreement with Disney to utilise characters from multiple IPs across a range of stationery and art products, including kits and other stationery items. This collaboration leverages Disney's strong brand loyalty and appeal among the younger generation, allowing us to capture mindshare among the Disney audience in India. This partnership aims to enhance our product offerings and strengthen our market position by integrating Disney characters into our portfolio.



STEELWARE & HOUSEWARE



Driven by our commitment to innovation and diversification, we have ventured into houseware products. Under this, we offer a comprehensive range of solutions tailored to meet the evolving needs of modern households.

Our comprehensive houseware products portfolio comprises a diverse range of items, including casseroles, steel bottles, storage containers, serving solutions, cleaning solutions, baskets, and paper bins. We manufacture and distribute these houseware products through our subsidiary, FWEPL, ensuring adherence to stringent quality standards and efficient distribution channels. Recognising the immense potential in this segment, we have formulated a strategic plan to utilise the established equity of our 'Flair' brand. Our future endeavours include rolling out an expanded range of additional houseware products in the Indian market, catering to the evolving needs and preferences of our discerning customer base.



KEY MILESTONES

- 📌 Dedicated lines for OEM customer and in-house manufacturing and exports for steel bottles segment
- 📌 BIS-certified steel bottles
- 📌 DTIT via QCOs compliant products

10

NEW HOUSEWARE PRODUCTS LAUNCHED IN 2023-24

7

NO. OF STEEL BOTTLES LAUNCHED

1.79%

TOTAL SHARE IN THE BUSINESS SEGMENT

₹ 17.51 crore

TOTAL SALES



CHAIRMAN'S NOTE

Chairman's Desk



Continuous innovation, category expansion, and product deepening have been the cornerstone of our strategy, leading to the introduction of over 135 new products in the 2023-24, marking the biggest portfolio of over 1000 products.



Dear Stakeholders,

As Flair launches its inaugural Annual Report following our recent IPO, I extend my heartfelt gratitude to each of you. Together, we eagerly anticipate further collaboration, striving to elevate our performance and reach new horizons.

LEVERAGING LEGACY TO NEW HORIZONS

Our flagship brand, 'Flair,' has etched its mark in the writing instruments industry, becoming a household name synonymous with quality and reliability. For nearly 5 decades, Flair has been a trusted companion to students, professionals, and offices alike, catering to their diverse writing needs across various price points.

We stand at the cusp of a new era, poised to leverage our legacy and embark on a transformative path towards new horizons. Our commitment to innovation and strategic diversification has paved the way for us to foray into the manufacturing of steel bottles and houseware products. This move is a testament to our vision of catering to a wider customer base and solidifying our position as an industry leader. As we embrace these new horizons, we remain focussed on our commitment to upholding the values that have defined our success – quality, innovation, and customer satisfaction. Our legacy serves as a

solid foundation upon which we shall build, infusing our new ventures with the same passion, dedication, and excellence that have made Flair a household name. By capitalising on our brand visibility, extensive distribution network, and robust manufacturing capabilities, we are confident in our ability to navigate these new waters successfully.

MACROECONOMIC OVERVIEW

In CY 2023, the global economy grew at 3.2% and is projected to sustain this pace for CY 2024 and CY 2025. This forecast is lower than the historical annual average of 3.8% from 2000–19. The situation in the Red Sea remains a challenge. The precarious situation in the Red Sea led to the rerouting of ships around the Cape of Good Hope, resulting in a reduction of shipping capacity and rising transport costs. As economies navigate these challenges, it is crucial to maintain a balanced approach, foster investment and innovation, and encourage strategic collaborations. These steps will prove crucial for sustaining momentum and unlocking long-term sustainable growth opportunities.

The Indian economy closed 2023-24 on a strong note, surpassing market expectations despite external headwinds. The GDP number for the March quarter is expected to be better

than anticipated at 6.8%, potentially leading to a full-year 2023-24 growth of 8.2%. The domestic industrial and service sectors are performing well, backed by brisk demand and partially by tentative external demand. Domestic manufacturing is likely to receive stronger external support in the upcoming months. With increasing sentiments and improving economic activity in Europe and the US, their focus is on reindustrialisation and supply chain resilience, which could benefit India's manufacturing firms as part of the 'China+1' strategy. The Government's flagship programme, 'Make in India,' aims to encourage local manufacturing and promote exports.

THE GROWING STATIONERY AND WRITING INDUSTRY

From a global perspective, the industry's allure becomes even more apparent. With a worldwide market dominated by the US with a one-third share, growth currents in the industry have been flowing towards Asian countries such as China, Japan, India, and South Korea. India, in particular, emerges as a compelling industry environment, fuelled by its demographic advantages, increasing ownership of stationery products per person, a shift in consumer preference towards innovative and creative products, a penchant for premium stationery gifting items, personalised stationery, and the burgeoning trend of corporate gifting.

India's stationery and art materials industry is experiencing a vibrant renaissance, driven by a confluence of demographic tailwinds, an increasing emphasis on literacy and education, and a conducive policy environment. Indian manufacturers often emphasise on attention to detail, craftsmanship, and quality control in their production processes. This focus allows them to cater to customers that value high-quality stationery products.

OUR OPERATIONAL EXCELLENCE AND GROWTH

We have witnessed significant growth in our revenue from our own brand sales. This is further driven by double-digit growth in the domestic market and strong volume growth. Continuous innovation, category expansion, and product deepening have been the cornerstone of our strategy, leading to the introduction of over 135 new products in 2023-24, marking the biggest portfolio increase since 2021. To support this growth, we have expanded our distribution network by adding 11 new super stockists during the year, bringing the total count to 156. Additionally, we have strengthened our sales and marketing team by adding 36 new employees and increasing the team strength to 942 people. We are well-positioned to meet the evolving needs of our customers and enhance our market presence.

INNOVATIVE BRAND EVOLUTION

Over five decades in the writing instruments industry, Flair has cultivated a portfolio of iconic brands that resonate deeply with consumers across all price segments. Our focus on innovation and quality has made brands like Hauser a household name, while premium offerings like Pierre Cardin allows us to capture the high-end market and drive our premiumisation strategy. Flair Creative is our gateway into the vast stationery and art supplies market, leveraging our distribution network to expand beyond traditional writing instruments. ZOOX represents our commitment to innovation, appealing to younger, tech-savvy consumers. Our recent collaboration with Disney for our Creative range is a testament to our brand strength and vision. By associating with globally recognised characters, we are creating experiences that resonate with the young generation, fostering brand loyalty from an early age. Our brands are more than just products, they are the ambassadors of our vision to inspire and empower through writing.

FUTURE PROSPECTS

Looking ahead, we remain optimistic about our future prospects, buoyed by the faster growth in Flair's creative and steel bottle segments, while the pen segment maintains steady growth. We are actively pursuing premiumisation efforts, which have yielded consistent growth in price realisation. Exploring new partnerships, export horizons, categories, and price segments, as well as consistently evolving our product portfolio, will help us capture new market share while retaining the Company's existing share in the writing and creative industry. We are well-positioned to capitalise on the demand opportunity for steel bottles in the domestic market, having received a BIS license and are planning to introduce our products through modern trade channels. Looking ahead, we remain positive about maintaining targets and aim for double-digit growth, especially in the creative and writing instruments categories, in the years to come.

EXPRESSION OF GRATITUDE

I am profoundly grateful for the dedication and commitment of our team members, whose tireless efforts have propelled us to achieve these milestones. I extend my heartfelt appreciation to our valued shareholders, customers, and partners for their continued trust and support. It is through our collaborative spirit that we have unlocked new opportunities. As we embark on this transformative journey, I am confident that together we will soar to greater heights, creating lasting value for all our stakeholders.

Thank you,

Khubilal Jugraj Rathod
Chairman

MANAGING DIRECTOR'S NOTE

Managing Director's Desk



Our success is rooted in the legacy of the Flair brand, which has been a trusted name in the writing instruments industry for nearly 5 decades. We have earned the trust of distributors and wholesalers by maintaining the best quality standards through our robust production lines, cost-control processes and a strong R&D.



Dear Shareholders,

As we present our inaugural annual report post our recent IPO, it is valuable to spend some time delving into the Company's story. This report provides a concise overview of the products we manufacture, our famous brands, and our immense strength in the distribution network. I trust that this will be helpful to all the stakeholders to dive into the different aspects of our business and understand the Company's growth story.

IPO SUCCESS AND GRATITUDE

Our successful IPO listing this year marks a pivotal moment in the Company's journey. We are grateful for the overwhelming

support from our stakeholders, which has enabled us to raise funds strategically. Our IPO was subscribed 49 times. We appreciate the strong faith in the Company's business. These proceeds are being judiciously allocated towards expanding our manufacturing footprint, investing in capacity enhancements, and fuelling innovation across our business verticals. With a strengthened financial position, we are well-equipped to capitalise on emerging opportunities and drive sustainable growth. We are dedicated to growing substantially in the upcoming years and remain focussed in our mission to consistently generate value for all our stakeholders over the long term.



CAPACITY EXPANSION AND BACKWARD INTEGRATION

At Flair, we are actively investing in capacity expansion and backward integration. We intend to use a portion of the net proceeds to set up a new manufacturing facility for writing instruments and Flair Creative products in the Valsad district. We are also increasing our in-house manufacturing of tips capacity, which currently caters to over 70% of our captive requirements, giving us a clear edge against competitors in offering a wide variety of products and contributing to higher margins. Additionally, we have commissioned one manufacturing line for insulated and non insulated stainless steel bottles at our Valsad plant.

FINANCIAL ACHIEVEMENTS

Flair's revenue from operations, including domestic and export sales, was ₹ 978.70 crore from ₹ 942 crore recorded in the previous year. This growth can be credited to our ability to capitalise on emerging market opportunities. Our operational efficiency and more controlled material costs compared to 2022-23 led to an increase in the gross material margin from ₹ 433.89 crore to ₹ 493.03 crore in 2023-24. The EBITDA increased from ₹ 183.51 crore in 2022-23 to ₹ 191.24 crore in 2023-24, while the EBITDA margin rose from 19.47% to 19.54%. The PAT grew to ₹ 118.48 crore from ₹ 117.03 crore in 2022-23.

REDEFINING MARKET EXCELLENCE

Our brand strategy continues to deliver robust results, with a 11% year-on-year growth in own brand sales, reaching ₹ 841 crore in 2023-24. This growth outpaces the industry average, reflecting the strength of our brand portfolio and distribution network. Hauser remains our powerhouse, with the Hauser XO maintaining its position as India's best-selling pen, a testament to our product innovation and quality. Pierre Cardin is gaining significant traction, particularly in Middle East markets, where we see substantial growth potential due to the brand's premium positioning. The Flair Creative range has been a standout performer, growing by 28% to ₹ 145 crore, driven

by our expanded product offerings and the recent Disney collaboration. This partnership allows us to leverage Disney's strong brand loyalty among young consumers, opening new avenues for growth in the creative segment. Our Zoox brand, is steadily gaining market share, appealing to consumers seeking modern, innovative writing solutions. This brand-centric approach not only enhances our product mix but also strengthens our position ensuring sustainable & profitable growth.

BRAND LEGACY AND STRATEGIC FOCUS

Our success is rooted in the legacy of the Flair brand, which has been a trusted name in the writing instruments industry for nearly 5 decades. We have earned the trust of distributors and wholesalers by maintaining the best quality standards through our robust production lines, cost-control processes, and a strong R&D team. They continuously introduce new products to maintain our competitive edge.

Going forward, we will focus on growing our existing product portfolio and diversifying our product range, emphasising on the mid-premium and premium segments to increase margins. Additionally, we plan to increase our production capacity in line with our strategic plan, optimise capacity utilisation, strategically expand our export operations, drive more sales through our extensive sales and distribution network, and fortify our brand presence.

LOOKING AHEAD

As we move forward, we remain committed to our core values of innovation, quality, and customer satisfaction. With the support of our stakeholders and the dedication of our team, we are confident in our ability to achieve sustainable growth and create long-term value for all.

Thank you,

Mr. Vimalchand Jugraj Rathod
Managing Director

OUR STRENGTHS

Strategic Pillars: Crafting Our Path to Market Leadership

We aim to strengthen our position as a leader in the writing instruments industry by consistently prioritising customer satisfaction. Our strategy revolves around continuously innovating our products while maintaining a sharp focus on design and quality manufacturing. The key elements driving our business approach are as follows

FOCUS ON GROWING OUR EXISTING PRODUCT PORTFOLIO AND DIVERSIFICATION OF OUR PRODUCT RANGE

Aim to strengthen and expand product portfolio by growing across price segments

To strengthen and expand our product portfolio, we aim to grow across various price segments. This expansion within a each price segment is crucial to tap into demand at different price points. We are present across both mass market and high-value segments.

Ability to scale-up and refine product lines as per market demand

Our wide range of product offerings allows us to scale or refine specific product lines as needed, enabling us to respond effectively to market demands and our evolving consumer base.

Diversifying product range by expanding into stationery products market

We plan to introduce different products with both standalone and bundled offerings through Flair Creatives, by capitalising on the opportunity presented by the behavioural shift towards extracurricular activities. This approach allows us to access a wider consumer base, including students in younger age groups.

EMPHASIS ON PREMIUMISATION TO INCREASE MARGINS

Emphasis on mid-premium and premium segments to increase margins

Our strategy focuses on driving sales of higher-margin mid-premium products priced between ₹ 20 and ₹ 100, including our 'Flair', 'Hauser', and 'Zoox' lines. For premium offerings priced over ₹ 100, we emphasise the 'Pierre Cardin' brand. This approach aims to achieve better profitability while enhancing brand visibility and positioning with consumers.

Already set up dedicated marketing team for 'Pierre Cardin' and changed packaging

Specific initiatives for 'Pierre Cardin' include dedicating specialised sales and marketing resources to effectively promote the brand.

Premiumisation strategy already in play as growth witnessed in realisation per piece

We are capitalising on the strong reputation of our flagship metal pen brand, 'Flair', which enjoys high acceptance among both consumers and distributors. Our strategy involves expanding into premium categories and introducing creative products such as watercolors, crayons, and art supplies to diversify our offerings. Additionally, we are focussing on growing our higher-margin corporate gifting business by offering customised products, thereby enhancing our market presence and profitability in these segments.

FURTHER STRENGTHEN OUR BRANDS

Aim to strengthen and expand our existing product portfolio by growing across price segments

We are intensifying our efforts to enhance the visibility of our 'Flair Creative', 'Pierre Cardin', and 'Zoox' brands both in India and globally. We recognise that a strong and recognisable brand is crucial for attracting and retaining customers, increasing their confidence, and influencing purchase decisions. Therefore, we are allocating significant resources to marketing initiatives aimed at promoting our flagship brand 'Flair' and principal brand 'Hauser' effectively. This aims to strengthen our brand presence and market position across key markets.

Conduct meaningful promotional activities via advertisements and trade fairs

Our mass media activities include utilising brand ambassadors and celebrity endorsements, television and print advertisements, and engaging in social media outreach. Additionally, our direct outreach efforts involve using billboards, posters, danglers, streamers, catalogues, and pamphlets. We have also participated in international trade fairs to bolster our global market presence.

CONTINUE TO INCREASE PRODUCTION CAPACITY AND ENHANCE CAPACITY UTILISATION

Increase production capacity to drive further volume growth

Our combined production capacity stands at 2,023.68 million pieces annually. To optimise our operations, we're focussing on boosting capacity utilisation and managing operating costs through the introduction of automatic and semi-automatic assembly and packing machines. Simultaneously, we are upgrading our existing machinery and investing in new equipment with advanced technology.

Develop innovative technology and focus on innovative designing and automation

We are upgrading our existing machinery and investing in new equipment equipped with modern technology. Our focus on cost efficiencies, innovative technology, design, and automation aims to enhance our competitiveness in the market.

Intend to set up a new manufacturing facility at District Valsad, Gujarat

A portion of our IPO proceeds will be allocated to fund capital expenditure for establishing a new manufacturing facility in Valsad, Gujarat. This investment will include the procurement of machinery, moulds, equipment, and technology aimed at significantly increasing our overall capacity across existing product lines.

STRENGTHENING PRESENCE IN KEY GEOGRAPHIES ALONG WITH STRATEGICALLY EXPANDING EXPORTS

Expand to high margin markets

Our focus is on expanding into markets that offer higher margins, particularly in regions such as Africa, Central, and South America. Our strategy benefits from adverse currency fluctuations, as our product pricing is typically denominated in USD, providing us with a competitive advantage in these markets.

Aim to further increase sales of the 'Pierre Cardin' and 'Zoox' brands of pens in the Middle East markets

Our initiatives include increasing sales of premium 'Pierre Cardin' and 'Zoox' pen brands in the Middle East and South America through distribution networks

Exploring new export horizons in the Middle East, Japan, and LATAM for other segments

We are actively tapping into global markets such as the US for e-commerce sales of our branded products. Additionally, we are enhancing exports of our 'Hauser' writing instruments through strategic distributor partnerships. Harnessing our long-standing relationships with major international customers in key export destinations like the US, UAE, Yemen, Colombia, and Japan, we aim to sustain and grow our export revenues, achieving an impressive CAGR of 17.57% from 2020-21 to 2023-24.

DEEPEN OUR SALES AND DISTRIBUTION NETWORK

Deepen sales and distribution network by strategic incentivisation and product-specific schemes

We are focussing on nurturing existing relationships to create new distribution channels, particularly in under-served areas and smaller towns, especially in the eastern and western zones of India. We are utilising information technology platforms like our field force application and distribution management system (DMS) to enhance efficiency. Additionally, we incentivise super-stockists and distributors through periodic and festival sales schemes, revenue targets, and product-specific initiatives such as discounts and gift hampers.

Increase sales through each channel, including e-commerce and modern retail (hypermarkets, supermarkets)

Modern retail is capturing an expanding share of the writing instruments market in India. To capitalise on this trend, we are expanding our product offerings to increase sales through modern retail channels. Additionally, we are focussing on boosting sales through e-commerce platforms to further enhance our market presence and reach a broader customer base.

Expand Teams and Balance Product Segments

We are actively recruiting more sales and marketing employees to bolster our sales, marketing, and brand-building activities. Additionally, we are restructuring our teams to ensure equal focus on both the pens and creatives segments. This approach aims to strengthen our market presence and effectively cater to the diverse needs of our customers across different product categories.

TECHNOLOGY

Harnessing Technology Integration for Innovation

We strongly emphasise on integrating innovative technology into our processes at various stages, including design, manufacturing, and distribution. This approach enables us to enhance operational efficiency, ensure optimisation, maintain consistent quality standards, and effectively manage costs. These technology-driven initiatives collectively contribute by improving productivity, inventory management, and gaining valuable market insights, strengthening our competitive position in the industry.

AUTOMATIC AND SEMI-AUTOMATIC ASSEMBLY AND PACKAGING MACHINES

We have introduced automatic and semi-automatic assembly and packing machines for manufacturing and assembly of pens. We aim to enhance control over our manufacturing processes by increasing backward integration through the in-house production of certain components. This approach has improved efficiency and quality in a cost-effective manner.



GLOBALLY IMPORTED MACHINERY IN HIGH-PRECISION MANUFACTURING

We have procured tip manufacturing machines to produce tips in-house at lower costs, catering to 70% of our captive requirements and reducing our dependence on external suppliers. Additionally, we utilise machines and moulds imported from Germany, South Korea, China, Spain, and Switzerland, along with those procured from within India. This diverse array of high-quality equipment enables us to engage in high-precision manufacturing, ensuring superior product quality and consistency.



OUR EMPHASIS ON INNOVATION AND DESIGN HAS ENABLED US TO INTRODUCE THESE PRODUCTS



FIELD FORCE APP

We have invested in a field force application for our sales and marketing employees. This application includes features such as tracking secondary sales, generating management information system (MIS) reports related to these sales, and monitoring the daily coverage of our sales and marketing team. Additionally, it helps in identifying active and non-active distributors and retailers, ensuring more effective market coverage and engagement.



MARKETING

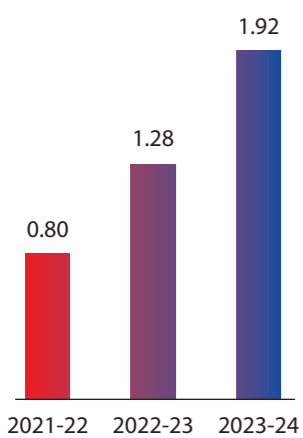
Our Marketing Strategy: Building Brand Awareness and Customer Loyalty

At Flair, we employ a comprehensive marketing strategy that integrates both above the line (ATL) mass media campaigns and below the line (BTL) direct consumer outreach activities. We dedicate a significant portion of our resources to brand building through this integrated approach by consistently working to enhance brand awareness and customer loyalty. ATL initiatives involve high-profile advertising efforts such as celebrity endorsements, television commercials, print ads, and social media promotions. BTL efforts encompass various targeted marketing strategies like billboards, posters, catalogues, and merchandising.

KEY ADVANTAGES



Marketing Expense (% of revenue)



TRADE FAIRS

Flair actively engages in international trade fairs as a strategic approach to enhance its global market footprint. These events serve as platforms for showcasing our new product range. They also help us to broaden our customer reach. The Trade fairs also help us to strengthen our business relationship with all trade partners.

Participated in various International and Domestic Trade Fairs during the year



ESG

Reinforcing Our Commitment to Environment, Social, and Governance (ESG)



ENVIRONMENTAL STEWARDSHIP: OUR COMMITMENT TO SUSTAINABILITY

At Flair, we are deeply committed to environmental sustainability and have embraced it as a core tenet of our operations. We recognise the crucial role businesses play in mitigating the impact of climate change and preserving our planet's finite resources for future generations. Our environmental strategies are guided by a comprehensive set of objectives and initiatives that span across various focus areas.

Energy Efficiency

Optimising energy efficiency is a key priority for us. We continuously explore and implement innovative technologies and processes that enable us to minimise energy consumption across our facilities. Through rigorous energy audits, equipment upgrades, and employee awareness programmes, we strive to maximise efficiency and minimise waste.

Water Resource Management

Water is a precious and finite resource, and we are committed to responsible water stewardship. Our water management strategies encompass initiatives such as rainwater harvesting, wastewater treatment and recycling, and the implementation of water-efficient technologies. By adopting a circular approach to water usage, we aim to reduce our freshwater consumption and ensure the long-term sustainability of our operations.

Sustainable Production

We are dedicated to minimising the environmental impact of our production processes. Our initiatives towards fulfilling these objectives include waste reduction, responsible sourcing of raw materials, and the implementation of eco-friendly manufacturing practices. Through continuous research and innovation, we strive to develop products and processes that are environmentally conscious and aligned with the principles of a circular economy.

FOSTERING INCLUSIVITY AND SOCIAL WELL-BEING

We recognise the importance of catering to the diverse requirements of our stakeholders, including our employees, customers, and the communities in which we operate. We are committed to fostering an inclusive and supportive environment that empowers individuals and contributes to the overall well-being of society.

Our People and Their Well-being

At Flair, we firmly believe that our people are our greatest asset, and their well-being is of paramount importance. We strive to create an environment that fosters personal and professional growth, while also promoting a healthy work-life balance.

Diversity and Inclusion

We celebrate diversity and embrace inclusivity as core values within the Company. We strive to create an environment where individuals from diverse backgrounds, cultures, and perspectives can thrive and contribute to our collective success. Through comprehensive policies, awareness programmes, and initiatives, we promote equal opportunities, respect, and a sense of belonging for all our employees.

Training and Development

Investing in the growth and development of our employees is a top priority. We offer a wide range of training programmes and professional development opportunities tailored to individual career aspirations and organisational needs. By nurturing talent and fostering continuous learning, we empower our workforce to reach their full potential and drive innovation within the Company.

Empowering Communities

We recognise our responsibility to the communities in which we operate and are dedicated to making a positive impact. Our CSR initiatives are designed to address pressing social, economic, and environmental issues, empowering individuals and communities to thrive.

We support education through distribution of laptops, and various stationery to students from tribal and minority communities.



We believe in empowerment through employment - around 66% of our workforce comprises women.



Donated a school bus to a school in Rajasthan.



GOVERNANCE

Governance: Elevating Corporate Integrity

Upholding the highest standards of corporate governance is a cornerstone of the Company. We are committed to maintaining a robust governance framework that promotes transparency, accountability, and ethical decision-making at all levels.

Our governance measures encompass a range of initiatives, including:

- ◆ Strengthening the diversity of our Board of Directors, ensuring effective oversight and strategic guidance.
- ◆ Implementing robust risk management systems and internal controls to identify and mitigate potential risks.
- ◆ Fostering a culture of compliance and adherence to applicable laws, regulations, and industry best practices.
- ◆ Promoting open and transparent communication with our stakeholders, ensuring timely and accurate disclosure of information.

OUR BOARD MEMBERS



Mr. Khubilal Jugraj Rathod
Chairman

- ◆ He has 48+ years of experience in the writing instruments industry
- ◆ He has received the Lifetime Achievement Award and the Udyog Rattan Award from the Institute of Economic Studies, the Lifetime Achievement Award from The Bombay Fountain Pen Manufacturers and Traders Association, the award for the 'Most Admired Leader' from Herald Global, and the Inspirational Leaders of New India award from Powerbrands Glam, Las Vegas, USA.



Mr. Vimalchand Jugraj Rathod
Managing Director

- ◆ He has 40+ years of experience in the writing instruments industry
- ◆ He is a fellow member of the ICAI and holds a B.Com degree from the Bangalore University
- ◆ Received 'Asia's Most Promising Leader 2015-16' award from World Consulting and Research Corporation, "Award of Appreciation" from the Pen and Stationery Association of India and award from the Plast India Foundation
- ◆ Previously served as Chairman, Plastic Export Promotion Council and currently a Chairman of the Pen and Stationery Association of India



Mr. Rajesh Khubilal Rathod
Whole-Time Director

- ◆ He has 33+ years of experience in the writing instruments industry
- ◆ Holds a BCom degree from the University of Mumbai
- ◆ He heads the international sales and marketing division along with global relationship development



Mr. Mohit Khubilal Rathod
Whole-time Director

- ◆ He has 23+ years of experience in the writing instruments industry
- ◆ Holds a Bachelor of Arts degree (majoring in Business Administration) from the Muhlenberg College, Pennsylvania
- ◆ He heads the product development, domestic sales, and marketing division



Mr. Sumit Rathod
Whole-time Director

- ◆ He has 15+ years of experience in the writing instruments industry
- ◆ Holds a Bachelor of Arts degree from the Eckerd College, Florida, a Post Graduate Diploma in Management from the S.P. Jain Institute, Mumbai and
- ◆ He heads the new business development, production, process, and system management divisions



Mr. Deven Bipin Shah
Independent Director

- ◆ He is an associate member of the ICAI and holds a Bachelor of Commerce degree from Sydenham College with more than 25 years of experience in Audit, Taxation & Consultation
- ◆ He is a founder of Chartered Accountancy firm that specialises in Charitable Trusts & NGOs



Mr. Punit Saxena
Independent Director

- ◆ He holds a Bachelor of Science degree, an MBA degree from University of Rajasthan, Master of Valuation (Real Estate) degree.
- ◆ He was previously associated with UTI Infrastructure, Technology and Services Limited (as its chief executive officer), Unit Trust of India, Jaipur Development Authority, Rajasthan State Industrial Development and Investment Corporation Limited.



Mr. Rajneesh Bhandari
Independent Director

- ◆ He holds Bachelor of Technology in Chemical Engineering degree from the IIT, Delhi
- ◆ Has experience in the Healthcare and Telecommunication industry



Mr. Manoj Vinod Lalwani
Independent Director

- He holds a Bachelor of Engineering degree from University of Pune, Pune, Maharashtra and completed his Master of Science in Plastics Engineering from University of Massachusetts, Boston, US
- He has experience in the field of manufacturing filler compounds for plastic polymers.



Ms. Sheetal Bhanot Shetty
Independent Director

- She holds a Bachelor of Arts degree and a Master of Arts degree from the University of Bombay, Mumbai, Maharashtra.
- She possesses over 28 years of experience in HR leadership across diverse sectors including Hospitality, BFSI, FMCG, Manufacturing and Pharma Consulting. Her substantial expertise in the Construction industry has further refined her ability to drive strategic business growth.

OUR MANAGEMENT TEAM



Mr. Jatin Chadha
Chief Operating Officer

- Mr. Jatin Chadha holds a Bachelor of Technology in IT & Engineering from VBS University, Uttar Pradesh, and a Master of International Business from ITM, India, in academic association with EDHEC France and ESSCA Hungary.
- He joined the company in 2005, and has advanced through key roles, including Exports Manager and Chief General Manager - Corporate Strategy, before becoming Chief Operating Officer in December 2018.
- He is responsible for overseeing the company's operations, enhancing productivity, and aligning the group's vision with its core functions while driving expansion & diversification strategies.



Mr. Alpesh Porwal
Chief Financial Officer

- He is a Member of Institute of Chartered Accountants of India (ICAI) and has completed a professional degree as a Certified Public Accountant (CPA) from Delaware USA.
- He has 25+ years of experience in leading global companies across various industries that includes SBICAP Securities Limited, Paisabazaar.com, Angel Broking, Lehman Brothers, PwC, Deloitte, and Centrum Direct Ltd.
- He is also an expert in creating, developing and executing data-driven projects and processes to comprehensively improve operating model designs and efficiency to increase revenue generation.



Mr. Vishal Kishor Chanda
Company Secretary & Compliance Officer

- He is an associate member of the ICSI and holds a M.Com degree, a Bachelor of Laws degree both from the University of Mumbai
- He is responsible for the overall secretarial and statutory compliance in the Company

A W A R D S

Our Awards and Accolades



2022-23, 2021-22, 2020-21: Award for Top Exporter from The Plastic Export Promotion Council (PLEXCONCIL) in the category for writing instruments



2020-21: Award for Top Exporter from The Plastic Export Promotion Council (PLEXCONCIL) in the category for writing instruments



2019-20: Award for Top Exporter from The Plastic Export Promotion Council (PLEXCONCIL) in the category for writing instruments



2018-19: Export Award from The Plastic Export Promotion Council (PLEXCONCIL) in the category for writing instruments (excluding parts)



2017-18: Export Excellence Award for the No. 1 Exporter from the BFPMTA 2017-18 Award for Second Best Exporter to the Company from The Plastic Export Promotion Council (PLEXCONCIL) in the category for writing instruments



2015-16: Award for the No. 1 Exporter from the Writing Instruments Manufacturers Organisation-India (WIMO)



2015-16: Export Excellence Award for No. 1 Exporter from the BFPMTA



2014-15: Award for No. 1 Exporter from the Writing Instruments Manufacturers Organisation-India (WIMO)



2014-15: Export Excellence Award for No. 1 Exporter from the BFPMTA



2013-14: Most Valuable Brand 2014 Award from WCRC



2012-13: Asia's most promising brand from WCRC



2010-11, 2009-10, 2008-09: Award for No. 1 Exporter to the Flair Group of Companies from the BFPMTA

CORPORATE INFORMATION

Corporate Information


FLAIR WRITING INDUSTRIES LIMITED

CIN- L51100MH2016PLC284727, Website : www.flairworld.in

Email ID- investors@flairpens.com

 Registered Office- 63 B/C, Government Industrial Estate, Charkop, Kandivali West,
Mumbai- 400067, Maharashtra, India; Phone- +91 (22) 42030405

BOARD OF DIRECTORS
Mr. Khubilal Jugraj Rathod

Chairman & Whole-time Director

Mr. Vimalchand Jugraj Rathod

Managing Director

Mr. Rajesh Khubilal Rathod

Whole-time Director

Mr. Mohit Khubilal Rathod

Whole-time Director

Mr. Sumit Rathod

Whole-time Director

Mr. Punit Saxena

Independent Director

Mr. Rajneesh Bhandari

Independent Director

Mr. Manoj Lalwani

Independent Director

Mrs. Sheetal Banot Shetty

Independent Director

Mr. Bishan Singh Rawat

(Resigned w.e.f. April 01, 2024)

Independent Director

Mr. Deven Bipin Shah

(Appointed w.e.f. May 27, 2024)

Independent Director (Additional)

Chief Financial Officer

Mr. Alpesh Porwal

Company Secretary & Compliance Officer

Mr. Vishal Kishor Chanda

Statutory Auditors

M/s. Jeswani & Rathore,

Chartered Accountants, Mumbai

Internal Auditors

M/s. ASA & Associates,

Chartered Accountants, Mumbai

Secretarial Auditors

M/s KPUB & Co.,

Practicing Company Secretaries, Mumbai

Registered Office of the Company

63 B/C, Government Industrial Estate, Charkop,

Kandivali West, Mumbai 400 067

Maharashtra, India

Registrar and Share Transfer Agent

Link Intime India Private Limited

C-101, 1stFloor, 247 Park L.B.S. Marg Vikhroli (West),

Mumbai 400 083Maharashtra, India

Tel: +91 8108114949

List of Bankers

Citibank NA

Axis Bank Limited

HDFC Bank Limited

Bank of Baroda

Tamilnad Mercantile Bank Limited

IndusInd Bank Limited

NOTICE

Notice is hereby given that the 8th Annual General Meeting (AGM) of the Members of Flair Writing Industries Limited ('the Company') will be held on Thursday, August 22, 2024 at 03.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company.

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon.
- To appoint a director in place of Mr. Mohit Khubilal Rathod (DIN: 00122951), who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a director in place of Mr. Sumit Rathod (DIN: 02987687), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- Appointment of Mr. Deven Bipin Shah (DIN: 00604010) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulations 16(1) (b), 17, 25(2A) and other applicable Regulations, if any,

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Deven Bipin Shah (DIN: 00604010), who was appointed as an Additional Director and Independent Non-Executive Director of the Company with effect from May 27 2024, in terms of Section 161(1) of the Act and Article 185 of the Articles of Association of the Company, and who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member of the Company proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from May 27, 2024, to hold office for a term of five consecutive years i.e. May 26, 2029."

By Order of the Board of Directors
For **Flair Writing Industries Limited**

Vishal Kishor Chanda

 Company Secretary &
Compliance Officer
(ACS 50310)

 Place: Mumbai
Date: July 30, 2024

Registered Office:

 63 B/C, Government Industrial Estate,
Charkop, Kandivali West,
Mumbai – 400 067, Maharashtra, India.

Notice (Contd.)
NOTES:

- a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts concerning the business under Item Nos. 4 of the accompanying Notice, is annexed hereto and forms part of this Notice.
- b) Ministry of Corporate Affairs ("MCA") vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, ('MCA Circulars') and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05 2023 and other applicable circulars issued in this regard, (hereinafter collectively referred to as "the Circulars"), have permitted the holding of the Annual General Meeting ("AGM") through video conferencing ("VC")/ other audio visual means ("OAVM"). Hence, the AGM of the Company is being held through VC/ OAVM.
- c) Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice
- d) The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item No. 4 forms part of this notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Directors retiring by rotation seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as Annexure A to this Notice.

In compliance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards on General Meeting and MCA Circulars, the 8th Annual General Meeting of the Company is being held through VC/ OAVM on Thursday August 22, 2024, at 3.00 p.m. (IST). The proceedings of the AGM are deemed to be conducted at the Registered Office of the Company.

- e) In terms of the MCA Circulars, physical attendance of members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 8th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members, who are Bodies Corporate / Institutional shareholders, may attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF Format) of their respective Board or governing body resolution / authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent the Company's Registrar & Transfer Agent ("RTA"), Link Intime India Private Limited at the email address rnt.helpdesk@linkintime.co.in with a copy marked to the Company at investors@flairpens.com.
- f) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 15, 2024 to Thursday, August 22, 2024 (both days inclusive).
- g) Attendance of the members participating in the AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- h) The information regarding the Director/s who is/are proposed to be appointed/re- appointed, as required to be provided under Listing Regulations, 2015 and Secretarial Standard on General Meetings, is annexed hereto as Annexure A.
- i) In accordance with the aforesaid MCA Circulars and the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/ CFD/ PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/ HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with their respective Depository Participants ("DPs"), Company or Company's RTA. Members may note that the Notice of the AGM and the Annual Report for the year 2024 will also be available on the Company's

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- j) Members having more than one folio in identical names are requested to consolidate the same.
 - k) All documents referred in the accompanying Notice and Statement setting out material facts will be available electronically for inspection for Members on all working days between 9.30 a.m. and 11.30 a.m. up to Thursday, August 22, 2024 being the date of the AGM. Members seeking to inspect such documents can send an email at : investors@flairpens.com.
 - l) Since the AGM is being held through VC/ OAVM facility, the Route Map is not required to be annexed in this Notice.
 - m) Instructions for Remote E-voting before AGM:
In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of the Regulation 44 of the Listing Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Link Intime India Private Limited, on all resolutions set forth in this Notice. As per the SEBI circular dated December 09, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
- Login method for Individual shareholders holding securities in demat mode is given below:**
- Individual Shareholders holding securities in demat mode with NSDL:**
- METHOD 1 - If registered with NSDL IDeAS facility**
- Users who have registered for NSDL IDeAS facility:**
- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
 - b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
 - c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
- OR

User who have not registered for NSDL IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp> "
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:
METHOD 1 - If registered with CDSL Easi/Easiest facility
Users who have registered for CDSL Easi/Easiest facility.

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for

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casting the vote during the remote e-voting period.
OR

Users who have not registered for CDSL Easi/Easiest facility.

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/> or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside

Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

**Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

**Shareholders holding shares in NSDL form, shall provide 'D' above*

- ◆ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - ◆ Click "confirm" (Your password is now generated).
3. Click on 'Login' under 'SHARE HOLDER' tab.
 4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on 'Submit'.

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Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

- b. 'Investor's Name' - Enter full name of the entity.
- c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
- d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods; once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.

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- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- ◆ Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- ◆ Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- ◆ Click on 'Login' under 'Corporate Body/ Custodian/ Mutual Fund' tab and further Click 'forgot password?'
- ◆ Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character

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(@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants' website.

- ◆ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ◆ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ◆ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other e-voting Instructions

- i. Members of the Company holding shares in electronic form as of the cut-off date of Wednesday, August 14, 2024 may cast their vote by remote e-voting. The remote e-voting period commences on Monday, August 19, 2024, at 9:00 a.m. (IST) and ends on Wednesday, August 21, 2024, at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-voting before the AGM and e-voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as of the cut-off date of Wednesday, August 14, 2024. Subject to receipt of the requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. Thursday, August 22, 2024. The Notice of the AGM indicating the instructions for the remote e-voting process can be downloaded from the NSDL's website www.evoting.nsdl.com or the Company's website www.flairworld.com.
- ii. Members will be provided with the facility for voting through an electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who

have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolutions for which the Member has already cast the vote through remote e-voting.

- iii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Wednesday, August 14, 2024.
- iv. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting during the AGM.
- v. Mr. Keshav Purohit, Partner, M/s KPUB & Co, Company Secretaries has been appointed as the Scrutiniser to scrutinise the voting process (electronically or otherwise) in a fair and transparent manner.
- vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website at www.flairworld.in within two days of the 8th AGM of the Company to be held on Thursday, August 22, 2024.
- vii. The contact details for Registrar and Transfer Agent: Link Intime India Private Limited, Tel. No. 022 4918 6270, E-mail: rnt.helpdesk@linkintime.co.in

n) Instructions for Members to attend the AGM through (VC/OAVM):

Members are entitled to attend the AGM through VC/ OAVM provided by RTA, Link Intime India Private Limited, by following the below mentioned process:

- i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.
- ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- iii. Members will be provided with InstaMeet facility wherein they shall register their details and attend the AGM as under:

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Process and manner for attending the General Meeting through InstaMeet:

- Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".
- Select the "Company" and 'Event Date' and register with your following details: -
 - Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
 - PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
 - Mobile No.:** Enter your mobile number.
 - Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

- Shareholders who would like to speak during the meeting must register their request with the Company.
- Shareholders will get confirmation on first come first serve basis depending upon the provision made by the client.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact our RTA on: - Tel: 022-49186175.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

In the opinion of the Board, Mr. Deven Bipin Shah (DIN: 00604010) fulfils the conditions specified in the Act, the Rules made there under and Listing Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the Management. A copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on all the working days. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director.

In the opinion of the Board of Directors, Mr. Deven Bipin Shah is eligible, person of high repute, integrity and have rich and varied experience. The Board considers that his continued association would benefit to the Company and it is desirable to continue to avail his services.

The Board upon recommendation of the Nomination and Remuneration Committee, based on the skills, rich experience, knowledge, continued valuable guidance of above said Director to the management has in the meeting held on May 27, 2024 recommended appointment of Mr. Deven Bipin Shah as Independent Director of the Company for consecutive term of 5 years subject to approval of members, pursuant to Section 149 of the Companies Act, 2013. The Directors recommend the resolution for approval.

The Company has received from Mr. Deven Bipin Shah:

- consent in writing to act as Director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014;
- intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, confirming his eligibility for such appointment and a declaration to the effect that he meets the criteria of independence

as provided in Section 149(6) of the Act and Listing Regulations, 2015.

The profile of Mr. Deven Bipin Shah is as follows:

Mr. Deven Bipin Shah is a practicing chartered accountant by profession. He is the founder partner of M/s. Bipin N. Shah & Co a Chartered Accountant firm with specialisation in Charitable Trust & NGO.

He is also experienced in:

- Handling Direct Tax matters of individuals, firms, companies and trusts (Schools, Hospitals, Churches, Temples, etc.)
- Advising HNIs in their tax planning & estate planning
- Preparing and submissions for assessments & appeal proceedings.

He has also actively worked under indirect tax vertical handling GST return filing, annual returns and GST audit. He is also a member of Independent Directors Databank.

The Directors recommend the resolution as set out in Item No. 4 for approval of members through Special resolution for his reappointment as Independent Director, pursuant to Section 149 and other applicable provisions of the Act and Rules there under and that the said Director shall not be liable to retire by rotation.

None of the Directors and Key Managerial Personnel including their respective relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors
For **Flair Writing Industries Limited**

Vishal Kishor Chanda
Company Secretary &
Compliance Officer
(ACS 50310)

Place: Mumbai
Date: July 30, 2024

Annexure A

Notes on Director/s seeking appointment/re-appointment

As required under Listing Regulations, 2015 and Secretarial Standards on General Meetings, particulars of Director/s who is/are to be appointed/re-appointed are given below:

Sr. No.	Name of Director	Mr. Mohit Khubilal Rathod	Mr. Sumit Rathod	Mr. Deven Bipin Shah
1	Director Identification Number	00122951	02987687	00604010
2	Date of Birth	September 30, 1978	August 15, 1982	April 20, 1974
3	Director since	August 12, 2016	August 12, 2016	May 27, 2024
4	Qualifications	<ul style="list-style-type: none"> ◆ Bachelor of Arts degree (majoring in business administration) from Muhlenberg College, Pennsylvania, USA 	<ul style="list-style-type: none"> ◆ Bachelor of Arts degree from the Eckerd College, Florida, USA ◆ Post Graduate Diploma in Management from the S.P. Jain Institute of Management and Research, Mumbai, Maharashtra 	<ul style="list-style-type: none"> ◆ Chartered Accountant ◆ Bachelor of Commerce
5	Skills and Capabilities of Independent Director	NA	NA	Over 25 years of Experience from Handling Direct Tax matters of individuals, firms, companies and trusts (Schools, Hospitals, Churches, Temples etc.) to Advising HNIs in their tax planning & estate planning including Preparations and submissions for assessments & appeal proceedings.
6	List of other Directorships in India	<ol style="list-style-type: none"> 1. Flair Pens Limited 2. Flair Writing Equipments Private Limited 3. Flair Cyrosil Industries Private Limited 	<ol style="list-style-type: none"> 1. Flair Pens Limited 2. Flair Writing Equipments Private Limited 3. Flair Cyrosil Industries Private Limited 	Nil
7	Chairmanship/ Membership of Audit and Stakeholders' Relationship Committees in other Public companies	Audit Committee - Nil Stakeholders Relationship Committee - Nil	Audit Committee - Nil Stakeholders Relationship Committee - Nil	Audit Committee - Nil Stakeholders Relationship Committee - Nil
8	Relationship with other Directors and Key Managerial Personnel	Son of Mr. Khubilal Jugraj Rathod- Chairman & Whole-time Director Brother of Mr. Rajesh Khubilal Rathod - Whole-Time Director Nephew of Mr. Vimalchand Jugraj Rathod - Managing Director Cousin of Mr. Sumit Rathod - Whole-Time Director	Son of Mr. Vimalchand Jugraj Rathod - Managing Director Cousin of Mr. Rajesh Khubilal Rathod - Whole-Time Director Cousin of Mr. Mohit Khubilal Rathod - Whole-Time Director Nephew of Mr. Khubilal Jugraj Rathod - Chairman & Whole-Time Director	None

Annexure A (Contd.)

Sr. No.	Name of Director	Mr. Mohit Khubilal Rathod	Mr. Sumit Rathod	Mr. Deven Bipin Shah
9	No. of Shares held in the Company	82,76,380 Equity Shares	82,76,380 Equity Shares	Nil
10	No. of Board Meetings attended during last Financial Year	13	13	NA
11	Details of Remuneration paid/ sought to be paid	₹ 72,60,000/- per annum	₹ 72,60,000/- per annum	Sitting fees
12	Terms and conditions of appointment	Executive Director – Whole-Time Director, liable to retire by rotation	Executive Director – Whole-Time Director, liable to retire by rotation	Non-Executive Director – Independent, not liable to retire by rotation.

Board's Report

Dear Members, Your Directors have pleasure in presenting the 8th (Eighth) Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

FINANCIAL PERFORMANCE

The financial performance of your Company for the Financial Year ended March 31, 2024 is summarised below:

(₹ in million)

Particulars	Standalone		Consolidated	
	Financial Year ended		Financial Year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from Operations	9,186.63	9,038.72	9,787.25	9,426.60
Other Income	200.24	135.26	145.29	116.31
Total Income	9,386.87	9,173.97	9,932.54	9542.91
Profit before Finance Cost, Depreciation, Impairment and Amortisation expenses	1,954.59	1,842.44	2,057.70	1,951.43
Less: Finance Cost	76.71	87.89	101.50	99.91
Profit before Depreciation, Impairment and Amortisation expenses	1,877.88	1,754.55	1,956.20	1,851.52
Depreciation, Impairment & Amortisation expenses	293.35	242.01	368.10	273.41
Profit before Taxes	1,584.53	1,512.54	1,588.10	1,578.11
Less: Provision for Current Tax	406.11	394.69	415.50	404.98
Provision for Deferred Tax	(3.27)	1.15	(12.25)	2.01
Tax adjustments for the earlier years	0.04	0.72	0.05	0.72
Profit for the year	1,181.65	1,115.98	1,184.81	1,170.39
Transfer to General Reserve	NIL	NIL	NIL	NIL
EPS (Basic and diluted) (amount in ₹)	12.11	11.95	12.19	12.54

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year 2023-24 ('2023-24') ended March 31, 2024 are prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Indian Accounting Standards ('Ind AS') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'] which shall also be provided to the Members in their forthcoming Annual General Meeting ('AGM').

PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Standalone revenue from operations increased by 1.64% to ₹ 9,186.63 million as against ₹ 9,038.72 million in the previous financial year. The net profit after tax increased by 5.89% to ₹ 1,181.65 million as against ₹ 1,115.98 million in the previous financial year. The consolidated revenue from operations increased by 3.83% to ₹ 9,787.25 million as against ₹ 9,426.60 million in the previous financial year. The consolidated net profit

after tax increased by 1.23% to ₹ 1,184.81 million as against ₹ 1,170.39 million in the previous financial year.

In India, our products reach consumers through a diverse nationwide sales and distribution network, consisting of super-stockists, distributors, direct dealers, wholesalers and retailers. Besides traditional distribution channels, our products are also sold through modern retail outlets, as well as e-commerce platforms. We provide customised corporate gifting products to our corporate customers. Our Company has the largest distributor/dealer network and wholesale/retailer network, in the writing instruments segment in India, comprising approximately 150+ super-stockist, 8,000+ distributors/dealers and approximately 330,000+ wholesalers/retailers, as of March 31, 2024. We also conduct distribution through our Company's Flair Sporty division, which is the super-stockist for the Mumbai region. We had 68 international distributors catering to a specific region or country. Our products were sold by us and our distributors in 95 countries as of March 31, 2024. We also manufacture writing instruments as an OEM for export and domestic markets for certain international companies.

Board's Report (Contd.)

PUBLIC DEPOSITS

Your Company has not accepted any deposits during the year under review falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO GENERAL RESERVE

Your Company has not transferred any amount to General Reserve for the year 2023-24.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors of the Company in their meeting held on June 09, 2023 approved and adopted a Policy on Distribution of Dividend to comply with Regulation 43A of SEBI (LODR) Regulations and the same is uploaded on website of the Company at https://flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Dividend_Distribution_Policy.pdf

DIVIDEND

With just four months of being listed as of 31st March 2024 and after careful consideration, the Directors have elected not to propose a dividend for the financial year ended March 31, 2024.

Material changes affecting the financial position of the Company occurred between the end of the financial year and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

CHANGE IN SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 550,000,000/- (Rupees Five Hundred Fifty million only) divided into 110,000,000 (One Hundred and Ten million) Equity Shares of face value of ₹ 5/- (Rupees Five only) each.

PRIVATE PLACEMENT, INITIAL PUBLIC OFFERING & LISTING OF EQUITY SHARES OF THE COMPANY

During the year under review, your company has issued 2,401,315 equity shares of face value of ₹ 5/- each at price of ₹ 304/- per equity share including premium of ₹ 299/- per

equity share aggregating to ₹ 730 million on a preferential basis through private placement to Volrado Venture Partners Fund III BETA.

Subsequently, your Company made an Initial Public Offering ("IPO" or "Issue") of 19,506,578 equity shares of face value of ₹ 5/- each of the Company for cash at a price of ₹ 304/- per equity share, including a premium of ₹ 299/- per equity share aggregating to ₹ 5,930 million, comprising of a fresh issue of 9,605,263 equity shares aggregating to ₹ 2,920 million and an offer for sale of 9,901,315 equity shares aggregating up to ₹ 3,010 million by the selling shareholders. The issue opened on November 22, 2023 and closed on November 24, 2023. The issue was led by book running Lead Managers viz. Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and Axis Capital Limited.

Details of changes in paid-up equity share capital and Equity shares during the year under review, are as under:

Amount in ₹

Particulars	No. of Equity shares	Paid-up Equity Share Capital
At the beginning of the year, i.e. as on April 01, 2023	9,33,88,800	46,69,44,000
Private placement of equity shares	24,01,315	1,20,06,575
Issue of shares in Initial Public Offering	96,05,263	4,80,26,315
At the end of the year, i.e. as on March 31, 2024	10,53,95,378	52,69,76,890

The Company successfully completed the IPO process and the equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on December 01, 2023.

PROCEEDS FROM INITIAL PUBLIC OFFERING

The details of the proceeds of the Fresh Issue are set forth below:

Particulars	₹ in million
Gross Proceeds of the Fresh Issue	2,920.00
(Less) Net of provisional IPO Expenses	189.63
Net Proceeds	2,730.37

Board's Report (Contd.)

The utilisation of funds raised through IPO have been mentioned hereunder:

(₹ in million)

Mode	Objects	Amount Allocated	Amount Utilised as on March 31, 2024
IPO	Setting up the New Valsad Unit	559.93	13.89
	Funding capital expenditure of our Company and our Subsidiary, FWEPL	867.48	279.64
	Funding working capital requirements of our Company and our Subsidiaries, FWEPL and FCIPL	770.00	440.00
	Repayment/pre-payment, in part or full, of certain borrowings availed by our Company and Subsidiaries, FWEPL and FCIPL	430.00	430.00
	General corporate purposes	102.96	82.44

Your Company has appointed ICRA Limited as Monitoring Agency in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), as amended from time to time, to monitor the utilisation of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time confirming no deviation or variation in the utilisation of proceeds of the IPO from the objects stated in the Prospectus dated November 25, 2023. The Company has submitted the statement(s) and report as required under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ("Listing Regulations") to both the exchanges where the shares of the Company are listed, namely, National Stock Exchange of India Limited and BSE Limited and on timely basis.

Your Directors would like to thank the merchant bankers – Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and Axis Capital Limited and legal counsels involved with the IPO – S&R Associates and Induslaw and Registrar to the Offer – Link Intime India Private Limited and Statutory Auditors of our company – M/s. Jeswani & Rathore, Chartered Accountants and our Strategic Advisors for helping the Company in achieving

successful IPO and listing. Your Directors would also like to thank the regulators SEBI and ROC for enabling the Company to take its equity story to the public market. Your Directors would like to express the appreciation to the Stock Exchanges for extending co-operation in the listing process. Last but not the least, your Directors extend their heartfelt gratitude to the shareholders for investing in the IPO and reposing their continuous trust and faith in the Company & its management.

SUB-DIVISION/SPLIT OF EQUITY SHARES

During the year under review, there has been no change in the face value of Issued, Subscribed and Paid-up Equity Share Capital of the Company. The face value of Issued, Subscribed and Paid-up Equity Share Capital is ₹ 5/- each fully paid-up.

RELATED PARTY TRANSACTIONS

In compliance with Sections 177 and 188 of the Act, along with relevant Rules and Regulation 23 of SEBI (LODR) Regulations, your Company obtained prior approval from the Audit Committee before engaging in related party transactions.

Throughout the fiscal year 2023-24, all related party transactions (RPTs), as defined under the Act and Listing Regulations, were conducted in the ordinary course of business and at arm's length. These transactions did not fall under the purview of Section 188 of the Act of 2013 and its associated rules. No significant transactions with related parties that posed conflicts of interest necessitated Company approval as per Listing Regulations.

Furthermore, there were no such transactions that necessitated reporting in Form No. AOC-2, as per Section 134(3)(h) in conjunction with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Routine transactions with related parties, such as promoters, holdings, subsidiaries, and associates, were reported in compliance with Indian Accounting Standard 24 (IND AS 24), detailed in the Annual Report for the year ending March 31, 2024.

The Company has established a Policy on Related Party Transactions in accordance with the Act and SEBI (LODR) Regulations. This policy ensures comprehensive processes for reporting, approval, and disclosure of transactions between the Company and related parties. The policy document is available for reference on the Company's website at https://flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Policy_on_Materiality_of_Related_Party_Transactions.pdf.

Board's Report (Contd.)

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has two subsidiaries, viz. - **Flair Writing Equipments Private Limited ('FWEPL')** and **Flair Cyrosil Industries Private Limited ('FCIPL')**. The Company does not have any associates and joint venture companies.

To comply with the provisions of Section 129(3) of the Act, a separate statement containing salient features of Financial Statements of Subsidiaries, Associates and Joint Venture of your Company (including their performance and financial position) in prescribed Form AOC-1 forms part of this annual report as Annexure I.

Financial Statements of the aforesaid Subsidiary companies are kept open for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holiday up to the date of AGM i.e. August 22, 2024 between 11:00 a.m. to 5:00 p.m. as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or Corporate Office. The Financial Statements including the Consolidated Financial Statements and all other documents required to be attached with this Report have been uploaded on website of the Company under Investor Relations page at <https://flairworld.in/>.

To comply with the provisions of Regulation 16(c) of SEBI (LODR) Regulations, the Board of Directors of the Company have approved and adopted a Policy for determination of Material Subsidiary. As on March 31, 2024, none of the subsidiaries are identified as a material subsidiary of the Company in terms of the said Policy. Policy for determination of Material Subsidiary is uploaded on website of the Company at https://flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Policy_on_Determining_Material_Subsiary.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Mohit Khubilal Rathod (DIN: 00122951) and Mr. Sumit Rathod (DIN: 02987687) Whole-time Director(s) are liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Board of Directors, on the recommendation of Nomination and Remuneration

Committee ('NRC'), recommended their re-appointment for consideration by the Members at the ensuing AGM.

Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations and are in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity (including the proficiency) and fulfils the conditions specified in the Act read with Rules made thereunder and SEBI (LODR) Regulations and are eligible & independent of the management.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act. Brief resume and other details of the Directors being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (LODR) Regulations, is separately disclosed in the Notice of ensuing AGM.

Further, NRC and Board of Directors of the Company in their meetings held on May 25, 2024 and May 27, 2024 respectively approved and recommended the appointment of Mr. Deven Bipin Shah (DIN: 00604010) as a Non-Executive - Independent Director of the Company, not liable to retire by rotation, with effect from May 27, 2024 for approval of the Members at the ensuing AGM of the Company. The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and Mr. Deven Bipin Shah has also consented to act as Non-Executive - Independent Director of the Company and affirmed that he is not debarred from holding the office of Director by virtue of any order of SEBI or any other such Authority. The NRC and Board of Directors are of the view that his skill, background and experience are aligned to the role and capabilities identified by NRC and that he is eligible for appointment as a Non-Executive Independent Director of the Company.

Board's Report (Contd.)

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Khubilal Jugraj Rathod-Chairman (DIN: 00122867), Mr. Vimalchand Jugraj Rathod (DIN- 00123007)- Managing Director, Mr. Rajesh Khubilal Rathod (DIN – 00122907), Mr. Mohit Khubilal Rathod (DIN-00122951) and Mr. Sumit Rathod (DIN- 02987687) Whole-time Directors of the Company and Mr. Mayur Gala, Chief Financial Officer, Mr. Vishal Chanda, Company Secretary and Compliance officer of the Company, continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD EVALUATION

To comply with the provisions of Section 134(3)(p) of the Act and Rules made thereunder and Regulation 17(10) of SEBI (LODR) Regulations, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned Director being evaluated did not participate), Board as a whole and following Committees of the Board of Directors:

- i. Audit, Risk Management and Ethics Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders' Relationship Committee; and
- iv. Corporate Social Responsibility Committee.

The manner in which the annual performance evaluation has been carried out is explained in the Corporate Governance Report which forms part of this report. Board is responsible to monitor and review the evaluation framework.

Further, to comply with Regulation 25(4) of SEBI (LODR) Regulations, Independent Directors also evaluated the performance of Non-Independent Directors, Chairman and Board as a whole at a separate meeting of Independent Directors.

BOARD AND COMMITTEES OF THE BOARD

The number of meetings of the Board and various Statutory Committees of the Board including composition are set out in the Corporate Governance Report which forms part of this report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI (LODR) Regulations.

REMUNERATION POLICY

To comply with the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's Remuneration Policy for Directors, Key Managerial Personnel (KMP), Senior

Management and other Employees of the Company is uploaded on website of the Company at https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Nomination_Remuneration_Policy.pdf.

The Policy includes, inter alia, the criteria for appointment and remuneration of Directors, KMPs, Senior Management Personnel and other employees of the Company.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The statement of disclosure of remuneration under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is attached to this report as Annexure - II.

Further, as per second proviso to Section 136(1) of the Act read with Rule 5 of the Rules, the Board's Report and Financial Statements are being sent to the Members of the Company including the statement of particulars of employees as required under Rule 5(2) of the Rules. The said statement is also available for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holiday up to the date of AGM i.e. August 22, 2024 between 11:00 a.m. to 5:00 p.m.

AUDITORS AND AUDITOR'S REPORT**A. Statutory Auditors:**

In compliance with the Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Jeswani & Rathore, Chartered Accountants, (FRN: 104202W) were re-appointed as Statutory Auditors of the Company by the shareholders of the Company in its Seventh Annual General Meeting held on June 26, 2023, to hold office for a period of 3 (three) consecutive years from the conclusion of the 7th (Seventh) Annual General Meeting until the conclusion of the 10th (Tenth) Annual General Meeting to be held in year 2026. They have also confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Statutory Auditor's Report for the 2023-24 does not contain any qualification, reservation or adverse remark and forms part of the Annual Report. The Statutory Auditors have not reported any fraud under Section 143(12) of the Act.

B. Cost Audit

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable on the Company for the year 2023-24.

Board's Report (Contd.)

C. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors on recommendation of the Audit Committee, have appointed M/s. KPUB & Co, Company Secretaries (Firm Registration No.: P2015MH069000) to conduct Secretarial Audit of your Company.

The Secretarial Audit Report for the 2023-24 does not contain any reservation, qualification or adverse remark and is attached to this report as Annexure - III.

D. Internal Auditors:

The Board of Directors of the Company has appointed M/s. ASA & Associates LLP, Chartered Accountants (Registered No. AAB- 7688) as the Internal Auditor of the Company for the 2023-24. The reports submitted by the Internal Auditor have been reviewed by the Audit Committee at regular intervals.

E. Internal Financial Controls

Your Company has in place adequate Internal Financial Controls. The report on Internal Financial Controls issued by M/s. Jeswani & Rathore, Chartered Accountants, Statutory Auditors of the Company is annexed to the Audit Report on the Financial Statements of the Company and does not contain any reportable weakness in the Company.

F. Quality Certification

The Company continued to have ISO 9001:2008 certification for 'Quality Management System Standard' and ISO 14001:2004 certification for 'Environment Management System Standard'.

G. Risk Management

Risk Management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks.

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits. There is no major risk which may threaten the existence of the Company. Our approach to risk management is designed to provide reasonable assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Company's Senior Management, the Audit Committee, the Risk Management Committee

and the Board. Your Company has framed and implemented a robust Risk Management Policy for the assessment, evaluation and minimisation of risk, which may be accessed at https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Risk_Management_Policies_and_Procedure.pdf.

H. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

To comply with the provisions of Section 134 of the Act and Rules made thereunder, your Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company. The same is detailed in the Corporate Governance Report which forms part of this report as Annexure VIII.

J. Corporate Social Responsibility (CSR)

Your Company has a Corporate Social Responsibility Policy which is uploaded on website of the Company at https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Corporate_Social_Responsibility.pdf. Annual Report on CSR activities for the year 2023-24 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached to this report as Annexure - IV.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Directors state that:

- a) in the preparation of the annual accounts for the year 2023-24 the applicable accounting standards have been followed along with proper explanation relating to material departures;

Board's Report (Contd.)

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2024 and of the profits of the Company for the period ended on that date;
- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls were adequate and operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

OTHER INFORMATION

I. Management Discussion & Analysis Report

Management Discussion & Analysis Report for the Financial Year 2023, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, forms part of the Annual Report as Annexure - V.

II. Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report for the 2023-24 describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations forms part of the Annual Report as Annexure VI.

III. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this report as Annexure VII.

IV. Corporate Governance Report

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report

on Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached to this report as Annexure VIII.

The certificate from M/s. KPUB & Co, Practicing Company Secretaries confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

AWARDS/RECOGNITIONS

Your Company has received the following awards:

Award for Top Exporter for FY 2022-23 and 2021-22 to the Company from the Plastic Export Promotion Council in the category for writing instruments.

Listing

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. Both these stock exchanges have nation-wide trading terminals. Annual listing fee for the 2023-24 has been paid to the National Stock Exchange of India Limited and BSE Limited.

Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company is uploaded on website of the Company at <https://www.flairworld.in/investor-relation.aspx>

Research and Development

During the year under review, no Research & Development was carried out.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

General

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:

- 1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- 2. The Whole-time Directors of the Company does not receive any remuneration or commission from any of its subsidiaries.

Board's Report (Contd.)

- 3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 4. Issue of Sweat Equity Shares.
- 5. No application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016 as at the end of the year 2023-24.

ACKNOWLEDGEMENT

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on

record their appreciation for the valuable co-operation and support received from various Government Authorities, Banks/Financial Institutions and other stakeholders such as members, customers and suppliers, among others. Your Directors also commend the continuing commitment and dedication of employees at all levels which has been vital for the Company's success. Your Directors look forward to their continued support in future.

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

Khubilal Jugraj Rathod
Chairman

Date: July 30, 2024

Place: Mumbai

Annexure I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with ₹ in millions)

Sr. No.	Particulars	Details	Details
1.	Name of the subsidiary	Flair Writing Equipments Private Limited	Flair Cyrosil Industries Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	0.10	40.00
5.	Reserves & surplus	144.52	(59.92)
6.	Total assets	1,163.10	620.59
7.	Total Liabilities	1018.48	640.51
8.	Investments	-	-
9.	Turnover	813.40	54.94
10.	Profit before taxation	59.03	(57.58)
11.	Provision for taxation	10.27	(9.86)
12.	Profit after taxation	48.76	(47.72)
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	90%

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	NA	NA	NA
1. Latest audited Balance Sheet Date	NIL	NIL	NIL
2. Shares of Associate/Joint Ventures held by the company on the year end	NIL	NIL	NIL
No.	NIL	NIL	NIL
Amount of Investment in Associates/Joint Venture	NIL	NIL	NIL
Extend of Holding%	NIL	NIL	NIL
3. Description of how there is significant influence	NIL	NIL	NIL
4. Reason why the associate/joint venture is not consolidated	NIL	NIL	NIL

Annexure I (Contd.)

5. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL	NIL	NIL
6. Profit/Loss for the year	NIL	NIL	NIL
i. Considered in Consolidation	NIL	NIL	NIL
ii. Not Considered in Consolidation	NIL	NIL	NIL

Notes:

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

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

For Flair Writing Industries Limited

Khubilal Jugraj Rathod

Chairman & Whole-Time Director
DIN: 00122867

Place: Mumbai
Date: July 30, 2024

Registered Office:
63 B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai 400067

Annexure II

PARTICULARS OF REMUNERATION OF DIRECTORS/KMP/EMPLOYEES DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- A. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

(₹ in million)

Sr. No	Name of the Director / KMP and Designation	Remuneration of Director/KMP for Financial Year 2023-24	% increase in Remuneration in the 2023-24
1.	Mr. Khubilal Jugraj Rathod (Chairman & Whole-time Director)*	6.60	-
2.	Mr. Vimalchand Jugraj Rathod (Managing Director)	6.60	57.00%
3.	Mr. Rajesh Khubilal Rathod (Whole-time Director)	6.60	10.00%
4.	Mr. Mohit Khubilal Rathod (Whole-time Director)	6.60	10.00%
5.	Mr. Sumit Rathod (Whole-time Director)	6.60	10.00%
6.	Mr. Mayur Gala (Chief Financial Officer)	4.90	24.68%
7.	Mr. Vishal Chanda (Company Secretary & Compliance Officer)	1.18	10.00%

Note: Since Independent Directors received no remuneration, except sitting fee for attending Board/ Committee meetings, the required details are not applicable.

*During the Financial Year 2023-24 Mr. Khubilal Jugraj Rathod was re-designated as a Whole-Time Director of the Company pursuant to a resolution of the shareholders dated June 26, 2023. Hence, the percentage increase in remuneration is not comparable.

- B. Percentage increase in the median remuneration of employees in the Financial Year: The average percentage increase in the median remuneration of employees in the Financial Year is 13%.
- C. Number of permanent employees on the rolls of the Company: There were 5,704 permanent employees on the rolls of Company as on 31st March, 2024.
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2023-24 was 26.03% whereas the increase in the managerial remuneration for the same financial year was 20.47%. There are no exceptional circumstances for increase in managerial remuneration. It is based on the Remuneration Policy of the Company and also not exceeding the limits specified under Section 197 read with schedule v of the Companies Act, 2013.

- E. Statement pursuant to Rule 5(2) and Rule 5(3) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of the Directors' Report for the year ended 31st March, 2024.

Details of top ten employees in terms of remuneration drawn is as under:

Sr. No	Name of Employee	Age	Designation	Date of Commencement of Employment	Remuneration (in million) per annum	Qualification
1	Jatin Chadha	42	Chief Operating Officer	October 01, 2017	15.90	Bachelor of Technology & Master of International Business
2	Vinayak Vetekar	51	Senior Vice President Sales	September 21, 2021	7.50	Masters in Marketing Management
3	Sanjay Nimkar	53	Senior Vice President Operations	August 14, 2023	7.50	Diploma - Mech. Engg. PD -PMD

Annexure II (Contd.)

Sr. No	Name of Employee	Age	Designation	Date of Commencement of Employment	Remuneration (in million) per annum	Qualification
4	Sandeep Jain	48	Business Development Head-Sales & Marketing	October 15, 2015	7.20	Master in Business Administration (MBA)
5	Sushil Mantri	57	Vice President Production	April 19, 2021	5.89	Diploma - Paint Technology
6	Alok Gupta	52	General Manager	April 07, 2022	5.10	Bachelor of Engineering - Chemical
7	Shyam Kumar	49	General Manager-Sales & Marketing	October 01, 2017	4.62	Bachelors in Commerce
8	Ajay Ratanlal Takhtani	39	Assistant General Manager - Sourcing and NPD	May 01, 2023	4.20	Bachelors in Commerce
9	Vijaya Mallya	52	Head Human Resources	January 14, 2017	4.20	LLM, MBA, Master in Business Law
10	Rahul Thapliyal	48	National Business Head	January 14, 2021	4.10	BA, (MBA) PGDBM

Notes:

1. None of the employee is related to any Director, nor holds two percent or more of the equity share of the Company as per clause (iii) of sub-rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is affirmed that the remuneration is as per the remuneration policy of the Company.

For Flair Writing Industries Limited

Sd/-

Khubilal Jugraj Rathod

Whole-Time Director & Chairman

DIN: 00122867

Date: July 30, 2024

Place: Mumbai

Registered Office-

63 B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai- 400067

Sd/-

Vimalchand Jugraj Rathod

Managing Director

DIN: 00123007

Annexure III

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
**The Members,
FLAIR WRITING INDUSTRIES LIMITED**

CIN: L51100MH2016PLC284727
63 B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai 400 067

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Flair Writing Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 And the Regulations and Bye-laws framed thereunder;
- iv. Securities and Exchange Board of India (Depositories and Participant) Regulations 2018;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment in India; The provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the financial year; and

- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 along with 2018 amendments;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008#;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time.
- ii) The Equity Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

#The Regulations or Guidelines, as the case may be, are not applicable for the period under review.

ANNEXURE III (Contd.)

Note: The Company was Listed on BSE Limited and NSE Limited on December 01, 2023, pursuant to which SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as "LODR") became applicable on the Company. During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Circulars, Notifications, Directions, Guidelines, Standards, etc. mentioned above.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable subject to the following observations during examination of the relevant documents and records in pursuance thereof.

We further report that -

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, Women Independent Director and Independent Directors. The changes in the composition of the Board of Directors of the Company during the year under review were in accordance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the Company has inter alia undertaken the following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

1. The Board of Directors at their meeting held on June 23, 2023, inter alia, approved the Initial Public Offer of fresh issue aggregating to ₹ 3,650 million ("Fresh Issue") and

an offer for sale of Equity Shares by certain existing and eligible shareholders and the same has been approved by the Shareholders in its meeting held on June 26, 2023.

2. The Company has adopted revised Articles of Association (AOA) and Shareholders has approved the same in their meeting held on June 26, 2023.
3. The Company has re-appointed Statutory Auditor M/s Jeswani & Rathore, Chartered Accountants for further term of 3 years up to the conclusion of the 10th AGM of the Company.
4. The Board of Directors in their meeting held on November 08, 2023 has approved issue of 2,401,315 equity shares of the Company of face value of ₹ 5/- at price of ₹ 304/- (including premium of ₹ 299/-) per equity share, on a preferential basis through private placement pursuant to (i) Section 23, 42 and 62(1)(c) read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 to Volrado Venture Partners Fund III BETA and the shareholders has approved the same in their meeting held on November 08, 2023.

Details/Events of IPO:

- a) On July 10, 2023, the Board approved reduction in the size of the fresh issue from such number of equity shares aggregating up to ₹ 2920 million offer and an offer for sale of selling Equity Shares of such number of equity shares aggregating up to ₹ 3010 million pursuant to the letter of Selling Shareholders;
- b) The board of Directors has approved on June 30, 2023, restated Financial Statements as of and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021 for the purpose of initial Public offer in accordance with the SEBI ICDR regulation 2018;
- c) On July 10, 2023, the Board approved Draft Red Herring Prospectus and the same was filed with the Securities and Exchange Board of India ("SEBI") on July 15, 2023;
- d) The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 22, 2023;
- e) On November 16, 2023, the Board approved Red Herring Prospectus ("RHP") and the same was then filed with SEBI and ROC on November 16, 2023, read with the addendum to the RHP dated November 20, 2023.

ANNEXURE III (Contd.)

- f) On November 25, 2023, the Board approved and adopted Prospectus and it was filed with the ROC on November 26, 2023, and the same was approved on November 26, 2023.
- g) The Company came out with an Initial Public Offering of equity shares of face value of ₹ 5/- comprising a fresh issue of 9,605,263 Equity shares by the Company aggregating to ₹ 2,920 million ("Fresh issue") and an offer for sale of 9,901,315 Equity shares aggregating to ₹ 3,010 million by the Selling Shareholders for cash at a price of ₹ 304/- per equity share including a premium of ₹ 299/- per equity share. The issue was opened for subscription on November 22, 2023, and closed on November 24, 2023, and the same was fully subscribed.

The Stock Exchanges i.e. BSE and NSE, granted their Listing and Trading Approvals on November 30, 2023.

For **KPUB & CO.,**
Company Secretaries
Firm Registration No: P2015MH069000

Keshav Purohit
Partner
ACS No: 39702; C P No.: 20471
Mumbai | July 25, 2024
ICSI UDIN: A039702F000827051

This report is to be read with our letter of even date which is annexed as Annexure '1' and forms an integral part of this report.

'Annexure-1'

To

The Members,

FLAIR WRITING INDUSTRIES LIMITED

CIN: L51100MH2016PLC284727

63 B/C, Government Industrial Estate,

Charkop, Kandivali West, Mumbai 400 067

Our Secretarial Audit Report for the Financial Year ended on March 31, 2024, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KPUB & CO.,**
Company Secretaries
Firm Registration No: P2015MH069000

Keshav Purohit
Partner
ACS No: 39702; C P No.: 20471
Mumbai | July 25, 2024
ICSI UDIN: A039702F000827051

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FINANCIAL YEAR 2023-24

1) Brief outline on CSR Policy of the Company:

The CSR policy focuses on addressing critical, social, environmental, and economic needs of the under privileged section of the Society of India. Company will also undertake other need-based initiatives in compliance with Schedule VII of the Act.

2) Composition of CSR Committee:

Sr. No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Khubilal Jugraj Rathod	Chairman- Whole-time Director	1	1
2.	Mr. Vimalchand Jugraj Rathod	Managing Director- Member	1	1
3.	Mr. Rajneesh Bhandari	Independent Director- Member	1	1
4.	Mr. Rajesh Khubilal Rathod	Whole-time Director- Member	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. Web-link are as under:

- Composition of CSR Committee:
<https://www.flairworld.in/investor-relation.aspx>
- CSR Policy:
https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Corporate_Social_Responsibility.pdf

4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No	Financial Year	Amount available for set-off from Preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		NIL	

6) Average net profit of the Company as per section 135(5): ₹ 749.28 Million

7) (a) Two percent of average net profit of the Company as per section 135(5): ₹ 14.99 Million

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: ₹ 0.94 Million

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 14.05 Million

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

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Total Amount transferred to Unspent CSR Account as per Section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
1,40,47,583			NIL		

Annexure IV (Contd.)

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 14.05 Million

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 14.05 Million

(g) Excess amount for set off, if any

Sr. No	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,49,85,583
(ii)	Total amount spent for the Financial Year	1,40,47,583
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(9,38,000)
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	9,38,000
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
				NIL			

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

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – Not Applicable

i. Date of creation or acquisition of the capital asset(s).

ii. Amount of CSR spent for creation or acquisition of capital asset.

iii. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

iv. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). - Not Applicable.

For Flair Writing Industries Limited

Khubilal Jugraj Rathod

(Whole-Time Director & Chairman CSR Committee)

DIN:00122867

Date: July 30, 2024

Place: Mumbai

Registered Office-

63 B/C, Government Industrial Estate,

Charkop, Kandivali West, Mumbai- 400067

Vimalchand Jugraj Rathod

(Managing Director)

DIN:00123007

Annexure V Management Discussion and Analysis

GLOBAL ECONOMY

The global economy grew at 3.2% in CY 2023, and is projected to sustain this pace for CY 2024 and CY 2025. This forecast was lower than the historical annual average of 3.8% from 2019 primarily due to restrictive monetary policies, the withdrawal of fiscal support, and low underlying productivity growth. As for advanced economies, they are expected to see a slight increase in growth, mainly driven by a recovery in the Euro Area. Emerging markets and developing economies are forecasted to experience stable growth, with certain regional variations.

In advanced economies, growth is anticipated to rise from 1.6% in CY 2023 to 1.7% in CY 2024 and 1.8% in CY 2025. On the other hand, emerging markets and developing economies are likely to register a stable growth rate of 4.2% in CY 2024 and CY 2025. This stability might be affected due to a moderation in emerging and developing Asia, and an offset by increasing growth in the Middle East, Central Asia, as well as sub-Saharan Africa. Low-income developing countries are likely to witness a gradual increase in growth, from 4.0% in CY 2023, to 4.7% and 5.2% in CY 2024 and CY 2025, respectively. This projected trend can be attributed to easing constraints on near-term growth.

Global Economic Growth (In %)

(In %)	Year-on-Year (YoY)		
	Estimates	Projections	
	CY 2023	CY 2024 (E)	CY 2025 (E)
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
USA	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
France	0.9	0.7	1.4
Italy	2.5	1.9	2.1
Spain	1.9	0.9	1.0
Japan	0.1	0.5	1.5
United Kingdom	1.1	1.2	2.3
Canada	1.1	1.2	2.3

(Source: International Monetary Fund (IMF), World Economic Outlook (WEO) Projections, April 2024) E* - Estimate

Global headline inflation is expected to fall from an annual average of 6.8% in CY 2023 to 5.9% in CY 2024 and 4.5% in CY 2025. However, many countries are witnessing elevated price pressures, and further escalation of geopolitical conflicts that could pose risks of a renewed increase in inflation. There is persistent uncertainty regarding the extent of slowdown in USA, including concerns that the situation in Europe and China could intensify. At the same

time, downside growth risks have eased to some extent and the forecasts project improved growth conditions by the end of the year.

In an effort towards reducing inflation, major central banks raised policy interest rates to restrictive levels in CY 2023. This step resulted in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. However, the ease in inflation has led to market expectations of a decline in future policy rates, in turn reducing longer-term interest rates and fuelling a surge in equity markets.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024#:~:text=Global%20recovery%20is%20steady%20but,same%20pace%20as%20in%202023.>)

OUTLOOK

The global economic scenario presents a cautiously optimistic outlook for the coming years. The growth forecasts for CY 2024 and CY 2025 hover around 3.2%, reflecting a stable trajectory amid challenges such as restrictive monetary policies and the withdrawal of fiscal support measures. The relaxation of certain near-term growth constraints for low-income developing countries promises gradual improvement in their economic prospects. However, the potential escalation of geopolitical conflicts could disrupt this trajectory, highlighting the need for resilience and adaptability amid the uncertain situation. As economies navigate these waters, there is a necessity to maintain a balanced approach, foster investment and innovation, and encourage strategic collaborations. These steps will prove to be crucial for sustaining momentum and unlocking long-term sustainable growth opportunities.

INDIAN ECONOMY

The real GDP growth for 2023-24 stands at 8.2%, marking the third consecutive year of growth at 7% or higher. This robust economic performance can be attributed to several factors, including a rebound in private consumption, increased investment activity, and a recovery in exports. Furthermore, the revisions in GDP growth reflect enhanced capital expenditure by the Government and strengthened manufacturing activity. Urban consumption demand has demonstrated considerable resilience, as reflected in high GST collections, rising auto sales, consumer optimism, and strong credit growth. Additionally, expanding manufacturing and services PMIs signal sustained solid economic momentum on the supply side.

(Source: <https://www.indiatoday.in/business/story/rbi-mpc-gdp-growth-projected-at-7-percent-for-2024-25-2523565-2024-04-05>)

Management Discussion and Analysis (Contd.)

Indian Economy GDP Growth Rate (In %)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
GDP Growth Rate (%)	4.2	(6.6)	8.7	7.2	8.2

(Source: Ministry of Statistics & Programme Implementation, 29 February 2024)

India's investment cycle is gaining momentum, propelled by a sustained emphasis on the Government's capital expenditure. Such efforts have brought forth higher capacity utilisation, resource mobilisation for the commercial sector, and enhanced policy support through the Production Linked Incentive (PLI) and other schemes. As of September 2023, investments worth nearly ₹ 95,000 crore have materialised under the PLI schemes. This bolstered investment has resulted in the production of goods valued at ₹ 7.80 lakh crore and the creation of over 6.4 lakh direct and indirect jobs. Furthermore, the PLI schemes have stimulated exports, which have amounted to over ₹ 3.20 lakh crore. Notably the sectors contributing significantly to the exports include large-scale electronics manufacturing, pharmaceuticals, food processing, and telecom and networking products.

There are emerging signals of revival in private corporate investment, with both services and infrastructure firms exhibiting optimism about the overall business conditions. External demand is on an upswing, leading to a narrowing merchandise trade deficit. The RBI has projected the country's inflation rate, based on the Consumer Price Index (CPI), at 4.5% for 2024-25 in the backdrop of an above-average monsoon expected this year and the easing of supply chain pressures.

Complementing these trends, the Government has allocated substantial resources for infrastructure development in the Interim Union Budget for 2024-25, proposing an infrastructure capital outlay of ₹ 11.11 lakh crore. This strategic move aims to catalyse private investments across crucial sectors such as railways, roads, and renewable energy, thereby reinforcing the growth momentum.

(Source: <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/SPF8705042425182A580CFE4F51A4247AA97D5EF40B.PDF>

<https://economictimes.indiatimes.com/news/economy/policy/interim-budget-2024-25-rs-11-11-lakh-crore-allocated-for-infrastructure-creation/articleshow/107316381.cms?from=mdr>)

OUTLOOK

Looking ahead, the Indian economy is poised for continued & robust growth. This trend is likely to be underpinned

by resilient domestic demand, a resurgence in private consumption and investment activity, and a supportive policy environment. As per India Ratings, private consumption expenditure is expected to grow by 6.1% in 2024-25, compared to 4.4% in 2023-24 due to normal monsoon and moderating inflation is expected during the year. The upward trajectory is likely to be propelled by the Government's thrust on infrastructure development, capacity expansions in the manufacturing sector, and a recovery in exports. While global economic uncertainties pose potential challenges, the Indian economy's inherent strengths, adaptability, and focus on innovation position it well to navigate obstacles and capitalise on emerging opportunities, ultimately paving the way for sustained economic expansion and enhanced competitiveness.

GLOBAL WRITING INDUSTRY

The market for writing instruments was USD 16.6 billion in 2023, and is estimated to register a CAGR of over 5.8% between 2023 and 2032. The demand for writing instruments is closely linked to the education sector. Additionally, the corporate and business sector is another significant demand driver for the market. There is a consistent need for pens and other writing tools for daily tasks and communications in workplaces. Added to this, stylish and aesthetically pleasing writing instruments tend to drive the interest of consumers. Individuals who value both functionality and fashion often opt for luxury pens and designer writing instruments. The rise of e-commerce has made writing instruments more accessible to a global audience. Online retail platforms offer a wide range of options, allowing consumers to explore and purchase writing instruments conveniently.

(Source: <https://www.gminsights.com/industry-analysis/writing-instruments-market>)

MARKET TRENDS

- Brands offering options for engraving, unique designs, and personalised features
- Increased popularity of customised and personalised writing instruments
- A growing demand for eco-friendly writing instruments
- Increased consumer consciousness about the environmental impact of disposable pens
- The development of pens made from recycled materials
- The rise of biodegradable pen alternatives

(Source: <https://www.gminsights.com/industry-analysis/writing-instruments-market>)

Management Discussion and Analysis (Contd.)

THE INDIAN WRITING AND CREATIVE MARKET

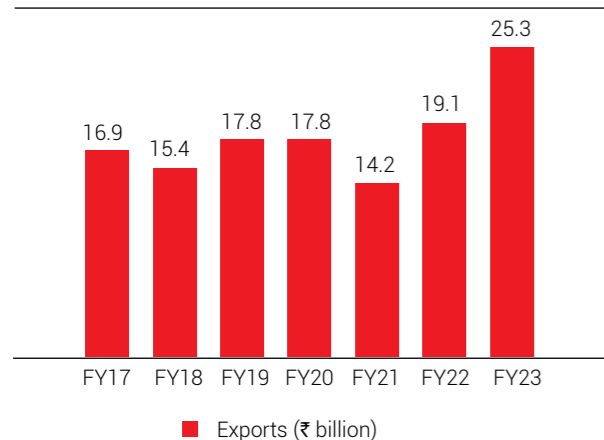
The Indian Writing and Creative Instruments industry in CY 2023 was valued at ₹ 96.8 billion, and is expected to reach at ₹ 140 to ₹ 145 billion by CY 2028. The industry is estimated to record a CAGR of 7.7% to 8.4%. Notably, pens constituted 65% to 75% of the exports (value terms) from 2017-18 to 2022-23.

The writing instrument industry is likely to receive an impetus due to several significant trends. Firstly, the country has witnessed rising focus on education, which is also reflected in its rising literacy rates.

The skill development programmes for Medium, Small and Micro Enterprises (MSMEs), coupled with growth in the sector, may also contribute to this increased demand.

(Source: <https://www.gminsights.com/industry-analysis/writing-instruments-market>)

Export of Writing & Creative Instruments from India



(Source: Ministry of Commerce, CRISIL MI&A)

GOVERNMENT INITIATIVES

Rising literacy levels

The Government has taken various measures to improve literacy over the years, such as the Right to Education Act, 2009 (RTE), Sarva Siksha Abhiyan (SSA), and the Mid-Day Meal Scheme. In addition, over the past few decades, the Gross Enrolment Ratio (GER) has been improving across the K-12 segment due to the Government's efforts to spread elementary education.

Increased Government Spending on Education

In addition to various initiatives, the Government has increased the budgetary allocation of 6.8 % for 2024-25, which signifies the Government's commitment towards advancing the education sector. The Government has outlined a comprehensive and forward-looking plan that

emphasises the importance of education, employment, and skill development by allocating an impressive ₹ 1.48 lakh crore for these crucial areas.

NEP to Aid Demand Growth

The 'New Education Policy 2024' signifies a transformative step in the educational trajectory of the nation. This policy was introduced to bring various changes in the Indian education system, and proposes reforms in school education and higher education, including technical education. From the pre-school to the secondary level, the NEP aims to achieve a 100% GER by 2030 and in vocational education it targets a 50% GER by 2035.

Increasing Share of Private Schools

According to the National Sample Survey Organisation's (NSSO) 75th round of survey, the average spending for a student in private schools (private unaided) till class X is 7-8 times higher than that in public schools and 1-2 times higher than that in private aided schools.

(Source: Ministry of Commerce, CRISIL MI&A)

GLOBAL STEEL BOTTLE INDUSTRY

The global market for stainless steel water bottles is likely to witness substantial growth. This growth is primarily owing to the increasing awareness of the adverse environmental impact of single-use plastic bottles. The global market for stainless steel water bottles was valued at USD 5.2 billion in CY 2023. Further, it is expected to harness a market value of USD 9.3 billion by CY 2033, reflecting a CAGR of 6%.

Consumers are increasingly turning to stainless steel water bottles due to concerns regarding the presence of chemicals like BPA in plastics, which are linked to health risks including cancer and cognitive disorders. The growing awareness of health and environmental issues among consumers is a key factor propelling the demand for stainless steel water bottles. Additionally, the trend towards healthier lifestyles, including the consumption of warm water and drinks, is expected to fuel market growth.

Technological advancements, such as mobile-operated temperature control systems for water bottles, are contributing to market expansion. Such functionalities ultimately enhance the utility of the products, and drive consumer interest. Smart insulated bottles also present significant growth opportunities in the stainless-steel water bottle market.

(Source: <https://www.futuremarketinsights.com/reports/stainless-steel-water-bottles-market>)

Management Discussion and Analysis (Contd.)

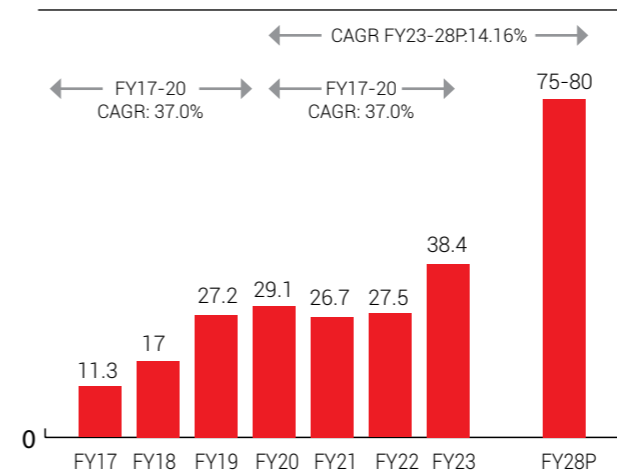
INDIAN STEEL BOTTLE INDUSTRY

The Indian Steel Bottle Industry is estimated to be valued at ₹ 38.4 billion in 2023 and is expected to grow to ₹ 75 to ₹ 80 billion by 2027-28, expanding at a CAGR of 14% to 16%.

There has been a continuous increase in the demand for steel bottles in India on account of a rise in the target population, specifically students and professionals, and gym and travel enthusiasts. India has surpassed China to become the world's most populous country. The continued population increase, coupled with a growing interest in sustainable products and healthier lifestyles would aid further penetration of steel bottles in India.

(Source: CRISIL MI&A)

Indian Steel Bottle Industry (in ₹ billion)



GLOBAL HOUSEWARE MARKET

The global houseware market is estimated to reach USD 343 billion in 2024, increasing from USD 332 billion in 2023. This market is expected to demonstrate robust growth from 2024 to 2034, with a CAGR of 4.1%. By 2034, the market size is anticipated to increase significantly, reaching USD 856 billion.

Enhanced disposable income and evolving lifestyles are driving a desire among people to equip their kitchens with premium houseware and essential home appliances. The growing prevalence of smart homes is further boosting the houseware market, with consumers increasingly preferring appliances that integrate seamlessly into their living spaces. Despite disruptions in supply chains and distribution caused by the pandemic, the resulting shift towards home-centric lifestyles prompted greater focus on home appliances. Consumers are becoming more inclined to invest in upgrades and enhancements for their houseware.

(Source: <https://www.futuremarketinsights.com/reports/houseware-market#:~:text=The%20global%20houseware%20market%20is,expand%20by%20US%24%20513%20billion.>)

Market Trends

- Manufacturers are recognising the sustainable inclinations of consumers and are focussing on bringing out sustainable houseware
- An increasing number of nuclear families has led to the growing trend towards houseware that is compact and convenient to use, saving space and time.
- Consumers are more willing to spend on houseware, influencing the growing demand for personalised or customised appliances tailored to suit the individual needs of households

(Source: <https://www.futuremarketinsights.com/reports/houseware-market#:~:text=The%20global%20houseware%20market%20is,expand%20by%20US%24%20513%20billion.>)

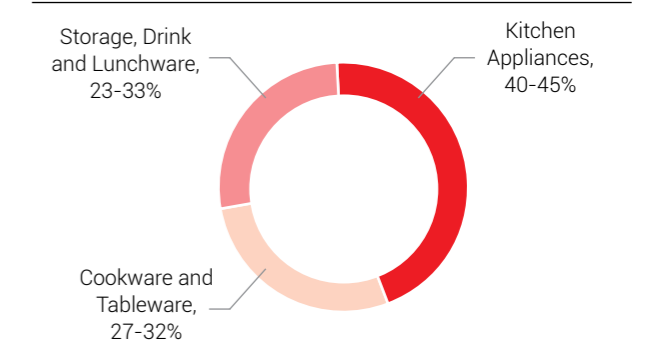
THE INDIAN HOUSEWARE INDUSTRY

The houseware market in India is poised for sustained growth and is expected to cross ₹ 507 billion by 2027 due to rising urbanisation, a growing middle class population and changing consumer preferences.

Additionally, e-commerce platforms have broadened the market reach, making houseware products more accessible to consumers across diverse regions of India. The Indian houseware market presents significant opportunities for both domestic and international players, with ample room for growth and innovation across various product categories within the homeware industry.

(Source: Industry, CRISIL MI&A)

Indian Houseware Industry (2023)



(Source: Industry, CRISIL MI&A)

BUSINESS OVERVIEW

Flair Writing Industries Limited (also referred to as 'Flair', 'Our Company', or 'We') specialises in designing and producing a diverse variety of writing instruments. We are ranked prominently among the top three leading companies in the writing instruments industry and are the largest manufacturer of pens in India.

Management Discussion and Analysis (Contd.)

Our Company has a comprehensive product portfolio that includes a diverse range of writing tools and an array of stationery items. Beyond writing instruments, we manufacture and distribute calculators under the Flair brand. Furthermore, we have diversified into houseware products, as one of our subsidiaries has recently started manufacturing steel bottles. Showcasing a total of 770 different products, Flair is dedicated to meeting the varied needs of our customers, providing quality and innovation in every aspect of writing and stationery.

Our Company operates from its 11 manufacturing plants (including subsidiaries) located strategically across India. These include 3 plants in Valsad, Gujarat, 1 plant in Naigaon, Maharashtra, 5 plants in Daman, and 2 plants in Dehradun, Uttarakhand. We have the largest installed capacity of producing over 2.20 billion pieces of writing instruments annually. This extensive network of manufacturing facilities enables the efficient production of our vast range of writing instruments and stationery products. For each of our offerings, such facilities ensure quality and timely delivery to our customers nationwide and beyond. Our extensive distribution network across the country comprises over 150 super stockists, 8,000+ distributors and serves more than 3,30,000+ wholesalers and retailers over 2380 cities and towns in India.

Our Company is the largest exporter of writing instruments for major part of last 40 years and has once again recently been awarded as the largest exporter by PLEXCONCIL for 2021-22 and 2022-23.

OUR PRODUCT PORTFOLIO

Writing Instruments

Our Company manufactures and distributes writing instruments for sale in India and abroad, under our flagship brand; 'Flair' and principal brands 'Hauser' and 'Pierre Cardin'. We have also recently introduced the brand "ZOOX" in India. Apart from this, we also manufacture writing instruments under contract on an OEM basis, both for export and for sale in India. Pens is the largest, fastest-growing and most margin-accretive segment of our Company and contributed to 81.21% of our Company's revenues in 2023-24. The segment includes products like ball pens, fountain pens, gel pens, roller pens and metal pens.

Our Strategy Forward

- Constant Innovation in pioneering pens with unique features for wider acceptance
- Continue on the premiumisation strategy in our product mix with new product innovation and launches in the market to maintain our leadership position in India

- Refocus on ₹ 5 pens for large volume growth, by leveraging expanded capacity and existing moulds apart from introduction of new models
- Increasing automation in the assembly line to raise capacity and improve efficiency.

Stationery Products

In 2021, Flair launched a range of creative and stationery products under the brand 'Flair Creative', primarily for sale in India. In just two years of launch of Creative range Flair Creative became a ₹ 100 Crore+ brand reflecting huge faith by the market in its innovative range and ability to leverage the brand equity and its vast distribution network. We have recently commenced export of these products under this brand. Additionally, we manufacture and distribute calculators under the Flair brand. In 2023-24, the creative and stationery products segment contributed 14.78% to of our Company's revenues. The assortment of items under this segment include school kids' stationery, pencils, mechanical pencils, highlighters, correction pens, markers, gel crayons, and specialised kids' stationery kits, among others. All these products are designed with the aim to spark creativity and productivity for users of all ages, making them essential tools for school, work and creative projects.

Our Strategy Forward

- Creative products will be made available in about 20% of current distribution network providing good headroom for growth.
- Focus on building a robust portfolio for pencils and colouring products.
- Increasing the in-house manufacturing of the major part of product range in Creatives segment with aim to offer large suite of products including entry level products as part of its marketing and distribution strategy

Steel Bottles and Houseware Products

Our Company recently commissioned the manufacturing of steel bottles through one of our Subsidiaries, FCIPL and 2024-25 will be the first major year of operations. As part of our range of steel bottles, we offer variants with single and double vacuum layers, which are available in various designs and sizes. Flair's steel bottle segment is expected to encompass three manufacturing lines over the next two years. Our Company has started exporting to our OEM customers and has made a breakthrough with major modern trade players in India. Our Company's plant also made a breakthrough by achieving the BIS certification, now mandatory for the sale of steel bottles and has given it a distinct edge to trade in India generally dependent on imports.

Management Discussion and Analysis (Contd.)

Our Strategy Forward

- Capitalising on BIS Approval for market entry as an import substitute.
- Expanding the catalogue with a wider range of products.
- Partnering with modern retailers for its creative range of products to enhance market presence.

OUR BRANDS

We have consistently dedicated substantial resources to fortify our flagship brand 'Flair' and principal brands like 'Hauser.' Our focus is on enhancing the visibility of our 'Flair Creative' products and extending the reach of our 'Pierre Cardin' and 'Zoox' brands both in India and globally. We understand that a strong, recognisable brand is crucial for attracting and retaining customers, instilling confidence, and influencing purchasing decisions. Leveraging mass media channels—including brand ambassadors, celebrity endorsements, television, print, and social media campaigns—alongside direct outreach efforts like billboards, posters, and catalogues, we aim to strengthen brand awareness and foster customer loyalty.

Our Strategy Forward

- Celebrity endorsements will play a vital role in enhancing brand visibility and driving revenue growth.
- Collaborating with Disney for its creative range of products to capture market share among the Disney Audience in India.

FINANCIAL PERFORMANCE - On a Consolidated Basis

In the fiscal year 2023-24, the number of writing instruments sold by our Company increased to 181.28 million from 180.74 million in 2022-23. Furthermore, we expanded our distributor/dealer network to 8,000+ during the fiscal year from 7,754 in 2022-23. Our network of wholesalers/retailers was expanded to 3,30,000+ in 2023-24 from 3,15,000 in 2022-23, owing to a strong market penetration and wider product availability.

Flair's revenue from operations, including domestic and export sales, experienced a surge to ₹ 9,787.25 million from ₹ 9,426.60 million recorded in the previous year. This growth can be credited to our ability to capitalise on emerging market opportunities. Our operational efficiency and more controlled material costs compared to 2022-

23 led to an increase in the gross material margin from ₹ 4,338.90 million to ₹ 4,930.30 million in 2023-24.

The EBITDA increased from ₹ 1,835.12 million in 2022-23 to ₹ 1,912.41 million in 2023-24, while the EBITDA margin rose from 19.47% to 19.54%. The PAT grew to ₹ 1,184.81 million from ₹ 1,170.39 million in 2022-23.

Sr. No.	Metrics	2023-24	2022-23
1	Number of Pens Sold (in millions)	1321.32	1,303.60
2	Number of Distributors/Dealers	8,080	7,754
3	Number of Wholesalers/Retailers	3,30,000	3,15,000
4	Revenue from Operations (in ₹ million)	9,787.25	9,426.60
5	Revenue from Domestic Operations (in ₹ million)	7,928.80	7,499.86
6	Revenue from Export Operations (in ₹ million)	1,858.45	1,926.74
7	Gross Material Margin (in ₹ million)	4,930.30	4,338.90
8	Gross Material Margin (%)	50.37	46.03
9	EBITDA (in ₹ million)	1,912.41	1,835.12
10	EBITDA Margin (%)	19.54	19.47
11	PAT (in ₹ million)	1,184.81	1,170.39
12	PAT Margin (%)	12.11	12.42
13	Return on Capital Employed Ratio (%) (Profit before Tax and finance costs/Capital Employed)	17.32	29.55
14	Return on Equity Ratio (%) (Net Profit after Taxes/Average Total Equity)	17.84	31.12
15	Trade Receivable Days	72	61
16	Inventory Days (based on COGS)	112	104
17	Trade Payable Days	47	39
18	Working Capital Cycle (Days)	137	127
19	Debt-Equity Ratio	0.08	0.28
20	Net Debt/EBITDA	(0.05)	0.63
21	Sales & Marketing Expenditure Ratio (%)	2.36	1.48
22	EPS (in ₹)	12.19	12.54

Management Discussion and Analysis (Contd.)

RATIO ANALYSIS - On a Consolidated Basis

	2023-24	2022-23	% Change & Comments
Inventory Turnover (Cost of Goods Sold/Average Inventories)	3.26	3.50	(7.04)
Current Ratio (Current Assets/Current Liabilities)	5.08	2.23	127.66 Increase due to repayments of borrowings and increase in cash and other bank balance
Debtors Turnover (Revenue from Operations/Average Trade Receivable)	5.08	5.94	(14.46)
Operating Profit Margin (Profit before Interest and Taxes/Net Sales)	15.78%	16.57%	(4.76)
Net Profit Margin (%) (Net Profit after Tax/Net Sales)	12.11%	12.42%	(2.50)

	2023-24	2022-23	% Change & Comments
Return on Net Worth (%) (Net Profit after Tax/Average Net Worth)	17.84%	31.12%	(42.68) Decreased due to increase in shareholders' equity due to Initial Public Offering
Interest Coverage Ratio (Earnings before Interest and Taxes/Interest Expenses)	16.65	18.64	(10.68)
Debt-Equity Ratio (Net Debt/Net Worth)	0.08	0.28	(73.01) Decrease due to the repayment of borrowings and a corresponding increase in shareholders' equity due to Initial Public Offering

RISK MANAGEMENT

At Flair, we regard risk management as a critical aspect of our business operations. Our Company employs a comprehensive risk management framework to identify, assess, and mitigate potential risks across various domains, including strategic, operational, financial, regulatory, and legal risks. Our approach to risk management involves continuous monitoring of internal and external environments, ensuring compliance with all relevant laws and regulations, and implementing robust internal controls and governance practices. We foster a culture of risk awareness throughout the organisation, encouraging proactive identification and escalation of the risks faced from time to time. In addition, we strongly focus on business continuity planning, ensuring our ability to respond effectively to unforeseen events and minimise disruptions to our operations.

Risks	Risk Description	Mitigation Measures
Raw Material Risk	Flair may face disruptions or shortages in its supply chain owing to global economic issues and geopolitical tensions.	Our Company closely monitors price changes closely and manages inventories to respond to market dynamics and mitigate risks. Our efficient inventory management system helps optimise our production processes.
Economic Risk	Flair's business may be affected due to a decrease in consumer spending and the demand for houseware products in the event of a recession or economic downturn.	We mitigate this risk by keeping strong balance sheets, cutting costs, diversifying product offerings, and implementing dynamic strategies.
Seasonal Volatility	Flair's operations and production can be impacted due to seasonal sales patterns and temporary demand surges in the industry. In such cases the rest of the year is likely to witness low-to-moderate market demand, which can affect our business further.	We have expanded our product range, grown our customer base, and enhanced our ability to meet industry demands throughout the year.

Management Discussion and Analysis (Contd.)

Risks	Risk Description	Mitigation Measures
Brand Image	It refers to the potential impact on a company's reputation, image, and customer perception due to factors such as product failures, or delivery on brand promises.	We are ensuring effective organisation management and maintaining competitiveness to protect our brand from potential harm due to changes in customer preferences or negative experiences.
Quality Risk	Our business could be impacted in case of an inability to deliver the quality expected by customers.	We have established a solid reputation for offering superior-quality products and have created a positive perception across our customer base.
Cyber Attacks and Cybersecurity	Potential threat of cyber attacks leading to loss of sensitive data, operational disruptions, compromise of customer information, and defacement of Flair's website and social media profiles.	We have implemented a robust cybersecurity framework and deployed advanced defense technologies, complemented by regular assessments and proactive incident response planning.

HUMAN RESOURCES

At Flair, we recognise that our human resource is the key driving force behind our success. With a total workforce of 5,704 employees, we strive to create an environment that fosters growth, encourages innovation, and promotes a culture of excellence. Our Company is committed to attracting and retaining the best talent by offering competitive compensation packages, opportunities for professional development, and a supportive work environment that values diversity and inclusivity. Our human resource policies are framed with the approach to empower our employees, cultivate leadership skills, and ensure a healthy work-life balance. We believe that investing in our human capital is crucial for achieving long-term sustainable growth and maintaining a competitive edge in the industry.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Flair's CSR Policy aims to demonstrate our concerns for the community and our commitment to creating social value. We view our CSR strategy as a means of aligning our business further with the agenda of global sustainable development. The CSR activities undertaken by our Company are focussed on education, vocational training, and basic healthcare and hygiene. As part of these efforts, we have provided donation support to several organisations, including the Child Protection Society towards Dadra and Nagar Haveli and Daman and Diu Juvenile Justice Board, and KK Wagh Education Society, Nashik, Maharashtra for constructing a school building.

INTERNAL CONTROLS

Flair maintains a rigorous framework for implementing internal control measures, which is overseen by the Board of Directors and Executive Committee. Our comprehensive internal control system has been continuously improved

over the years through investments towards enhancing the control framework and process. This is in addition to the existing embedded controls, standards, and monitoring controls that have been applied to maintain operational stability.

The control criteria ensure the orderly and efficient conduct of our business, including adherence to its policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

CAUTIONARY STATEMENT

The statement made in this section describes our objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. We cannot guarantee that these assumptions and expectations are accurate or will be realised by our Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of our Company. We assume no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of our Company have been prepared in accordance with the Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

Management Discussion and Analysis (Contd.)

OUTLOOK FOR THE FINANCIAL YEAR 2024-25

At Flair, we are strategically advancing for the year ahead with a primary focus on fortifying our core pen business while strengthening entry into new segments like Steel Bottles with better penetration and keeping the focus on high growth momentum of Creative products as well. Our emphasis on continuous premiumisation strategy of product mix to maintain higher margins comparatively, and increase capacity utilization. The Company will continue to offer higher credit to the market to its extensive range of products from mass-market to mid-premium and premium categories. This strategy, driven by better margins, will support our ongoing efforts to gradually reduce the overall working capital cycle. Although our potential working capital requirements may be higher, our strong cash position

and near-zero debt-to-equity ratio reinforce our financial strength. We have achieved a net debt-negative status following successful debt repayments, with our debt-to-equity ratio improving from 0.28 in 2022-23 to 0.08 in 2023-24.

To strengthen our operational capabilities further, we are expanding our manufacturing footprint with a new facility in Valsad, Gujarat, slated for completion by 2025-26. While we acknowledge challenges such as subdued demand from OEM partners and geopolitical uncertainties affecting exports, our proactive approach in product innovation, expanding distribution channels, strong presence in exports market as a leading player, proposed addition to OEM players to increase exports further, and diversifying into new segments reflects our optimism for 2024-25.

Annexure VI Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES
I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L51100MH2016PLC284727
2.	Name of the listed entity	Flair Writing Industries Limited (hereafter referred to as 'Flair', 'The Company', or 'We')
3.	Year of incorporation	2016
4.	Registered office address	63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai, Maharashtra, India, 400067
5.	Corporate address	63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai, Maharashtra, India, 400067
6.	E-mail	cs@flairpens.com
7.	Telephone	+91 22 42030405
8.	Website	www.flairworld.in
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	i. BSE Ltd. ii. National Stock Exchange of India Limited
11.	Paid-up capital	₹ 52,69,76,890
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Vishal Kishor Chanda Tel: +91 22 42030228 E-mail: investors@flairpens.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. Products/services
16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Manufacturing and trading	Manufacturing and trading of consumer products viz. stationery and colour products used for scholastic and art purpose.	100

17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

S. No.	Product/service	NIC Code	% of total turnover contributed
1.	Consumer products (Stationary items, including fine arts & hobby products, scholastic products, markers, technical instruments, and adhesives, among others)	32901	81%
		32909	19%
		47613	-

Business Responsibility & Sustainability Report (Contd.)

III. Operations
18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	9	1	10
International	NIL	NIL	NIL

19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of states)	28 States and 8 Union Territories
International (No. of countries)	95

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports to our total turnover is 19% of our overall revenue.

c. A brief on types of customers

In India, our products are distributed extensively through a nationwide network that includes super-stockists, distributors, direct dealers, wholesalers, and retailers. We also leverage modern retail outlets and e-commerce platforms to reach consumers effectively. Additionally, we offer customised corporate gifting solutions tailored to meet the specific needs of our corporate clientele.

As of March 31, 2024, the Company held the leading position in the writing instruments segment in India, supported by a robust network comprising approximately 150 super-stockists, 8,000+ distributors and dealers, and about 3,30,000+ wholesalers and retailers. Our Flair Sporty division serves as the Mumbai region's primary super-stockist.

Internationally, our products are distributed through 68 specialised distributors catering to distinct regions or countries. We currently market our products in 95 countries globally. Furthermore, we manufacture writing instruments as an OEM for export and domestic markets, collaborating with selected international firms.

This extensive customer base reflects our strong market presence and our commitment to meeting the diverse needs of consumers and corporate clients alike, across various sectors and geographies

IV. Employees
20. Details as at the end of financial year
a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1,346	1,305	96.95	41	42.29
2.	Other than permanent (E)	51	44	86.27	7	8.11
3.	Total employees (D + E)	1,397	1,349	96.56	48	49.71
Workers						
4.	Permanent (F)	3,965	1,128	28.45	2,837	71.55
5.	Other than permanent (G)	929	640	68.89	289	31.11
6.	Total workers (F + G)	4,894	1,768	36.13	3,126	63.87

Business Responsibility & Sustainability Report (Contd.)

b. Differently abled employees and workers

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees						
1.	Permanent (D)	2	2	100	0	0
2.	Other than permanent (E)	0	0	NA	0	NA
3.	Total differently abled workers (D + E)	2	2	100	0	0
Differently abled workers						
4.	Permanent (F)	3	3	100	0	0
5.	Other than permanent (G)	0	0	NA	0	NA
6.	Total differently abled workers (F + G)	3	3	100	0	0

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	2023-24 (Turnover rate in current FY) (in %)			2022-23 (Turnover rate in previous FY) (in %)			2021-22 (Turnover rate in the year prior to the previous FY) (in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent employees	6.17	13.91	20.08	20.41	25.05	45	14.84	15.95
Permanent workers	18.07	6.77	24.84	19.62	9.52	29.14	59	32.71	91.71

V. Holding, subsidiary and associate companies (including joint ventures)
23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Flair Writing Equipments Private Limited (FWEPL)	Subsidiary	100	No
2	Flair Cyrosil Industries Private Limited (FCIPL)	Subsidiary	90	No

VI. CSR details
24.

- Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- Turnover (in ₹): ₹ 9,18,66,26,506
- Net worth (in ₹): ₹ 8,89,17,06,769

Business Responsibility & Sustainability Report (Contd.)

VII. Transparency and disclosures compliances
25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide a weblink to the grievance redress policy)	2023-24 (Current financial year)			2022-23 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	No	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, https://www.flairworld.in/investor-relation.aspx	0	0	NA	0	0	NA
Shareholders	Yes, The Securities and Exchange Board of India Complaints Redress System https://scores.gov.in/scores/Welcome.html , investors@flairpens.com	709	0	NA	0	0	NA
Employees and workers	Yes, https://www.flairworld.in/investor-relation.aspx	0	0	NA	0	0	NA
Customers	Yes, https://flairpens.com/contact-us.html	0	0	NA	0	0	NA
Value chain partners	No	0	0	NA	0	0	NA
Other (please specify)	Yes, https://flairpens.com/contact-us.html	0	0	NA	0	0	NA

Business Responsibility & Sustainability Report (Contd.)

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Sustainable Sourcing	O	Ensuring that paper, ink, and other materials used in stationery products are responsibly sourced to minimise environmental impact, deforestation, and support ethical practices.	NA	Positive Reducing environmental impact and supporting ethical practices can enhance brand reputation and potentially attract more customers, leading to increased sales and long-term cost savings through more efficient resource use.
2	Product Packaging	R	Product packaging materials can increase waste generation and non-biodegradable packaging can create long-term environmental problems	Applying reduce-reuse-recycle strategy	Negative Non-biodegradable packaging increases waste management costs and regulatory burdens, while also potentially harming brand reputation due to environmental concerns, leading to higher operational costs and potential fines.
3	Health & Safety	R	Manufacturing units are prone to health-related hazards which can have long term impacts on health of employees and workers.	Ensuring proper health and safety protocols are being adhered to.	Negative Poor health and safety conditions can lead to higher medical costs, legal fees, and productivity losses due to employee absenteeism, affecting overall operational efficiency and increasing financial liabilities.
4	Waste Management	R	Waste generated from offices and plants like plastic, water, ink, and leftovers among others, will lead to increase in environmental pollution, resource depletion, landfill accumulation, ecosystem disruption, sustainability challenge.	Implemented waste management policy to reduce waste and promote circular economy and opting eco-friendly options wherever possible.	Negative Ineffective waste management results in higher disposal costs, increased regulatory compliance expenses, and potential fines, alongside damaging the Company's environmental image, all of which can negatively impact financial performance.
5	Energy Management	O	Implementing measures to optimise energy use in manufacturing processes to reduce greenhouse gas emissions and energy costs	NA	Positive Efficient energy use reduces utility costs and greenhouse gas emissions, leading to cost savings and potential benefits from energy efficiency incentives, which improves overall financial performance and supports environmental goals.

Business Responsibility & Sustainability Report (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
6	Supply Chain Management	O	Monitoring and improving transparency in the supply chain can save costs, time and ensure fast & efficient distribution processes, including transportation and logistics optimisation.	NA	Positive Enhanced transparency and efficiency in the supply chain reduce operational costs, minimise delays, and optimise logistics, resulting in cost savings and improved profitability through more streamlined processes.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No.	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Weblink of the policies, if available	https://www.flairworld.in/investor-relation.aspx								
2	Whether the entity has translated the policy into procedures. (Ye/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	No	No	No	No	No
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	ISO 14001 : 2015	-	-	ISO 9001 : 2015, IS 9873 : PART I : 2019
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are complying with all the applicable laws and regulations. In addition to this, we are in the process of developing a roadmap towards becoming a more sustainable organisation.								
6	Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met.	NA								
Governance, leadership and oversight										
7	Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to the Managing Director's Message on page no. 26-27 of the annual report.								

Business Responsibility & Sustainability Report (Contd.)

Sr. No.	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Details of the highest authority responsible for implementing and overseeing the Business Responsibility Policy(ies).	Mr. Vimalchand Jugraj Rathod, Managing Director (DIN: 00123007)								
9	Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	The Risk Management Committee is responsible to periodically review environmental, social and governance (ESG)/sustainability matters pertaining to the Company, including initiatives and reporting. The composition of committee is mentioned below: 1. Mr. Vimalchand Jugraj Rathod (DIN: 00123007) - Chairman 2. Mr. Punit Saxena (DIN: 01057161) – Member 3. Mr. Manoj Vinod Lalwani (DIN: 10077949) – Member								

10 Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by Director/Committee of the Board/any other Committee	Frequency (annually/half yearly/quarterly/ any other – please specify)																	
		P									P								
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against the above policies and follow-up action	The policies of the Company are reviewed by department heads/directors/board committees, wherever applicable	Periodically or on-a-need basis																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board	Quarterly																	

11 Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

The procedures and compliances pertaining to the working of the Company's policies are also evaluated by the internal auditors and Secretarial Auditor of the Company from time to time.

12 If the answer to question (1) above is 'No' i.e. not all principles are covered by a policy, reasons to be stated

Questions	P								
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Business Responsibility & Sustainability Report (Contd.)

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total no of training and awareness programmes held	Topics/principles covered under the training and impact	% age of persons in respective category covered by the awareness programme
Board of Directors	Nil	NA	NA
Key Managerial Personnel			
Employees other than BOD & KMPs			
Workers			

While no formal training and awareness programmes were conducted during the financial year, we have been actively planning and developing a comprehensive training strategy to be implemented in the upcoming year. This strategy will ensure that all employees, from the Board of Directors to our workers, receive thorough training on key principles, including ethical leadership, corporate governance, workplace ethics, health and safety protocols, and environmental sustainability.

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine			Nil		
Settlement					
Compounding Fee					

Non-monetary			
NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	NA	NA	NA
Punishment	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

Business Responsibility & Sustainability Report (Contd.)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. We have an anti-corruption and anti-bribery policy that reinforces our commitment to ethical business practices worldwide. We strictly adhere to all relevant laws and regulations, prohibiting any form of bribery, kickbacks, or facilitation payments. We have clear guidelines on gifts and hospitality to ensure transparency and prevent improper influence. Employees are encouraged to report any concerns confidentially and without fear of retaliation. Comprehensive training ensures that everyone understands and complies with our policy. The Audit Committee oversees investigations, and non-compliance may lead to disciplinary measures. We regularly review our policy to stay current and uphold our high ethical standards Company-wide.

The Policy can be accessed at the following weblink-

https://flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Anti_Bribery_and_Corruption_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NA	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NA	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
No. of days of accounts payable	31	29

Business Responsibility & Sustainability Report (Contd.)

9. Openness of business.

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24 (Current financial year)	2022-23 (Previous financial year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	NA	NA
	b. Number of dealers/distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	3.29%	2.19%
	b. Sales (Sales to related parties/Total Sales)	1.48%	1.05%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	99.66%	99.32%
	d. Investments (Investments in related parties/Total Investments made)	100.00%	100.00%

Leadership Indicators
1. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. We have processes in place to manage conflict of interests involving members of the Board and employees. The policy requires Directors and employees to avoid and disclose any actual or perceived conflict of interest that may arise from personal interests conflicting with the Company's interests. They are obligated to disclose all contractual interests, whether direct or indirect, that could result in any financial benefit for themselves, their relatives, or associates. This disclosure ensures transparency and allows the Company to assess and manage potential conflicts appropriately. The policy underscores the importance of prioritising the Company's interests in all business dealings.

The Policy can be accessed at the following with :

https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Code_of_Conduct_of_Board_Members_KMP_SMP.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe
Essential Indicators
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2023-24 (Current financial year)	2022-23 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

Business Responsibility & Sustainability Report (Contd.)

2. a. Does the entity have procedures in place for sustainable sourcing (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Manufacturers are obligated to collect e-waste generated during their manufacturing operations and to submit annual and quarterly returns in a designated format through the portal created by the Central Pollution Control Board (PCB).

The EPA is instituted to safeguard and improve the environment, empowering the Central Government to take necessary or expedient actions to preserve and enhance environmental quality while preventing, managing, and mitigating environmental pollution. We adhere to all pertinent safety, environmental, and other applicable laws.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the E-Waste Rules establish an extended producer responsibility framework, mandating entities to register on an online portal devised by the Central Pollution Control Board. Manufacturers are tasked with gathering e-waste generated during production and submitting annual and quarterly returns in a specified format via the Central PCB's portal.

Leadership Indicators
1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No) If yes, provide the weblink
					NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk/concern	Action/Taken
		NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or reused input material to total material	
	2023-24 (Current financial year)	2022-23 (Previous financial year)
Plastic (Reused)	3,07,917	4,27,742
Plastic (Recycled)	43,743	1,32,081

Business Responsibility & Sustainability Report (Contd.)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Reused	Recycle	Safely Disposed	Reused	Recycle	Safely Disposed
	Plastics (including packaging)					
E-waste						
Others - Bio-medical waste						
Others - Construction and demolition waste						
Others - Battery waste						NA
Others - Radioactive waste						
Hazardous waste						
Other non-hazardous waste						
Total						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
	NA

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,305	1,176	90.11	1,176	90.11	0	0.00	0	0.00	0	0.00
Female	41	19	46.34	19	46.34	41	100.00	0	0.00	0	0.00
Total	1,346	1,195	88.78	1,195	88.78	41	3.05	0	0.00	0	0.00
Other than permanent employees											
Male	44	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	7	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	51	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

Business Responsibility & Sustainability Report (Contd.)

b. Details of measures for the well-being of workers

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,128	209	18.53	1,128	100.00	0	0.00	0	0.00	0	0.00
Female	2,837	507	17.87	2,837	100.00	2,837	100.00	0	0.00	0	0.00
Total	3,965	716	18.06	3,965	100.00	2,837	71.55	0	0.00	0	0.00
Other than permanent workers											
Male	640	627	97.97	627	97.97	0	0.00	0	0.00	0	0.00
Female	289	289	100.00	289	100.00	289	100.00	0	0.00	0	0.00
Total	929	916	98.60	916	98.60	289	31.11	0	0.00	0	0.00

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Cost incurred on well- being measures as a % of total revenue of the Company	0.12%	0.12%

Note: This includes attire expenses, group mediclaim, labour welfare, bus rental, medical expenses, mess facilities, housing allowances, and overall staff welfare.

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	88.89%	97.53%	Y	86.77%	96.11%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	1.49%	21.24%	Y	1.64%	5.57%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The premises and offices of the Company are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we uphold a comprehensive equal opportunity policy. Our Code of Conduct mandates that directors and employees actively promote and enhance equal opportunities for all genders, work to prevent and address sexual harassment in the workplace, and strive to implement the best employment practices. This policy also encompasses providing equal opportunities for individuals with disabilities, in line with the Rights of Persons with Disabilities Act, 2016.

The Code of Conduct can be accessed at: <https://www.flairworld.in/investor-relation.aspx#tab5>

Business Responsibility & Sustainability Report (Contd.)

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female				
Total				

NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, there is a mechanism in place to receive and redress grievances for the following categories of employees and workers through email communication as per the established process.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category who are part of association(s) or union (B)	% (B/A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category who are part of association(s) or union (D)	% (D/C)
Total Permanent Employees	1,346	0	0.00	1,217	0	0.00
Male	1,305	0	0.00	1,179	0	0.00
Female	41	0	0.00	38	0	0.00
Total Permanent Workers	3,965	0	0.00	4,037	0	0.00
Male	1,128	0	0.00	1,171	0	0.00
Female	2,837	0	0.00	2,866	0	0.00

8. Details of training given to employees and workers:

Category	2023-24 (Current financial year)					2022-23 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,349	89	6.60	63	4.67	1,179	68	5.77	47	3.99
Female	48	7	14.58	5	10.42	38	5	13.16	4	10.53
Total	1,397	96	6.87	68	4.87	1,217	73	6.00	51	4.19
Workers										
Male	1,768	536	30.32	153	8.65	1,933	503	26.02	131	6.78
Female	3,126	902	28.85	421	13.47	3,172	940	29.63	397	12.52
Total	4,894	1,438	29.38	574	11.73	5,105	1,443	28.27	528	10.34

Business Responsibility & Sustainability Report (Contd.)

9. Details of performance and career development reviews of employees and workers:

Category	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,349	775	57.45	1,179	534	45.29
Female	48	29	60.42	38	27	71.05
Total	1,397	804	57.55	1,217	561	46.10
Workers						
Male	1,768	906	51.24	1,933	594	30.73
Female	3,126	2,548	81.51	3,172	1,785	56.27
Total	4,894	3,454	70.58	5,105	2,379	46.60

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes, an occupational health and safety management system has been implemented by the entity. We have established various internal committees, such as the Worker Welfare Committee (WWC), Health and Safety Committee (HSC), and Sexual Harassment Committee (SHC), which convene quarterly and maintain thorough records. Our system complies with the Indian Factories Act of 1948, the GDD Factory Rules of 1985, the Gujarat Factory Rules of 1963, and adheres to standards such as ISO 9001:2015 and the Social Accountability 8000 (SA8000®:2014) Standard.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To identify work-related hazards and assess risks on a routine and non-routine basis, we have implemented several key processes. We conduct regular inspections and document certifications for all internal vehicles, including forklifts, chain-pullies, small tempos used for local material transportation and lifts. To identify health hazards and exposures to excessive noise and air pollution, we perform tests and maintain certifications such as Noise, Lux, and water testing. Incident investigations are carried out for any workplace incidents, including injuries and illnesses, with two dedicated first aid rooms available to provide initial medical assistance before referring individuals to the Sharda Medical Health Care Centre. Hazard identification and risk assessment processes are followed to identify work-related hazards and risks, including daily plant rounds to identify unsafe acts and conditions. We also hold quarterly safety committee meetings with workers and conduct third-party safety audits periodically.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have established processes for workers to report work-related hazards and to avoid such risks. Our code of conduct empowers employees to report any incidents that adversely affect the environment, health, or safety to management. Additionally, workers are encouraged to discuss work-related hazards directly with their respective Heads of Departments (HODs) and can request corrective actions to address these concerns.

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, employees and workers have access to non-occupational medical and healthcare services. On-site medical facilities are available for minor health issues and emergencies. Additionally, through the organisation's insurance coverage (such as Group Insurance and ESIC), employees and workers can access medical services at a network of hospitals nationwide.

Business Responsibility & Sustainability Report (Contd.)

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2023-24	2022-23
		(Current financial year)	(Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0
	Workers	0.20	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, we have implemented the following measures:

- Follow a comprehensive hazard identification and risk assessment processes to identify work-related hazards and risks
- Conduct daily plant rounds to identify and address unsafe acts and conditions
- Hold quarterly safety committee meetings with workers to discuss and improve safety measures
- Ensure all employees wear appropriate protective equipment and clothing
- Instituted a health and safety policy to promote a safe working environment

13. Number of complaints on the following made by employees and workers:

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

We take corrective actions for safety-related incidents and significant risks seriously. When an incident occurs, we immediately convene a 'Meeting Call' with all departmental heads and local management, including plant heads and the AGM, to collaboratively find practical solutions.

Additionally, we hold regular meetings 2-3 times per month with all concerned Heads of Departments (HODs) and local management to discuss any ongoing issues and ensure that health and safety concerns are promptly and effectively addressed.

Business Responsibility & Sustainability Report (Contd.)

Leadership Indicators
1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees - No

(B) Workers - No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not Applicable

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2023-24 (Current financial year)	2022-23 (Previous financial year)	2023-24 (Current financial year)	2022-23 (Previous financial year)
Employees	NA	NA	NA	NA
Workers				

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

NA

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We implement measures to mitigate accident risks at our manufacturing sites, such as conducting regular fire and first aid training for our staff. Additionally, we enforce a health and safety policy to ensure a secure workplace, mandating the use of suitable protective gear by all employees.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders.
Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the entity.

At Flair, we identify key stakeholders by mapping potential groups, analysing their interests and impact, and engaging them through regular feedback. The key stakeholders that we have identified include-

- Investors
- Community
- Suppliers
- Customers
- Regulatory Authorities
- Employees and workers

Business Responsibility & Sustainability Report (Contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Investors	No	General meetings, investor and analysts meet, earnings calls	Quarterly, annually, as and when required	Transparent and effective communication, addressing investor queries and concerns
Community	Yes	In person meeting with people and through calls	As and when required	Addressing community problems.
Suppliers	No	Through calls, letters, e-mails, visits	On timely basis weekly/monthly/ quarterly/annual	Routine orders and payment related affairs, quality checks, communication and updates on business plans
Customers	No	E-mails, customer care calls	Need based/annual/ bi-annual	Product/service quality and safety, other queries
Regulatory authorities	No	Letters, personal visits	Regular basis	Regulatory compliance, transparent disclosures
Employees and workers	No	Calls, e-mails, notice board	Regular basis	Health and safety, grievance redressal, skill development and growth, work-related

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

NA

2. Whether stakeholder consultation is used to support identifying and managing environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

NA

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

NA

PRINCIPLE 5: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format

Category	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,346	22	1.63	1,217	25	2.05
Other than permanent	51	0	0.00	34	0	0.00
Total employees	1,397	22	1.57	1,251	25	2.00

Business Responsibility & Sustainability Report (Contd.)

Category	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Workers						
Permanent	3,965	72	1.82	4,037	85	2.11
Other than permanent	929	0	0.00	1,068	0	0.00
Total workers	4,894	72	1.47	5,105	85	1.67

2. Details of minimum wages paid to employees and workers in the following format:

Category	2023-24 (Current financial year)					2022-23 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,346	0	0.00	1,346	100.00	1,217	0	0	1,217	100
Male	1,305	0	0.00	1,305	100.00	1,179	0	0	1,179	100
Female	41	0	0.00	41	100.00	38	0	0	38	100
Other than permanent	51	0	0.00	51	100.00	34	29	85.29	5	14.71
Male	44	0	0.00	44	100.00	28	24	85.71	4	14.29
Female	7	0	0.00	7	100.00	6	5	83.33	1	16.67
Workers										
Permanent	3,965	3,748	94.53	217	5.47	4,037	2,931	72.60	1,106	27.40
Male	1,128	991	87.85	137	12.15	1,172	284	24.23	888	75.77
Female	2,837	2,757	97.18	80	2.82	2,865	2,647	92.39	218	7.61
Other than permanent	929	749	80.62	180	19.38	1,068	837	78.37	231	21.63
Male	640	537	83.91	103	16.09	762	617	80.97	145	19.03
Female	289	212	73.36	77	26.64	306	220	71.90	86	28.10

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of the respective category (in ₹)	Number	Median remuneration/ salary/wages of the respective category (in ₹)
Board of Directors (BoD)	5	5,51,800	0	0
Key Managerial Personnel	2	2,75,875	0	0
Employees other than BoD and KMPs	1,300	27,438	41	38,200
Workers	1,128	14,404	2,837	11,752

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Gross wages paid to females as % of total wages	60%	59.43%

Business Responsibility & Sustainability Report (Contd.)

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The human resource department is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees are encouraged to first address any issues or grievances with their immediate supervisor. If the concern is not resolved satisfactorily at this level, the employee has the option to escalate the matter further. This can involve bringing the issue to the attention of the Head of the Department (HOD) for additional oversight and potential resolution. Additionally, the employee can seek assistance from the Human Resources (HR) department, which can provide further support and facilitate a more comprehensive resolution process. This escalation process ensures that employees have multiple avenues to seek redress and ensures that their concerns are addressed in a structured and supportive manner.

6. Number of Complaints on the following made by employees and workers:

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/Involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

At Flair, we have established a robust Whistle Blower Policy to ensure ethical conduct and transparency. Our policy allows directors, employees, customers, and vendors to report concerns regarding unethical behaviour, fraud, or violations of our code of conduct. You can report these concerns confidentially to the Chairman of the Audit Committee or via email. We guarantee protection against victimisation for whistleblowers and ensure thorough investigation and appropriate action on reported concerns.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

Business Responsibility & Sustainability Report (Contd.)

10. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	For the year, assessments related to human rights issues have not been conducted at our plants and offices. However, we remain committed to upholding high standards in these areas and are continuously evaluating our approach to ensure compliance with all relevant regulations and best practices.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 9 above.

NA

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

NA

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NA

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The premises and offices of the Company are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	NA
Discrimination at workplace	
Child labour	
Forced labour/Involuntary labour	
Wages	
Others – Please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 4 above.

NA

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity in the following format:

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
From renewable sources		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	NA	NA

Business Responsibility & Sustainability Report (Contd.)

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
From non-renewable sources		
Total electricity consumption (D) (in GJ)	35,684.66	37,958.53
Total fuel consumption (E) (in GJ)	751.34	210.09
Energy consumption through other sources (F) (in GJ)	NA	NA
Total energy consumed from non-renewable sources (D+E+F) (in GJ)	36,436.00	38,168.62
Total energy consumed (A+B+C+D+E+F) (in GJ)	36,436.00	38,168.62
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations in ₹ million)	3.97	4.22
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations in ₹ million adjusted for PPP)	1.09	1.14
Energy intensity in terms of physical output (Total energy consumed/product in portfolio)	47.32	54.60
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water in the following format:

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	18,750.10	19,794.3
(iii) Third party water	126.00	152
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	18,921.72	19,992.90
Total volume of water consumption (in kilolitres)	15,474.10	14,837.3
Water intensity per rupee of turnover (Water consumed in KL/Revenue from operations in ₹ million)	1.68	1.64
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL/Revenue from operations in ₹ million adjusted for PPP)	0.46	0.44
Water intensity in terms of physical output (KL/Product in portfolio)	20.10	21.23
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - No

Business Responsibility & Sustainability Report (Contd.)

4. Provide the following details related to water discharged:

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To groundwater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	3,402	5,109
(iii) To seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	3,402	5,109

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented mechanisms for Zero Liquid Discharge at two of our facilities. Our Daman and Valsad locations are equipped with sewage treatment plants (50 KLD at Daman and 100 KLD at Valsad) to treat domestic waste. The treated water from these plants is reused for toilet flushing and gardening.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format

Parameter	Please specify unit	2023-24 (Current financial year)	2022-23 (Previous financial year)
NOx	mg/m ³	25.74	29.64
SOx	mg/m ³	29.64	20.27
Particulate matter (PM)	mg/m ³	44.11	89.02
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	PPM	2	0
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: This includes data from the manufacturing facility at Valsad only.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - Eco-Clean consulting services, Surat

Business Responsibility & Sustainability Report (Contd.)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

Parameter	Unit	2023-24 (Current financial year)	2022-23 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54.67	14.75
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	7,136.93	7,591.71
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	MTCO ₂ e/₹ in million	0.78	0.84
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	MTCO ₂ e/₹ in million adjusted for PPP	0.22	0.23
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MTCO ₂ e/Product in portfolio	9.34	10.88
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: The increase in Scope 1 emission during 2023-24 is due to the inclusion of emissions caused by the consumption of fuel in Company-owned vehicles. The data for the same from 2022-23 is unavailable.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

NA

9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)-Lumps	43.154	34.08
Plastic waste (A)- PVC Scrap	119.58	93.878
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any. (G)- DG Oil	0.000162	NA
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	162.73	127.96

Business Responsibility & Sustainability Report (Contd.)

Parameter	2023-24 (Current financial year)	2022-23 (Previous financial year)
Waste intensity per rupee of turnover (Total waste generated in tonnes/Revenue from operations in ₹ million)	0.02	0.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in tonnes/Revenue from operations in ₹ million adjusted for PPP)	0.005	0.004
Waste intensity in terms of physical output (Tonnes/Product in Portfolio)	0.21	0.18
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	NA	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

Note: This includes data from the manufacturing facility at Dehradun only.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our waste management practices are designed to ensure effective and environmentally responsible handling. We manage plastics (including packaging) through an outsourced agency and address hazardous waste, such as DG oil, with a registered vendor. Paper waste and torn cartons are handled by a local vendor. Additionally, we have implemented strategies to reduce the use of hazardous and toxic chemicals by adopting eco-friendly alternatives and enforcing strict safety protocols. This comprehensive approach helps us manage waste responsibly while minimising our environmental impact.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			NA

Business Responsibility & Sustainability Report (Contd.)

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year

Name and brief details of project	EIA notification no.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
NA					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. We are compliant with all applicable laws and regulations in India.

S. No.	Specify the law/regulation/guidelines which were not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
NA				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area - Dehradun, Valsad, Daman
- (ii) Nature of operations - Manufacturing
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	18,640.90	19,669.5
(iii) Third-party water	126.00	152.00
(iv) Seawater/Desalinated water	0.00	0.00
(v) Others	45.62	46.60
Total volume of water withdrawal (in kilolitres)	18,812.52	19,868.10
Total volume of water consumption (in kilolitres)	15,364.90	14,712.5
Water intensity per rupee of turnover (Water consumed/turnover)	1.67	1.63
Water intensity (optional) – the entity may select the relevant metric	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water		
No treatment	NA	NA
With treatment – please specify the level of treatment	NA	NA
(ii) Into groundwater		
No treatment	NA	NA
With treatment – please specify the level of treatment	3,402	5,109
(iii) Into seawater		
No treatment	NA	NA
With treatment – please specify the level of treatment	NA	NA

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
(iv) Sent to third-parties		
No treatment	NA	NA
With treatment – please specify the level of treatment	NA	NA
(v) Others		
No treatment	NA	NA
With treatment – please specify the level of treatment	NA	NA
Total water discharged (in kilolitres)	3,402	5,109

Note: Indicate if any independent assessment/evaluation/assurance carried out by an external agency? (Y/N) If yes, the name of the external agency.

2. Please provide details of total Scope 3 emissions & their intensity in the following format:

Parameter	Unit	2023-24 (Current financial year)	2022-23 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)		NA	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the entity may select the relevant metric			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (weblink, if any, may be provided along with summary)	Outcome of the initiative
NA			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.

Yes, we have a comprehensive business continuity and disaster management plan in place. We conduct regular mock drills to practice disaster management, including the use of safety equipment like fire extinguishers, sand buckets, hose reels, and alarm systems. Our team is thoroughly educated on emergency procedures, including evacuation plans and first aid. We ensure that employees receive regular training on these procedures. Additionally, we perform regular inspections and tests of our safety equipment and emergency locations to ensure they are always ready for immediate activation.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NA

7. Percentage of Value Chain Partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

3

b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Writing Instruments Manufacturers Organisation	National
2.	The Plastics Export Promotion Council (PLEXCONCIL)	National
3.	The All-India Exporters Chamber	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (annually/half yearly/quarterly/ Others – please specify)	Weblink, if available
					NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
					NA

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the financial year (in ₹)
					NA

3. **Describe the mechanisms to receive and redress grievances of the community**

NA

Business Responsibility & Sustainability Report (Contd.)

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Directly sourced from MSMEs/small producers	76.75%	71.44%
Sourced directly from within India	76.75%	71.44%

5. **Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	2023-24 (Current financial year)	2022-23 (Previous financial year)
Rural	NA	NA
Semi-Urban	4.98%	5.26%
Urban	94.11%	93.54%
Metropolitan	0.91%	1.20%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

Details of negative social impact identified	Corrective action taken
NA	NA

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

S. No.	State	Aspirational district	Amount spent (in ₹)
			NA

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)** No

(b) **From which marginalised/vulnerable groups do you procure?** NA

(c) **What percentage of total procurement (by value) does it constitute?** NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				NA

5. **Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein traditional knowledge is used.**

Name of authority	Brief of the Case	Corrective action taken
		NA

6. **Details of beneficiaries of CSR Projects**

With a total CSR expenditure of ₹ 1,40,47,583, our initiatives have benefitted several groups. The E-Shiksha project improved digital learning for students, while the Anganwadi initiative enhanced facilities for senior citizens. School Development and School Building projects upgraded educational infrastructure, providing better learning environments for students. These efforts collectively support both educational advancement and senior citizen welfare in our community.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At Flair, we prioritise customer feedback on product quality and services. Our dedicated Customer Support Desk, reachable via telephone or email at: consumercare@flairpens.com, handles all queries and complaints. We have a robust process for addressing feedback, involving personal visits or calls from our quality team, thorough investigations, root cause analyses, and corrective actions.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about

	As a percentage of total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	100%
Recycling and/or safe disposal	NIL

3. Number of consumer complaints in respect of the following

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cybersecurity	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	NA	NA	The Company does not provide any essential services.	NA	NA	The Company does not provide any essential services.
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy.

Currently, we do not have a specific framework or policy on cybersecurity and data privacy. However, we are committed to continually improving our practices and are planning the development of such policies in the future.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Not Applicable

Business Responsibility & Sustainability Report (Contd.)

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along with impact - Nil
- Percentage of data breaches involving personally identifiable information of customers - NA
- Impact, if any, of the data breaches - NA

Leadership Indicators
1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

Information about our products can be accessed through the Company's official website and all major e-commerce platforms. These channels provide comprehensive details about the range of products offered by us.

On the Company's website, the details can be accessed at: <https://www.flairworld.in/our-brands.html>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

If yes, provide details in brief.

No

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

Annexure VII

INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

Your Company has always considered energy and natural resources conservation as a focus area.

Your Company ensures strict compliance with all the statutory requirements and has taken several sustainable steps voluntarily to contribute towards better environment like use of natural lighting and natural ventilation. Your company conducts education and awareness programs for its employees focused on energy conservation.

Your company prioritises the development of sustainable supply chains through the implementation of green logistics practices aimed at minimising resource consumption, environmental degradation, and pollution throughout the storage, transportation, and packaging processes. Additionally, the Company has made significant strides in adopting alternative energy sources. This includes various energy conservation measures and initiatives undertaken throughout the year.

Measures to promote energy saving: The Company implements strict controls to monitor daily energy consumption and ensures optimal utilisation to minimise waste. It regularly monitors energy parameters like maximum demand, power factor, load factor, and Time of Day tariff utilisation. Inefficient equipment is replaced with the latest energy-efficient technology, and equipment undergoes regular upgrades. Your company promotes energy conservation through the following actions:

1. Replacing old electronics with energy-efficient 5-star rated products.
2. Installing LED lights and fixtures in new and some existing manufacturing areas.
3. Installed solar panels at our factories located in Daman.
4. Introducing upgraded servo-based power-saving molding machines.
5. Conducting regular retrofit processes to boost productivity.
6. Performing routine maintenance on all equipment for better efficiency.
7. Continuously improving operational methods to optimise energy usage.

B. TECHNOLOGY ABSORPTION:

- i. the efforts made towards technology absorption – Nil
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution

- Self-reliance on new products, product development, improved production process for better productivity, import substitution and cost reduction attempts are made for sourcing of material and components for cost effectiveness. The input cost has been reduced and in some cases the quality has improved.

iii. Imported Technology (Imported During the Last 3 Years) – Your Company uses high-quality machines and moulds imported from countries such as Germany, South Korea, China, Spain and Switzerland, in addition to machines and moulds procured from within India, which enables us to engage in high precision manufacturing.

Your Company has also introduced automatic and semi-automatic assembly and packing machines used for manufacturing and assembly of pens and endeavors to control our manufacturing processes through increasing backward integration through the manufacturing of certain components in-house.

iv. Expenditure on Research and Development- During the financial year, no expenditure on research and development including capital expenditure was incurred.

C. FOREIGN EXCHANGE EARNING & OUTGO:

During the financial year, the foreign exchange earned in terms of actual inflows was ₹ 1,580.28 million as against ₹ 1,877.13 million in the previous year and foreign exchange outgo in terms of actual outflows was ₹ 1,454.52 million as against ₹ 1,648.08 million in the previous year.

ACKNOWLEDGEMENT

The Directors thank the Company's customers, vendors, bankers and investors for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

Your Directors also wish to place on record their deep appreciation for the services rendered by staff and workers of the Company at all levels and for dedication to their work and loyalty.

On behalf of the Board of Directors

Khubilal Jugraj Rathod

Chairman & Whole-Time Director
DIN: 00122867

Place: Mumbai
Date: July 30, 2024

Annexure VIII Corporate Governance Report

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'], the report containing details of Corporate Governance of Flair Writing Industries Limited ('the Company' / 'Flair') is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At Flair, it is imperative that your Company affairs are being managed in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed hereinafter.

Regarding corporate governance, the Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable. Overall, Flair's comprehensive code of governance promotes responsible and ethical behavior, aligns with the Company's values and goals, and supports the long-term success and stability of the business. By adhering to these principles, Flair demonstrates its commitment to responsible and sustainable practices, which fosters trust with stakeholders and contributes to the long-term success and stability of the business.

The Corporate Governance framework of the Company is based on the following broad practices:

- a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law.
- b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organisation.
- c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures.
- d) Making high level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders.
- e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance.

Best Corporate Governance practices

FWIL maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed by the Company's Board of Directors.
- The Company has following Board Committees: Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.
- The Company also undergoes Secretarial Audit conducted by an Independent Firm of Practicing Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards issued by The Institute of Company Secretaries of India.

Governance Policies

At Flair, we strive to conduct our business and strengthen our relationship in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner.

Corporate Governance Report (Contd.)

Some of the codes and policies are available at the website of the Company at <https://www.flairworld.in/investor-relation.aspx>.

2. BOARD OF DIRECTORS

As at March 31, 2024, our Board comprises 10 Directors, of which 5 (five) are Whole-time Directors and 5 (five) are Independent Directors (including one independent woman director). At Flair, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

Flair's Board consists of an optimal mix of Executive, Non-Executive and Independent Directors, which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act. During the year under review and as on date of this report, none of our Directors on the Board:

- i. serve as Director in more than ten public companies;
- ii. serve as Independent Director in more than seven listed companies; and
- iii. none of the Executive Director serve as Independent Director on any listed company.

The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

Size and composition of the Board of Directors as at March 31, 2024 is given below:

Name of Director	Directorship held in other Listed entities along with Category*	Membership and Chairmanship of the Committees of the Board of other Public Companies		No. of Equity Shares Held
		Chairman/Chairperson	Member	
Mr. Khubilal Jugraj Rathod*	-	-	-	1,65,92,235
Mr. Vimalchand Jugraj Rathod*	-	-	-	1,24,40,887
Mr. Rajesh Khubilal Rathod*	-	-	-	82,76,380
Mr. Mohit Khubilal Rathod*	-	-	-	82,76,380
Mr. Sumit Rathod*	-	-	-	82,76,380
Mr. Bishan Singh Rawat	-	-	-	Nil
Mr. Punit Saxena	-	-	-	Nil
Mr. Rajneesh Bhandari	-	-	-	Nil
Mr. Manoj Vinod Lalwani	-	-	-	Nil
Mrs. Sheetal Bhanot Shetty	-	-	-	Nil

*Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod are Promoters of the Company.

Notes:

- (1) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, total number of Directorships excludes directorships in the Company, Foreign Companies, Private Limited Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and under Section 8 of the Act.
- (2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Chairmanship/ Membership of Committee only includes the Audit Committee and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted).
- (3) There is no inter-se relationship between any Independent Directors.
- (4) None of the Directors serve as Director or as an Independent Director ("ID") in more than seven listed companies and none of the Executive Directors serve as ID's in more than three listed companies.
- (5) The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2024.

Corporate Governance Report (Contd.)

Inter-se Relationship between our Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Directors is an Independent Director i.e. None of the directors have any inter-se relationship and each one of them is independent to each other.

Name	Relationship
Mr. Khubilal Jugraj Rathod	Brother of Mr. Vimalchand Jugraj Rathod
	Father of Mr. Rajesh Khubilal Rathod
	Father of Mr. Mohit Khubilal Rathod
	Uncle of Mr. Sumit Rathod
Mr. Vimalchand Jugraj Rathod	Brother of Mr. Khubilal Jugraj Rathod
	Father of Mr. Sumit Rathod
	Uncle of Mr. Mohit Khubilal Rathod and Mr. Rajesh Khubilal Rathod
Mr. Rajesh Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
	Brother of Mr. Mohit Khubilal Rathod
	Nephew of Mr. Vimalchand Jugraj Rathod
	Cousin of Mr. Sumit Rathod
Mr. Mohit Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
	Brother of Mr. Rajesh Khubilal Rathod
	Nephew of Mr. Vimalchand Jugraj Rathod
	Cousin of Mr. Sumit Rathod
Mr. Sumit Rathod	Son of Mr. Vimalchand Jugraj Rathod
	Nephew of Mr. Khubilal Jugraj Rathod
	Cousin of Mr. Mohit Khubilal Rathod and Mr. Rajesh Khubilal Rathod

Core Skills / Expertise / Competencies available with the Board

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The Matrix setting out the Skills, Expertise and Competencies available with the Board in context of business of the Company is as under:

Sr. No.	Name of Director	Leadership / Operations	Strategic Planning	Industry Experience, Technical, Research & Development and Innovation	Global Business	Finance & Legal	Corporate Governance, Compliance & Risk Management
1.	Mr. Khubilal Jugraj Rathod	✓	✓	✓	✓	-	✓
2.	Mr. Vimalchand Jugraj Rathod	✓	✓	✓	✓	✓	✓
3.	Mr. Rajesh Khubilal Rathod	✓	✓	✓	✓	-	✓
4.	Mr. Mohit Khubilal Rathod	✓	✓	✓	✓	✓	✓
5.	Mr. Sumit Rathod	✓	✓	✓	✓	✓	✓
6.	Mr. Bishan Singh Rawat*	✓	✓	-	✓	✓	✓
7.	Mr. Rajneesh Bhandari	✓	✓	-	✓	✓	✓
8.	Mr. Punit Saxena	✓	✓	-	✓	✓	✓
9.	Mr. Manoj Vinod Lalwani	✓	✓	✓	✓	-	✓
10.	Mrs. Sheetal Bhanot Shetty	✓	✓	-	✓	-	✓

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the financial year ended 31st March, 2024 except for payment of sitting fees, and reimbursement of expenses, if any, incurred in the discharge of their duties.

Corporate Governance Report (Contd.)

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as an Independent Director on the Board. The Committee, inter-alia, considers criteria as prescribed under the Companies Act, 2013 ('the Act') and SEBI (LODR) Regulations viz. positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy. The Board considers the Committee's recommendation and takes appropriate decision.

A statement in connection with fulfilling the criteria of Independence and Directorships as required under the provisions of the Act and SEBI (LODR) Regulations received from each of Independent Director is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on website of the Company at <https://www.flairworld.in/investor-relation.aspx>.

In the opinion of the Board, the Independent Directors fulfil the conditions as specified in the Act and SEBI (LODR) Regulations and are Independent of the management.

Independent Directors' Induction and Familiarisation

The Company's familiarisation programmes for its Independent Directors includes an overview of the business model of the Company and its material subsidiary, the socio-economic environment in which the Company operates, the operational and financial performance of the Company and the significant developments taking place on a continuous basis. Updates on business and performance of the Company are made at the Board and Committee meetings at regular intervals. The Company also familiarises the independent directors with their roles, rights and responsibilities in the Company. The details and policy on Familiarization Programme for Independent Directors are posted on website of the Company at <https://www.flairworld.in/investor-relation.aspx>.

Board Evaluation

The evaluation of all the directors, committees, chairperson of the Board, and the Board as a whole, was conducted based on the criteria and framework adopted by the Committee. The Board sought the feedback of Directors on various parameters including:

- Board Structure and Composition
- Effectiveness of Board processes, information, roles, responsibilities and functioning of the Board
- Establishment and delineation of responsibilities to Committees
- Quality of relationship between the Board and the Management
- Professional Development

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole and Chairperson of the Company were evaluated considering the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual directors and the Board as a whole. Board Evaluation for the year 2023-24 has been completed by the Company internally which included the evaluation of the performance of the Board as a whole, Board Committees and Directors individually including Chairman of the Board and results of the same were shared with the Board.

Separate Meeting of Independent Directors

Schedule IV of the Act, Listing Regulations and Secretarial Standard – 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors.

The Independent Directors Meetings was held on November 16, 2023. In addition to formal meetings, interactions also take place between the Whole-time Directors and Independent Directors in regular intervals.

Directors and Officers Insurance

The Company has undertaken Directors and Officers insurance ('D&O insurance') for all its Directors, including independent directors, for a quantum and risks as determined by the Board of Directors of the Company.

Corporate Governance Report (Contd.)

3. BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURE

Board is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies, their effectiveness and ensures that shareholders' long term interests are being served.

As on date of this report, the Board has 5 (Five) Committees, namely Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Company's internal guidelines for Board/Board Committee meetings facilitate the decision making process at its meetings in an informed and efficient manner.

Board/Committee Meetings

The Board meets at regular intervals to discuss and decide on Company / business policies and strategies apart from other regular business matters. The Board/ Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to all Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board. The Board is updated on the discussions held at the Committee meetings. Agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the CFO, Whole-time Director(s) and the Chairman of the Company. The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated along with shorter notice as per the provisions of the Secretarial Standard on Meetings of the Board of Directors issued by the Institute of Company Secretaries of India. Usually meetings of the Board are held at Registered Office of the Company at Mumbai.

Board meets at least once in a quarter to review inter-alia the quarterly results, compliances and performance of the Company. Additional meetings are held on need basis. The Company also provides facility to the Directors to attend meetings of the Board and its Committees through Video/Tele Conferencing mode.

14 (Fourteen) meetings of the Board of Directors were held during the year 2023-24 on June 09, 2023, June 23, 2023, June 30, 2023, July 10, 2023, October 14, 2023, October 25, 2023, November 08, 2023, November 10, 2023, November 16, 2023 (Two Board Meetings), November 25, 2023, November 29, 2023, December 20, 2023 and February 10, 2024. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act and Regulation 17(2) of the SEBI (LODR) Regulations.

The Composition and categories of the Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting ('AGM') held during the financial year 2023-24:

Name	Category	No. of Board Meetings held and attended during the year 2023-24			Whether attended last AGM held on June 26, 2023
		Held	Entitled	Attended	
Mr. Khubilal Jugraj Rathod	Chairman, Promoter Executive	14	14	14	Yes
Mr. Vimalchand Jugraj Rathod	Managing Director – Promoter Executive	14	14	14	Yes
Mr. Rajesh Khubilal Rathod	Whole time Director - Promoter Executive	14	14	14	Yes
Mr. Mohit Khubilal Rathod	Whole time Director - Promoter Executive	14	14	13	Yes
Mr. Sumit Rathod	Whole time Director - Promoter Executive	14	14	13	No
Mr. Bishan Singh Rawat	Independent Director	14	14	11	No
Mr. Punit Saxena	Independent Director	14	14	13	No
Mr. Rajneesh Bhandari	Independent Director	14	14	07	No
Mr. Manoj Vinod Lalwani	Independent Director	14	14	12	No
Mrs. Sheetal Bhanot Shetty	Independent Woman Director	14	14	05	No

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The present composition of the Committees is in accordance with the provisions of the Listing Regulations and the Act, details of which are as follows:

Audit Committee	Risk Management Committee
1. Mr. Punit Saxena - Chairman 2. Mr. Vimalchand Jugraj Rathod - Member 3. Mr. Rajneesh Bhandari - Member	1. Mr. Vimalchand Jugraj Rathod - Chairman 2. Mr. Punit Saxena - Member 3. Mr. Manoj Vinod Lalwani - Member
Nomination and Remuneration Committee	Corporate Social Responsibility Committee
1. Mr. Rajneesh Bhandari - Chairman 2. Mr. Manoj Lalwani - Member 3. Ms. Sheetal Banot Shetty - Member	1. Mr. Khubilal Jugraj Rathod - Chairman 2. Mr. Vimalchand Jugraj Rathod - Member 3. Mr. Rajesh Khubilal Rathod 4. Mr. Rajneesh Bhandari - Member
Stakeholders' Relationship Committee	
1. Mr. Punit Saxena - Chairman 2. Mr. Vimalchand Jugraj Rathod - Member 3. Mr. Rajesh Khubilal Rathod - Member	

Mr. Vishal Chanda, Company Secretary and Compliance Officer, is the secretary of all the committees constituted by the Board.

Meetings of Committees held during the year 2023-24 and Directors' attendance:

Committees of the Company	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Meetings Held	6	2	1	0	1
Director's Attendance					
Mr. Khubilal Jugraj Rathod	*	1/1	*	*	1/1
Mr. Vimalchand Jugraj Rathod	6/6	*	1/1	0	1/1
Mr. Rajesh Khubilal Rathod	*	*	1/1	*	1/1
Mr. Mohit Khubilal Rathod	*	*	*	*	*
Mr. Sumit Rathod	*	*	*	*	*
Mr. Bishan Singh Rawat	6/6	1/1	*	0	*
Mr. Punit Saxena	*	*	1/1	0	*
Mr. Rajneesh Bhandari	6/6	2/2	*	*	1/1
Mr. Manoj Vinod Lalwani	*	1/1	*	*	*
Mrs. Sheetal Bhanot Shetty	*	1/1	*	*	*

*Not a Member of the Committee

DETAILS OF COMMITTEES
I. Audit Committee and its Meetings

The Committee met 6 (Six) times during the year under review on June 09, 2023, June 23, 2023, June 30, 2023, October 25, 2023, December 20, 2023 and February 10, 2024. The requisite quorum was present at all the meetings of the Audit Committee. The Audit Committee was constituted by your Board pursuant to resolution dated August 09, 2018 and re-constituted by our Board pursuant to resolution dated June 09, 2023. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated June 09, 2023.

Terms of Reference for the Audit Committee:

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as disclosed below:

Corporate Governance Report (Contd.)

- (a) overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) recommending to the Board the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;
- (c) reviewing and monitoring the statutory auditors' independence and performance, and effectiveness of audit process;
- (d) approving payments to the statutory auditors for any other services rendered by statutory auditors;
- (e) reviewing, with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) qualifications and modified opinions in the draft audit report.
- (f) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (g) scrutinising of inter-corporate loans and investments;
- (h) undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;
- (i) evaluation of internal financial controls and risk management systems, the Company's cash, debt, debt covenants and other financial readiness measures;
- (j) formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (k) approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (l) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (m) reviewing along with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.;
- (n) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (o) reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- (p) reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (q) discussing with internal auditors any significant findings and follow up thereon;
- (r) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (s) discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (t) looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

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- (u) approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- (v) reviewing the functioning of the whistle blower mechanism;
- (w) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
- (x) formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) reviewing the utilisation of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (z) considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (aa) investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;
- (bb) reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;
- (cc) Reviewing:
 - (i) Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
 - (ii) Any material default in financial obligations by the Company;
 - (iii) Any significant or important matters affecting the business of the Company.
- (dd) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act or other applicable law.

The Audit Committee shall have powers, including the following:

- (a) to investigate any activity within its terms of reference;
- (b) to seek information from any employees;
- (c) to obtain outside legal or other professional advice;
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) to have such powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

- (a) management's discussion and analysis of financial condition and result of operations;
- (b) management letters/letters of internal control weaknesses issued by the statutory auditors;
- (c) internal audit reports relating to internal control weaknesses;
- (d) the appointment, removal and terms of remuneration of the chief internal auditor;
- (e) the examination of the financial statements and the auditors' report thereon; and
- (f) statement of deviations, including:
 - (i) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- (g) the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Committee has the authority to investigate into any

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matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by our Board for such purpose.

Vigil Mechanism/Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) which has been posted on the Company's website and can be viewed on https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Whistleblower_Policy.pdf under the head "Corporate Policies" of Investor Relation page of website of the Company. No personnel has been denied access to the audit committee.

II. Nomination and Remuneration Committee (NRC Committee)

The Nomination and Remuneration Committee ('NRC') met 2(two) times during the year under review on June 09, 2023 and February 10, 2024. The requisite quorum was present at all the meetings of the NRC. The NRC was constituted by the Board pursuant to a resolution dated August 09, 2018. The NRC was last re-constituted by our Board pursuant to a resolution dated June 09, 2023. The terms of reference of the NRC were last revised by our Board pursuant to a resolution dated June 09, 2023.

Terms of Reference for the Nomination and Remuneration Committee

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

- (a) identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;
- (b) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (c) while formulating the above policy, ensuring that:
 - (i) the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (d) formulating criteria for evaluation of performance of independent directors and the Board;
- (e) devising a policy on diversity of the Board;
- (f) evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates;
- (g) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

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- (h) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (i) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;
- (j) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- (k) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- (l) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- (m) administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - (i) determining the eligibility criteria and selection of employees to participate under the ESOP Scheme;
 - (ii) determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - (iii) date of grant;
 - (iv) determining the exercise price of the option under the ESOP Scheme;
 - (v) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - (vi) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - (vii) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - (viii) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - (ix) re-pricing of the options which are not exercised, whether or not they have been vested if stock option is rendered unattractive due to fall in the market price of the equity shares;
 - (x) the grant, vesting and exercise of option in case of employees who are on long leave;
 - (xi) the vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;
 - (xii) allowing exercise of unvested options on such terms and conditions as it may deem fit;
 - (xiii) the procedure for cashless exercise of options;
 - (xiv) forfeiture/ cancellation of options granted;
 - (xv) arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.
 - (xvi) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - a. the number and the price of the option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - b. for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - c. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (n) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

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- (o) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- (p) analysing, monitoring and reviewing various human resource and compensation matters;
- (q) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (r) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- (s) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met 1(one) time during the year under review on February 05, 2024. The Stakeholders' Relationship Committee was constituted and the terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated June 09, 2023.

Terms of Reference for the Stakeholders' Relationship Committee

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013, the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

- (a) redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (b) reviewing measures taken for effective exercise of voting rights by the shareholders;
- (c) investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;
- (d) reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (e) formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (f) approving, registering, refusing to register transfer or transmission of shares and other securities;
- (g) giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (h) issuing duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company; and
- (i) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

Name, designation and address of Company Secretary & Compliance Officer.	Mr. Vishal Kishor Chanda, Company Secretary 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai- 400067.
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Details of Investor Communication/ Queries received and redressed during the year 2023-24 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing balance
0	709	709	0

IV. Risk Management Committee

The Risk Management Committee was constituted and the terms of reference of the Risk Management Committee were last revised by the Board pursuant to a resolution dated June 09, 2023. Pursuant to Regulation 21 of the SEBI (LODR) Regulations, the risk management committee shall meet at least twice in a year. However, the provisions of Regulation 21 shall be applicable to the top 1000 listed entities, determined on the basis of market capitalisation as at the end of the immediate preceding financial year; and a 'high value debt listed entity'. Since the provisions of this regulation was not applicable to the Company during the year 2023-24, hence the meeting of Risk Management Committee was not held.

Terms of Reference for the Risk Management Committee

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference include the following:

- (a) To formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) To set out risk assessment and minimisation procedures and the procedures to inform the Board of the same;
- (g) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;
- (h) To review the status of the compliance, regulatory reviews and business practice reviews;
- (i) To review and recommend the Company's potential risk involved in any new business plans and processes;
- (j) To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and
- (k) To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

V. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) met 1(one) time during the year under review on February 10, 2024. The CSR Committee was constituted by the Board pursuant to a resolution dated October 27, 2017. The CSR Committee was last re-constituted and the terms of reference of the CSR Committee were last revised by our Board pursuant to a resolution dated June 09, 2023.

Terms of Reference for the CSR Committee

The scope and functions of the CSR Committee are in accordance with Section 135 of the Companies Act, 2013 and other applicable law and its terms of reference include the following:

Corporate Governance Report (Contd.)

- (a) formulating and recommending to the Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;
- (b) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) formulating the annual action plan of the Company.
- (e) delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;
- (f) monitoring the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and
- (g) performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee.

In addition to the above, our Company had also constituted an IPO Committee pursuant to a resolution of our Board dated June 30, 2023. The IPO Committee comprised of Mr. Vimalchand Jugraj Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumit Rathod and was authorised to approve and decide matters in connection with the Offer. The terms of reference of the IPO Committee approved by our Board pursuant to their resolution dated June 30, 2023 include, appointing and instructing the BRLMs, opening and operating bank accounts of the Company in terms of Section 40(3), seeking the listing of the Equity Shares on the Stock Exchanges and determining in consultation with the BRLMs, the Price Band and the minimum Bid Lot. The Company has dissolved the IPO committee pursuant to board resolution dated February 10, 2024.

Recording of minutes of proceedings of Board and Committee meetings

The Company Secretary ensures appropriate recording of minutes of proceedings of each Board and Committee Meeting. The minutes are entered in the Minutes Book within 30 (thirty) days from the date of conclusion of the meetings as per the Secretarial Standards issued by The Institute of Company Secretaries of India.

Key Managerial and Senior Management Personnel:

Serial No.	Name of Key Managerial Personnel	Designation
1.	Mr. Khubilal Jugraj Rathod	Whole-time Director and Chairman
2.	Mr. Vimalchand Jugraj Rathod	Managing Director
3.	Mr. Rajesh Khubilal Rathod	Whole-time Director
4.	Mr. Mohit Khubilal Rathod	Whole-time Director
5.	Mr. Sumit Rathod	Whole-time Director
6.	Mr. Mayur Dhansukhlal Gala (ceased w.e.f. June 29, 2024)	Chief Financial Officer
7.	Mr. Alpesh Porwal (appointed w.e.f. July 03, 2024)	Chief Financial Officer
8.	Mr. Vishal Kishor Chanda	Company Secretary & Compliance Officer

Serial No.	Name of Senior Management Personnel	Designation
1.	Mr. Jatin Chadha	Chief Operating Officer
2.	Mr. Pavan Nemchand Jain	Senior Manager – Purchase
3.	Mr. Vinayak Bhaskar Vetekar	Senior Vice President - Sales
4.	Mr. Naveen Kapoor	Assistant General Manager – Factory and Administration
5.	Ms. Vijaya Mallya	Head – Human Resources
6.	Ms. Priyanka Taksali	Head – Accounts

There has been no change in the key managerial personnel and senior management since the close of the previous financial year ended March 31, 2024 except change in CFO Mr. Mayur Dhansukhlal Gala who resigned w.e.f. June 29, 2024 and Mr. Alpesh Porwal, appointed as CFO w.e.f. July 03, 2024.

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REMUNERATION OF DIRECTORS
Remuneration Policy

In terms of Section 178 of the Act and Regulation 19 read with schedule II (Part D) of the Listing Regulations, the Board of your Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), adopted Remuneration policy for Directors, Key Managerial Personnel and other Employees which sets out criteria for the remuneration for Directors, Key Managerial Personal ('KMP') and other employees so as to attract, retain and reward talent who will contribute to our long-term success and thereby build value for the shareholders.

Remuneration of Directors:

- Executive Directors shall be eligible for remuneration as may be approved by the Board on recommendation of the NRC Committee. The remuneration to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act and the rules made thereunder.
- Non-Executive/Independent Directors will be eligible for sitting fees for attending meetings of Board or Committee as fixed by the Board on the recommendation of the NRC Committee in accordance with the provisions of the Act, and the rules made thereunder. The criteria of making payment to Non-Executive/Independent Directors forms part of the Nomination and Remuneration policy which is uploaded on the website of the Company and can be accessed at the weblink: https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Nomination_Remuneration_Policy.pdf

Details of Remuneration/Sitting fee paid to the Directors for the year 2023-24 is as follows-

(₹ in millions)

Sr. No.	Name of Director	Salary (Fixed Salary)	Benefits /Variable	Commission	Bonuses	Stock Option & Pension	Sitting Fees	Total
1	Mr. Khubilal Jugraj Rathod	4.95	-	-	-	-	-	4.95
2	Mr. Vimalchand Jugraj Rathod	6.60	-	-	-	-	-	6.60
3	Mr. Rajesh Khubilal Rathod	6.60	-	-	-	-	-	6.60
4	Mr. Mohit Khubilal Rathod	6.60	-	-	-	-	-	6.60
5	Mr. Sumit Rathod	6.60	-	-	-	-	-	6.60
6	Mr. Bishan Singh Rawat	-	-	-	-	-	0.47	0.47
7	Mr. Punit Saxena	-	-	-	-	-	0.40	0.40
8	Mr. Rajneesh Bhandari	-	-	-	-	-	0.36	0.36
9	Mr. Manoj Vinod Lalwani	-	-	-	-	-	0.40	0.40
10	Mrs. Sheetal Bhanot Shetty	-	-	-	-	-	0.16	0.16

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non- Executive Directors apart from sitting fees. At present Company does not have any approved ESOP/ESPS Schemes. The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued.

Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity: There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board/Committees thereof and remuneration payable to them annually.

The appointment of Executive Directors, Key Managerial Personnel and other employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

Corporate Governance Report (Contd.)

GENERAL BODY MEETING

The Annual General Meetings ('AGM') of the Company during the preceding three years were held at the following venue, date and time, wherein the following special resolutions were passed:

AGM	Year	Time	Date	Location	Special Resolutions
7 th	2022-23	4.00 pm	June 26, 2023	Registered Office	<ul style="list-style-type: none"> Change in Designation of Mr. Khubilal Jugraj Rathod (DIN- 00122867) Re-Appointment of Mr. Bishan Singh Rawat (DIN: 08139018) as Non-Executive and Independent Director of the Company Approval of Initial Public offer Revision of Articles of Association Increase in Overall Limit for NRI and Overseas Citizens of India
6 th	2021-22	4.00 pm	September 30, 2022	Registered Office	No such Resolution
5 th	2020-21	4.00 pm	November 30, 2021	Registered Office	No such Resolution

No Special Resolution has been passed last year through Postal Ballot. No special resolution is proposed to be conducted through postal ballot as on the date of this report. Resume and other information regarding the director seeking re-appointment/ continuation as required under Regulation 36 (3) of Listing Regulations, 2015 has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

Means of Communication

- Quarterly Results:** Your Company's quarterly financial results are submitted to the stock exchanges within forty-five days from the end of the quarter and the audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations which are also available on the website of your Company at <https://www.flairworld.in/investor-relation.aspx> under Financial Data. Newspapers wherein results normally published: The results are usually published in English newspaper having country-wide circulation and in Marathi newspaper where the registered office of the Company is situated. These results are displayed on the website of the Company <https://www.flairworld.in/investor-relation.aspx> under Financial Data along with other news releases and presentations, if any, made to institutional investors or to analysts among others.
- Compliance reports, corporate announcements, material information and updates:** Your Company disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal.
- Any Website, where displayed:** Your Company's website <https://www.flairworld.in/investor-relation.aspx> contains a separate section for investors. Information on various topics such as the Board of Directors, Committees of the Board, Annual Reports, various policies, intimation to stock exchanges etc. are available on the website.
- Whether it also displays official news releases:** Press release pertaining to results are uploaded on the website of the Company at <https://www.flairworld.in/investor-relation.aspx>
- Presentations made to institutional investors or to the analysts:** Earnings calls on financials/quarterly results are held with analysts and investors and their transcripts are published on the website at <https://www.flairworld.in/investor-relation.aspx>

GENERAL SHAREHOLDER INFORMATION

- Corporate Identification Number: L51100MH2016PLC284727
- Registered Office Address: 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai- 400067, Maharashtra, India.
- Annual General Meeting through Video Conferencing / Other Audio-Visual Means Facility
Date: Thursday, August 22, 2024
Time: 03.00 p.m. (IST)

Corporate Governance Report (Contd.)

➤ Venue: Meeting through VC/OAVM

Deemed Venue for Meeting: Registered Office of the Company at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai- 400067

➤ Financial Year: The financial year covers the period from April 01, 2023 to March 31, 2024.

Listing Details

As on March 31, 2024, the Company has issued fully paid-up Equity Shares which are listed on BSE Limited and National Stock Exchange of India Limited in India. The annual Listing fees have been paid to the respective stock exchanges. The Ordinary Shares of the Company have not been suspended from trading on the stock exchanges by any regulatory/ statutory authority.

ISIN and Stock code details:

Stock Exchange	ISIN	Stock Code
BSE Limited ('BSE') , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE00Y201027	544030
National Stock Exchange of India Limited ('NSE') Exchange plaza, 5th floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India.	INE00Y201027	FLAIR

• Market Price Data for the period – December 01, 2023 to March 31, 2024 and Share Price Performance in comparison to broad-based indices as BSE Sensex and Nifty 50:

Month	FLAIR at NSE			NIFTY 50			FLAIR at BSE			BSE SENSEX		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
December, 2023	514.40	346.00	348.65	21,801.45	20,183.70	21731.40	514.00	346.20	348.65	72,484.34	67,149.07	72,240.26
January, 2024	368.00	321.00	329.35	22,124.15	21,137.20	21725.70	368.00	320.70	329.45	73,427.59	70,001.60	71,752.11
February, 2024	332.90	258.05	281.05	22,297.50	21,530.20	21982.80	332.90	257.95	282.50	73,413.93	70,809.84	72,500.30
March, 2024	290.90	246.10	250.85	22,526.60	21,710.20	22326.90	290.00	247.00	251.10	74,245.17	71,674.42	73,651.35

Above information is considered from the date of Listing of the Company's equity shares viz. December 01, 2023. (Source: The above information is compiled from the data available on the websites of BSE and NSE)

Distribution of Shareholding as on March 31, 2024:
Distribution Of Shareholding Based On Shares Held

SERIAL No.	SHARES RANGE			No. of Shareholders	% of total Shareholders	Total Shares for the range	% of Issued Capital
1	1	to	500	79,204	96.2113	47,19,167	4.4776
2	501	to	1000	1,979	2.4039	14,40,630	1.3669
3	1001	to	2000	638	0.7750	9,32,351	0.8846
4	2001	to	3000	190	0.2308	4,74,001	0.4497
5	3001	to	4000	78	0.0947	2,73,971	0.2599
6	4001	to	5000	58	0.0705	2,74,896	0.2608
7	5001	to	10000	85	0.1033	6,14,490	0.5830
8	10001	to	above	91	0.1105	9,66,65,872	91.7174
Total				82,323	100.0000	10,53,95,378	100.0000

Corporate Governance Report (Contd.)

Distribution Of Shareholding Based On Nominal Value (INR)

SERIAL No.	Shareholding Of Nominal Value (Inr)			No. of Shareholders	% OF TOTAL	SHARE AMOUNT (INR)	% OF TOTAL SHARE AMOUNT
1	1	to	2500	79,204	96.2113	2,35,95,835.00	4.4776
2	2501	to	5000	1,979	2.4039	72,03,150.00	1.3669
3	5001	to	10000	638	0.7750	46,61,755.00	0.8846
4	10001	to	15000	190	0.2308	23,70,005.00	0.4497
5	15001	to	20000	78	0.0947	13,69,855.00	0.2599
6	20001	to	25000	58	0.0705	13,74,480.00	0.2608
7	25001	to	50000	85	0.1033	30,72,450.00	0.5830
8	50001	to	Above 50001	91	0.1105	48,33,29,360.00	91.7174
Total				82,323	100.0000	52,69,76,890.00	100.0000

Category Wise Holdings Summary

Category	Demat Securities	Demat Holders	Physical Securities	Physical Holders	Total Securities	Total Holders	%-Issued Capital
Promoters	8,28,29,592	10	0	0	8,28,29,592	10	78.5894
Mutual Funds	65,18,101	17	0	0	65,18,101	17	6.1844
Other Bodies Corporate	11,74,048	206	0	0	11,74,048	206	1.1139
Hindu Undivided Family	3,56,871	1973	0	0	3,56,871	1973	0.3386
Non Resident Indians	61,299	240	0	0	61,299	240	0.0582
Non Resident (Non Repatriable)	72,972	176	0	0	72,972	176	0.0692
Public	91,37,020	79650	0	0	91,37,020	79650	8.6693
Trusts	686	1	0	0	686	1	0.0007
Insurance Companies	15,4,3041	3	0	0	15,43,041	3	1.4640
Body Corporate - Ltd Liability Partnership	38,427	30	0	0	38,427	30	0.0365
FPI (Corporate) - I	2,65,071	9	0	0	2,65,071	9	0.2515
NBFCs registered with RBI	686	1	0	0	686	1	0.0007
Alternate Invst Funds - II	24,01,315	1	0	0	24,01,315	1	2.2784
Alternate Invst Funds - III	9,86,114	3	0	0	9,86,114	3	0.9356
Clearing Members	10,135	3	0	0	10,135	3	0.0096
TOTAL :	10,53,95,378	82,323	0	0	10,53,95,378	82323	100

Address for correspondence:

FLAIR WRITING INDUSTRIES LIMITED
 Secretarial Department
 Registered Office- 63 B/C, Government Industrial Estate,
 Charkop, Kandivali West, Mumbai- 400067
 Phone: 022-42030405
 E-mail: investors@flairpens.com

Registrar & Share Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED
 C 101, Embassy 247, L.B.S.Marg, Vikhroli (West),
 Mumbai - 400083.
 Phone- (0)8108116767
 Toll-free number : 1800 1020 878
 Email- rnt.helpdesk@linkintime.co.in

Corporate Governance Report (Contd.)

Dematerialisation of Shares and Liquidity

The Company has all its Equity Shares with CDSL and NSDL in dematerialised form and the Company's ISIN is INE00Y201027. The share transfers of dematerialised shares can be made through your Depository Participant. Your Company does not have any shareholders holding shares in physical form.

The electronic holding of the shares as on March 31, 2024 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) are as follows:

Particulars	March 31, 2024	
	No. of shares	% of Total Issued Capital
NSDL	9,93,14,563	94.24
CDSL	60,80,815	5.76
Total	10,53,95,378	100

How to manage your shares effectively:

The Company's foremost objective is to mitigate / avoid risks relating to shares and related matters, the following are the Company's recommendations to its Members:

- Consolidate your Multiple Folios:** Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.
- Confidentiality of Security Details:** Folio Nos/DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.
- Update your address and bank details:** To receive all communication and corporate actions promptly, please update your address, bank details, Email ID, etc., with the Company or Share Transfer Agent or DP, as the case may be.
- Quote you Folio Number/s or Demat account details:** Always quote your folio number/s or Demat Account Details, for any communication in regard to your shares with the Company or RTA, this will ensure speedy and effective processing.
- Prevention of frauds:** There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.
- Monitor holdings regularly:** Do not leave your demat account unchecked for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

Investor grievance and share transfer system

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondence and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its investor service centres which are spread across the country.

Plant Locations:

Considering the nature of business in which your Company is engaged it has 9 (nine) manufacturing plants in India:

Sr. No.	Name of Plants of Flair Writing Industries Limited	Location
1	Naigaon Unit 1	Naigaon, Thane, Maharashtra
2	Daman Unit-II	Daman and Diu
3	Daman Unit-III	
4	Daman Unit-IV	
5	Daman Unit-V	
6	Daman Agarwal Unit	
7	Dehradun Unit I	Dehradun, Uttarakhand
8	Dehradun Unit II	
9	Valsad Building II	Valsad, Gujarat

Corporate Governance Report (Contd.)

OTHER DISCLOSURES / COMPLIANCES
Material Wholly-Owned Subsidiary Company – Monitoring Framework

The Company does not have any Material Wholly-Owned Subsidiary Company. The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company at www.flairworld.in. The web-link for the same is

https://www.flairworld.in/DataFiles/CorporateGovernance/CorporatePolicies/Corporatepolicy_Policy_on_Determining_Material_Subsiidiary.pdf

The Company does not have a listed subsidiary.

Related Party Transactions & Conflict of Interest

All the contracts/ arrangements/ transactions entered by your Company during the financial year with related parties were in its ordinary course of business and on arms' length basis. The Company has made full disclosure of transactions with the related parties as set out in notes of Standalone Financial Statement, forming part of the Annual Report. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. The Company has uploaded Related Party Transaction Policy at the following web-link:

https://www.flairworld.in/DataFiles/InfoShareholder/Announcements/Related_Party_Transactions_half_year_ended_March_2024.pdf

The Company and its Wholly-owned subsidiary has not made any loan advances to any entity in which Directors are interested.

Details of non-compliance on matters relating to Capital Market Compliance with Listing Regulations

Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited w.e.f. December 01, 2023. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. Since the date of its listing, there were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/ or any other statutory authorities on matters relating to capital market.

Payment of Listing Fees

Annual Listing Fees for the Financial Year 2023-24 has been paid by the Company to National Stock Exchange of India Limited and BSE Limited.

Website

All the information and disclosures required to be disseminated pursuant to the Listing Regulations and the Act are being posted at Company's corporate website at <https://www.flairworld.in/investor-relation.aspx>

Commodity Price risk or foreign exchange risk and hedging activities

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

Also, your Company imports certain raw materials from various sources, for various products of the Company. Your Company actively monitors the foreign exchange movements and takes appropriate action to reduce the risks associated with transactions in foreign currencies.

Proceeds from preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or qualified institutions placement during the Financial Year 2023-24.

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:

There was no instance during the financial year 2023-24, where the Board of Directors of the Company has not accepted any recommendations, if any, of its committees.

Corporate Governance Report (Contd.)

Code for prevention of Insider-Trading Practices

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has in place following policies/ codes which are revised from time to time according to applicable laws.

- Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders; and
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS).

Certification

The Chairman, Managing Director and Chief Financial Officer of the Company have jointly furnished an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and is attached to this Report as Exhibit – A.

Further, the Chairman & Managing Director and Chief Financial Officer of the Company have also jointly certified and issued the quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

No Disqualification Certificate from Company Secretary in Practice

A certificate from KPUB & CO., Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations, is attached to this Report as Exhibit – B.

Fees to Statutory Auditor and its affiliates

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company, during the year ended March 31, 2024, is ₹ 06.00 million.

Prevention of Sexual Harassment (POSH)

The Company prohibits and has zero tolerance towards any actions relating to workplace sexual harassment and it is dealt expeditiously and fairly through prompt and thorough investigation whenever any instance in this regard is reported, the details of which are as under:

Sr. No.	Particulars	Number of Complaints
1	Filed during the financial year under review	Nil
2	Disposed of during the financial year under review	Not applicable
3	Pending as on end of the financial year	Not applicable

Compliance with Mandatory Requirements and adoption of discretionary Requirements

Your Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations and the following discretionary requirement of the Listing Regulations are adopted:

1. Unmodified Audit Opinion

During the year under review, there is no audit qualification in your Company's standalone financial statements and consolidated financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

2. Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Act, your Company has appointed Internal Auditor who directly reports to the Audit Committee of the Board of Directors.

Compliance Report on Corporate Governance

The Company submits on quarterly basis, a compliance report on corporate governance in the format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/observations/ advice, if any.

Corporate Governance Report (Contd.)

Compliance with requirement of Corporate Governance Report

Your Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report:

Annual Certificate on Security Transfer

In terms of Regulation 40(9) of the SEBI Listing Regulations, certificates, on an annual basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

Reconciliation of Share Capital Audit

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchanges on quarterly basis and is also available on our website at <https://www.flairworld.in/investor-relation.aspx>.

Designated e-mail address for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the SEBI Listing Regulations, the designated e-mail address for investor complaints is investors@flairpens.com. The e-mail address for grievance redressal is monitored by the Company's Compliance Officer.

Compliance Certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance

A certificate from M/s. KPUB & Co., Company Secretaries, regarding compliance of conditions of Corporate Governance forms part of this Annual Report as Exhibit - C.

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

There was no instance during the financial year 2022-23, where the Board of Directors of the Company has not accepted any recommendations, if any, of its Committees.

Code of Conduct

The Company is committed to compliance with all the applicable laws and regulations with the intent of high business ethics, honesty and integrity. The Company has adopted the 'Code of Conduct for Board and Senior Management' which is posted on the website of the Company at <https://www.flairworld.in/investor-relation.aspx> under the Code of Conduct. All Board members and senior management personnel have confirmed compliance to the Code of Conduct. A declaration to this effect, duly signed by the Executive Chairman & Managing Director of the Company is as under:

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vimalchand Jugraj Rathod, Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year 2023-24.

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

Vimalchand Jugraj Rathod

Managing Director

DIN: - 00123007

Place: Mumbai

Date: July 30, 2024

EXHIBIT - A
CHAIRMAN/ MANAGING DIRECTOR/CFO CERTIFICATION

To,
The Board of Directors
Flair Writing Industries Limited
63, B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai- 400067

Re: Financial Statements for the financial year 2023 –24 - Certification by Chairman, MD and CFO

We, the undersigned, in our respective capacities as Chairman, Managing Director and Chief Financial Officer (CFO) of Flair Writing Industries Limited ("the Company"), to the best of our knowledge and belief hereby certify as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that:

We have reviewed the financial statements and cash flow statement for the year ended March 31, 2024 and we certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violate the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - (a) there have been no significant changes in internal control over financial reporting during the period.
 - (b) there have been no significant changes in accounting policies during the period.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

For Flair Writing Industries Limited

Khubilal Jugraj Rathod
(Chairman)

Vimalchand Jugraj Rathod
(Managing Director)

Alpesh Ambalal Porwal
(Chief Financial Officer)

Place: Mumbai
Date: July 30, 2024

EXHIBIT - B
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Flair Writing Industries Limited
63 B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai 400 067

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Flair Writing Industries Limited having CIN: L51100MH2016PLC284727 and having registered office at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai, Maharashtra, India, 400067 (here in after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status] at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of director	DIN	Date of Appointment
1	Khubilal Jugraj Rathod	00122867	12/08/2016
2	Vimalchand Jugraj Rathod	00123007	12/08/2016
3	Rajesh Khubilal Rathod	00122907	12/08/2016
4	Mohit Khubilal Rathod	00122951	12/08/2016
5	Sumit Rathod	02987687	12/08/2016
6	Punit Saxena	01057161	18/03/2023
7	Manoj Vinod Lalwani	10077949	18/03/2023
8	Sheetal Bhanot Shetty	10087870	24/03/2023
9	Rajneesh Bhandari	00094089	04/05/2022
10	Bishan Singh Rawat	08139018	09/06/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KPUB & CO.,**
Company Secretaries
Firm Registration No: P2015MH069000

Keshav Purohit
Partner
ACS No: 39702; C P No.: 20471
Peer review Certificate No: 1864/2022
Mumbai: July 22, 2024
ICSI UDIN: A039702F000800913

EXHIBIT - C

CERTIFICATE OF CORPORATE GOVERNANCE

(Pursuant to regulations and Schedule V Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
FLAIR WRITING INDUSTRIES LIMITED
63 B/C, Government Industrial Estate,
Charkop, Kandivali West, Mumbai 400 067

- We have examined the compliance conditions of Corporate Governance followed by Flair Writing Industries Limited (herein after referred as "Company") for the Financial Year ended March 31, 2024 as prescribed under Regulations 17 to 27, clauses(b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31 March 2024.
- Compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our knowledge, information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance stipulated in the above-mentioned Listing Agreement/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable during the year ended March 31, 2024.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KPUB & CO.,**
Company Secretaries
Firm Registration No: P2015MH06900

Keshav Purohit
Partner
ACS No: 39702; C P No.: 20471
Peer Review Certificate No. 18642022
Mumbai: July 22, 2024
ICSI UDIN: A039702F000800968

Independent Auditor's Report

To the Members of Flair Writing Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of **Flair Writing Industries Limited** ("the Company"), which comprise Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. 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 2.8 of the Standalone Financial Statements)	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations, substantive testing for cut-offs and analytical review procedures.
2	Recoverability of Indirect tax and Insurance Claim receivables (Refer note 6 of the Standalone Financial Statements)	
	As at March 31, 2024, non-current assets in respect of Indirect tax receivables include VAT recoverable amounting to ₹ 4.28 million which are subject to pending assessment and in respect of Insurance Claim Receivable amounting to ₹ 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 STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

Independent Auditor's Report (Contd.)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

Independent Auditor's Report (Contd.)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book;
 - c) The Balance sheet, the Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representation received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"** to this report.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. [Refer Note 39 to Standalone Financial Statements]
 - (ii) The Company did not have any long-term contracts, including derivative contracts, which could result in any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 34 in the Standalone Financial Statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded

Independent Auditor's Report (Contd.)

- in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 34 in the Standalone Financial Statement, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv) (b) above, contain any material misstatement.

- (v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- (vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Dhiren K. Rathore
(Partner)

Place: Mumbai
Date: May 27, 2024

M. No: 115126
UDIN: 24115126BKCYDN1449

Annexure "A" to the Independent Auditors' Report

of even date on the Standalone Financial Statements of Flair Writing Industries Limited

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

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

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

- a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (ii) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a phased program for physical verification of the Property, Plant and Equipment and right-of-use assets for all locations. In our opinion, the frequency of verification is reasonable considering the size of the company and nature of its Property, Plant and Equipment and right-of-use assets. Physical verification of the assets has been carried out by the management during the year pursuant to the programme in that respect and no material discrepancies were noticed on such verification.

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

Quarter ended on	Amount as per books of accounts (₹ In million)	Amount as reported in the statements (₹ In million)	Difference (₹ In million)	Reason for discrepancies
March 31, 2024	3,379.59	3,379.59	-	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, 2023	3,371.01	3,369.42	1.58	
September 30, 2023	3,509.53	3,462.66	46.87	
June 30, 2023	3,433.41	3,391.60	41.81	

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

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

- c) On the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the Standalone Financial Statements are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.
- e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. In respect of its inventories:

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

Particulars	Loans (₹ In million)
Aggregate amount granted/ provided during the year	1297.26
-Subsidiaries	
Balance outstanding as at balance sheet date in respect of above case	1329.13
- Subsidiaries	

Annexure "A" to the Independent Auditors' Report (Contd.)

Annexure "A" to the Independent Auditors' Report (Contd.)

- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.
 - (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
 - (d) There are no amounts of loans granted to companies which are overdue for more than ninety days except the loans given to the subsidiaries Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private limited.
 - (e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
 - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii)(f) of paragraph 3 of the Order is not applicable to the Company.
- iv.** The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Thus reporting under clause (vi) of paragraph 3 of the order is not applicable to the Company.
- vii. (a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

Nature of the Statute	Nature of dues	Amount (In ₹)	Period to which Relates	Forum where dispute is pending
Central Sales Tax Act,1956 (FWIL-DDN)	Central Sales Tax	56,047	2012-13	Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	3,11,891	2012-13	Joint Commissioner (Appeals)- I, Commercial Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	5,54,652	2013-14	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	5,07,780	2014-15	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	10,65,361	2015-16	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	12,80,178	2016-17	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (FWIL-DDN)	Central Sales Tax	73,629	2016-17	Joint Commissioner (Appeals)- I, State Tax, Dehradun
Central Sales Tax Act,1956 (DDN I)	Central Sales Tax	30,15,298	2017-18	Joint Commissioner (Appeals)- I, State Tax, Dehradun

Nature of the Statute	Nature of dues	Amount (In ₹)	Period to which Relates	Forum where dispute is pending
Office of the Commissioner of CGST, Ahmedabad-South (FDPL)	Goods and Service Tax	2,58,42,080	July 2017 to March 2020	Additional Commissioner, (Common Adjudicating Authority), CGST & Excise, Ahmedabad South, Ahmedabad
Office of the Commissioner of CGST, Ahmedabad-South	Goods and Service Tax	2,61,47,749	July 2017 to September 2020	Additional Commissioner, (Common Adjudicating Authority), CGST & Excise, Ahmedabad South, Ahmedabad
Assistant Commissioner of state Tax-Valsad	Goods and Service Tax	3,71,04,857	2019-20	Assistant Commissioner of state Tax-Valsad
Office of Deputy Commissioner State Tax-Dehradun	Goods and Service Tax	24,62,014	2018-19	Office of Deputy Commissioner State Tax-Dehradun
Office of Deputy Commissioner State Tax-Dehradun	Goods and Service Tax	31,37,661	2018-19	Office of Deputy Commissioner State Tax-Dehradun
Income tax act 1961(FIPL)	Income Tax	1,33,730	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPIPL)	Income Tax	1,22,630	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPUKPL)	Income Tax	38,930	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPSIPL)	Income Tax	20,32,370	2017-18	Jurisdiction Assessing officer
Income tax act 1961(NPPUK)	Income Tax	1500	2016-17	Jurisdiction Assessing officer
Income tax act 1961(NPPUK)	Income Tax	5,22,450	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FPSI)	Income Tax	6,09,190	2015-16	Jurisdiction Assessing officer
Income tax act 1961(FPSI)	Income Tax	3,52,030	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FIC)	Income Tax	52,420	2010-11	Jurisdiction Assessing officer
Income tax act 1961(FWI)	Income Tax	10,67,430	2016-17	Jurisdiction Assessing officer
Income tax act 1961(FWI)	Income Tax	1,65,16,660	2017-18	Jurisdiction Assessing officer
Income tax act 1961(NPPI)	Income Tax	94,300	2011-12	Jurisdiction Assessing officer
Income tax act 1961(NPPI)	Income Tax	12,940	2015-16	Jurisdiction Assessing officer
Income tax act 1961(NPPI)	Income Tax	1,09,470	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FIC)	Income Tax	77,060	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FWIL)	Income Tax	10,53,830	2017-18	Jurisdiction Assessing officer
Income tax act 1961(FWIL)	Income Tax	2,07,21,060	2018-19	Commissioner of Income-Tax (Appeals)
Income tax act 1961(FWIL)	Income Tax	2,77,930	2020-21	Jurisdiction Assessing officer
Income tax act 1961(FWIL)	Income Tax	33,63,100	2021-22	Jurisdiction Assessing officer
Income tax act 1961(FWIL)	Income Tax	79,63,500	2022-23	Jurisdiction Assessing officer

Annexure "A" to the Independent Auditors' Report (Contd.)

- viii.** The Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix.** (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to any banks and related parties during the year.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has utilised the money obtained by way of term loan during the year for the purposes for which they were obtained.
- (d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short term basis have been used for long term purposes by the Company.
- (e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any loan from any entity or any person on account of or to meet the obligation of its subsidiaries, associate or joint ventures as defined under Companies Act, 2013. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable to the Company.
- (f) The Company has not raised any funds during the year on the pledge of securities held in its subsidiaries, joint ventures or associates Companies. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.
- x.** (a) According to the information and explanations given to us, The money raised by way of initial public offer during the year have been, prima facie, applied by the Company for the purposes for which they were raised. However, some portion of the amount raised, which remain unutilised during the year, have been invested in bank deposits as on March 31, 2024.
- (b) According to the information and explanation given to us, the company has made private placement of share during the year and the requirements of Section 42 of the Companies Act, 2013 have been duly complied with and the money raised during the year have been, prima facie, utilised for the purpose for which they were raised.
- xi.** (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditor) Rules, 2014 with Central Government.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints were received by the company during the year. Accordingly, reporting under clause (xi) (c) of paragraph 3 of the Order is not applicable to the Company.
- xii.** The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable to the company.
- xiii.** Transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the Note 34 of Standalone Financial Statements as required by the applicable accounting standards.
- xiv.** (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company for the period under audit issued till date in determining the nature, timing and extent of our audit procedures.
- xv.** The Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence requirement to report on clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi.** (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration

Annexure "A" to the Independent Auditors' Report (Contd.)

- (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.
- (d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.
- xvii.** The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** There has been no resignation of statutory auditor during the year. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix.** On the basis of the financial ratios disclosed in Note 40 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting

its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx.** (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Hence reporting under clause (xx) (a) and (xx) (b) of paragraph 3 of the Order is not applicable to the Company.

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

Dhiren K. Rathore
(Partner)

Place: Mumbai
Date: May 27, 2024

M. No: 115126
UDIN: 24115126BKCYDN1449

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

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to Standalone Financial Statements of **Flair Writing Industries Limited** ("the Company") as of **March 31, 2024**, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Standalone Financial Statements and their operating effectiveness. Our audit

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

Annexure B to the Independent Auditor's Report (Contd.)

evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Dhiren K. Rathore
(Partner)

Place: Mumbai
Date: May 27, 2024

M. No: 115126
UDIN: 24115126BKCYDN1449

Balance Sheet

as at March 31, 2024

Particulars	Notes	(₹ in million)	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	1	2,295.53	1,967.36
b) Capital Work in Progress	1	201.02	16.00
c) Intangible Assets	1	17.05	19.95
d) Right-of-Use Assets	1	192.56	13.55
e) Financial Assets			
i) Investments	2	36.10	36.10
ii) Loans	3	1,287.10	476.55
iii) Other Financial Assets	4	106.65	23.18
f) Current Tax Assets (Net)	5	0.82	0.54
g) Other Non-Current Assets	6	135.00	121.82
Total Non-Current Assets		4,271.82	2,675.07
Current Assets			
a) Inventories	7	1,869.05	1,864.89
b) Financial Assets			
i) Trade Receivables	8	1,944.34	1,617.35
ii) Cash and Cash Equivalents	9	519.46	6.26
iii) Bank Balance other than (ii) above	10	1,821.74	0.05
iv) Loans	3	46.52	21.09
v) Other Financial Assets	4	36.45	4.24
c) Other Current Assets	6	224.16	150.01
Total Current Assets		6,461.70	3,663.89
Total Assets		10,733.52	6,338.96
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	526.98	466.94
b) Other Equity	12	8,364.73	3,792.84
Total Equity		8,891.71	4,259.78
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	285.00	347.69
ii) Lease Liabilities	14	161.96	15.96
iii) Other Financial Liabilities	15	4.66	0.73
b) Provisions	16	86.86	63.01
c) Deferred Tax Liabilities (Net)	17	85.56	93.34
d) Other Non-Current Liabilities	18	1.95	2.60
Total Non-Current Liabilities		625.98	523.34
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	71.57	621.09
ii) Lease Liabilities	14	43.76	0.59
iii) Trade Payables			
Total Outstanding Dues of Micro and Small Enterprises; and	19	153.12	160.00
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	19	426.14	369.11
iv) Other Financial Liabilities	15	326.99	179.29
b) Provisions	16	96.72	74.10
c) Other Current Liabilities	18	88.67	88.93
d) Current Tax Liabilities (Net)	20	8.87	62.74
Total Current Liabilities		1,215.84	1,555.85
Total Liabilities		1,841.82	2,079.18
Total Equity and Liabilities		10,733.52	6,338.96

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

As per our attached Report of even date

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Statement of Profit & Loss

for the year ended March 31, 2024

Sr. No.	Particulars	Notes	(₹ in million)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME				
1	Revenue from Operations	21	9,186.63	9,038.72
2	Other Income	22	200.24	135.26
	Total Income	(A)	9,386.87	9,173.97
EXPENSES				
	(a) Cost of Material Consumed	23	4,707.49	4,794.28
	(b) Purchases of Stock-in-Trade	24	71.74	61.65
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(123.90)	94.56
	(d) Employee Benefits Expense	26	1,363.29	1,123.95
	(e) Finance Costs	27	76.71	87.89
	(f) Depreciation and Amortisation Expense	1	293.35	242.01
	(g) Other Expenses	28	1,413.67	1,257.09
	Total Expenses	(B)	7,802.34	7,661.44
4	Profit Before Tax	(C=A-B)	1,584.53	1,512.54
Tax Expense				
	(a) Current Tax		406.11	394.69
	(b) Deferred Tax Expenses/(Credit)	17	(3.27)	1.15
	(c) Short/(Excess) Provision of tax relating to earlier years		0.04	0.72
	Total Tax Expenses	(D)	402.88	396.56
6	Profit for the year	(E=C-D)	1,181.65	1,115.98
Other Comprehensive Income				
Items that will not be reclassified to Statement Of Profit Or Loss				
	(a) Remeasurement (losses) on Defined Benefit Plan		(17.90)	(2.14)
	(b) Income Tax effect on the above		4.51	0.54
	Total Other Comprehensive Income for the year (Net of Tax)	(F)	(13.40)	(1.60)
8	Total Comprehensive Income for the year	(G=E+F)	1,168.25	1,114.38
Earnings Per Equity Share of face value of ₹ 5/- each				
	Basic(In ₹)	29	12.11	11.95
	Diluted (In ₹)	29	12.11	11.95

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

As per our attached Report of even date

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

(₹ in million)

Balance as at April 01, 2023	Changes in Equity Share Capital due to prior year errors	Restated balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
466.94	-	-	60.03	526.98

(₹ in million)

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior year errors	Restated balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
233.47	-	-	233.47	466.94

#The Company has issued 24,01,315 Equity Shares of face value ₹ 5 each at an issue price of ₹ 304 per equity share to Volrado Venture Partners Fund III – Beta pursuant to the Pre Initial public offer (Pre-IPO) placement aggregating to ₹ 730 million on November 10, 2023. Subsequently, The Company has completed an Initial Public Offer("IPO") by way of fresh issue of 96,05,263 equity shares of face value ₹ 5 each at an issue price of ₹ 304 per equity shares aggregating to ₹ 2,920 million and an Offer for Sale of 99,01,315 equity Shares of face value ₹ 5 each for at an issue price of ₹ 304 per equity share aggregating to ₹ 3,010 million. The Equity shares of the Company were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) (hereinafter collectively referred as "Stock Exchanges") on December 01, 2023.

B. OTHER EQUITY

(₹ in million)

Particulars	Reserve & Surplus		Other Reserve	Total
	Retained Earning	Securities Premium	Other Comprehensive Income	
Balance as at April 01, 2022	2,736.29	195.64	(28.76)	2,903.17
Add : Profit for the year	1,115.98	-	-	1,115.98
Add: Transfer on account of merger from Flair Distributor Private Limited	8.77	-	-	8.77
Less : Issue of Bonus share	(37.84)	(195.64)	-	(233.47)
Less : Other Comprehensive Income	-	-	(1.60)	(1.60)
Balance as at March 31, 2023	3,823.20	-	(30.36)	3,792.84
Add : Profit for the year	1,181.65	-	-	1,181.65
Add : Issue of Equity Share	-	3,589.97	-	3,589.97
Less : Issue Expenses	-	(186.32)	-	(186.32)
Less : Other Comprehensive Income	-	-	(13.40)	(13.40)
Balance as at March 31, 2024	5,004.84	3,403.64	(43.75)	8,364.73

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

As per our attached Report of even date

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	1,584.53	1,512.54
	Adjustments for:		
	Depreciation and amortisation Expenses	293.35	242.01
	Finance Costs	76.71	87.89
	Allowance for doubtful debts	-	10.33
	Interest Income	(116.57)	(24.51)
	Gain on Sale of Mutual Funds	(0.17)	-
	(Profit)/Loss on Sales of Property, Plant and Equipment	(0.11)	0.01
	Operating Profit before change in working capital	1,837.74	1,828.26
	Movements in working capital:		
	(Increase) in Inventories	(4.16)	(77.69)
	(Increase) in Trade Receivables	(326.98)	(213.04)
	(Increase) in Loans	(835.97)	(353.66)
	(Increase) in Financial and Other Assets	(203.27)	(65.83)
	Increase in Trade Payables	50.15	54.86
	Increase in Provisions	46.47	20.78
	Increase in Financial and Other Liabilities	132.81	18.74
	Cash Generated From / (Used In) Operations	696.78	1,212.41
	Income Taxes Paid (Net)	(460.02)	(424.74)
	Net Cash Generated From / (Used In) Operating Activities (A)	236.75	787.68
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Investment in Subsidiary Company	-	(35.00)
	Purchase of Property, Plant and Equipment and Intangible Asset	(759.88)	(454.17)
	Sales of Property, Plant and Equipment and Intangible Asset	5.66	4.33
	Investment in units of Mutual Funds	(102.00)	-
	Redemption of Mutual Funds Investment	102.17	-
	(Increase) In Bank Deposits And Other Bank Balances*	(1,821.69)	-
	Interest received	116.57	24.51
	Net Cash Generated From / (Used In) Investing Activities (B)	(2,459.17)	(460.32)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Reserve transfer on account of merger with Flair Distributor Private Limited	-	8.77
	Proceeds from issue of Equity Share	3,650.00	-
	Share Issue Expenses	(186.32)	-
	Repayment of Borrowings	(612.21)	(214.99)
	Finance Costs Paid	(56.40)	(85.16)
	Repayment of Principal Portion of Lease Liabilities	(59.44)	(32.85)
	Net Cash From / (Used In) Financing Activities (C)	2,735.62	(324.23)

Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

(₹ in million)			
Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
D	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	513.20	3.13
	Cash and Cash Equivalents at the Beginning of the Year	6.26	3.13
	Cash And Cash Equivalents At The End Of The Year	519.46	6.26
	Components of Cash and Cash Equivalents		
	Cash on Hand	0.95	1.86
	Balances with scheduled banks		
	- in Cash Credit Accounts	17.82	-
	- in Current Accounts	0.08	0.09
	- in EEFC Account	0.06	4.31
	- Bank Deposits (Maturity less than 3 months)	500.00	-
	LC Margin Money	0.56	-
	Total Cash and Cash Equivalents	519.46	6.26

*Other bank balances includes an amount of ₹ 187.34 million as at March 31, 2024 (March 31, 2023: Nil) pertains to amount held in Public Issue Account towards issue expenses. This balance is restricted bank balance which is not available with the Company for its normal operating, investing and financing activities.

Note:

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

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

As per our attached Report of even date

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

1. CORPORATE INFORMATION

Flair Writing Industries Limited ("the Company") (CIN: L51100MH2016PLC284727) is a public limited Company Incorporated and domiciled in India and having its registered office at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. During the year ended March 31, 2024, the Company has completed Initial Public offer (IPO) of its Shares. Pursuant to IPO, the Company's Shares were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) on December 01, 2023.

The Company has Seven (7) manufacturing units. The Company is engaged in manufacturing of writing instruments, stationeries and other allied(s).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

a) Statement of Compliance :

The Company prepares its Standalone Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These Standalone financial statements includes Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended March 31, 2024, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

b) Basis of Measurement :

The financial statements for the year ended March 31, 2024 have been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period.

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

Accounting policies and methods of computation followed in the financial statements are same as

compared with the annual financial statements for the year ended March 31, 2023, except for adoption of new standard or any pronouncements effective from April 01, 2023.

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

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

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

Operating Cycle:

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

d) Functional and presentation currency

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

2.2. Use of Estimates, Judgements and Assumptions

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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

Estimates and assumptions are required in particular for:

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

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

- **Recoverability of trade receivables**

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

- **Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability

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

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

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

- **Application of Discount rates**

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

- **Current versus Non-Current Classification**

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

- **Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Company estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

- **Impairment of Financial Assets**

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

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

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

2.3. PROPERTY, PLANT AND EQUIPMENT (PPE)

i. Tangible Assets

- **Freehold Land**

Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

Property, plant and equipment are stated at historical cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

ii. Intangible assets

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

iii. Capital Work-in-Progress:

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

iv. Depreciation/Amortisation:

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Part C of Schedule II of Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Part C of Schedule II.

The useful life of major assets is as under:

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

**Notes to the Standalone Financial Statements
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Assets	Useful life (in years)
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 life as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Others	10

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

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Profit and Loss when the assets is derecognised.

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

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

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

assessments of the time value of money and risk specific to the assets.

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

2.4. Finance Costs

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

2.5. Foreign Currency Transactions and Translation

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

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

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

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

2.6. Investments in Subsidiaries

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

**Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in the Statement of Profit and Loss.

2.7. Fair value measurement

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

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

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

2.8. Revenue from Operations

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised 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 recognised 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 realisation.

Contract balances and Trade receivables

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

Contract liabilities

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

Other Income

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

2.9. Tax Expenses

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

Current tax

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

Current tax assets and liabilities are offset only if,

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

Deferred tax

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it

has become probable that future taxable profits will be available against which they can be recovered.

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

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

Deferred tax assets and liabilities are offset only if:

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

2.10. Inventories

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

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

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

2.11. Leases

As a Lessee:

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

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

- I. the contract involves the use of an identified asset
- II. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

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

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

- I. the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by

discounting the revised lease payments using a revised discount rate.

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

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

2.12. Provisions, Contingent Liabilities, Contingent Assets and Commitments

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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

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

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

2.13. Employee Benefits Expense

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

a) Short-term Employee Benefits

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

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

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

b) Post-Employment Benefits

I. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company

makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

II. Defined benefit plans

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

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

2.14. Financial Instruments

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

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

(i) Financial Assets

a. Initial Recognition and Measurement

All Financial Assets are initially recognised 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

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

on initial recognition. Purchases and Sales of Financial Assets are recognised using trade date accounting.

b. Subsequent Measurement

1) Financial Assets carried at Amortised Cost

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

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

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

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

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

c. Loans, Deposits and Receivable

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

d. Investment in Subsidiaries

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

e. Investment in Mutual Fund

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

f. Impairment of Financial Assets

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

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

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
 - Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
- The Credit Loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable evidence including that which is forward-looking.

Trade Receivables

Customer Credit Risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed 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.

**Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**

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

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

Following is the policy for specific financial assets:-

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

(ii) Financial Liabilities
a. Initial Recognition and Measurement

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

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

b. Subsequent Measurement

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

c. De-recognition of Financial Instruments

The Company de-recognises 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-recognised from the Company's Balance Sheet when obligation specified in the contract is discharged or cancelled or expires.

d. Offsetting of Financial Instruments

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

(iii) Derivative Financial Instruments and Hedge Accounting

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

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

**Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**

or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17. Earnings Per Share
Basic Earnings Per Share

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

Diluted Earnings Per Share

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

2.18. Segment Reporting

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

2.19. Government Grants

Government grants are recognised 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 recognised 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 recognised as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognised at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below

the current applicable market rate, the effect of this favorable interest is reduced from interest. The Loan or assistance is initially recognised 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. Changes in material accounting policy information

The Company has applied new standards, interpretations and amendments issued and effective for annual periods beginning on or after April 01, 2023. This did not have any material changes in the Company's standalone accounting policies.

2.21. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2023.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

i) Definition of Accounting Estimates - Amendments to Ind AS 8:

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

ii) Disclosure of Accounting Policies - Amendments to Ind AS 1:

The amendments to Ind AS 1 provided guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

The amendments had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

iii) **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12:**

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

A. Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

B. The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land – Freehold	Buildings	Plant and Machinery	Office Equipment	Factory Equipments	Computer Equipment	Furniture & Fixtures	Mould	Electrical Installation	Two Wheeler	Vehicles	Total
I. Gross Block												
Balance as on April 01, 2022	195.35	459.14	1,177.08	11.27	53.60	21.57	55.76	583.09	77.47	1.96	60.46	2,696.75
Transfer from Flair Distributor Private Limited on account of merger	-	-	-	0.03	-	0.14	-	-	-	-	-	0.17
Additions	43.49	-	206.84	4.06	6.72	3.08	10.54	95.07	1.89	0.10	65.91	437.69
Deductions/adjustments	-	-	8.49	-	-	-	-	14.09	-	0.09	12.05	34.72
Balance as on March 31, 2023	238.83	459.14	1,375.42	15.37	60.32	24.79	66.31	664.07	79.35	1.96	114.33	3,099.89
Additions	68.87	1.30	342.03	3.07	11.63	4.95	10.10	123.96	4.21	-	2.63	572.74
Deductions/adjustments	-	-	9.90	0.15	-	-	-	1.56	-	-	3.60	15.21
Balance as on March 31, 2024	307.70	460.44	1,707.55	18.28	71.95	29.74	76.40	786.48	83.56	1.96	113.35	3,657.41
II. Depreciation												
Balance as on April 01, 2022	-	58.20	455.82	8.18	33.24	16.07	24.82	298.22	35.39	0.46	20.60	951.00
Transfer from Flair Distributor Private Limited on account of merger	-	-	-	0.03	-	0.13	-	-	-	-	-	0.16
Charge for the year	-	14.94	96.38	1.31	7.61	2.29	5.91	66.17	7.43	0.18	9.51	211.75
Deductions/adjustments	-	-	7.96	-	-	-	-	13.38	-	0.09	8.95	30.38
Balance as on March 31, 2023	-	73.13	544.24	9.52	40.85	18.49	30.74	351.01	42.82	0.55	21.16	1,132.52
Charge for the year	-	14.99	109.02	1.60	7.36	3.40	6.80	73.39	7.75	0.19	14.50	239.02
Deductions/adjustments	-	-	5.30	0.01	-	-	-	1.34	-	-	3.01	9.67
Balance as on March 31, 2024	-	88.13	647.96	11.11	48.21	21.90	37.54	423.06	50.57	0.74	32.66	1,361.88
III. Net Block												
Balance as on March 31, 2024	307.70	372.32	1,059.59	7.17	23.74	7.84	38.86	363.41	32.99	1.22	80.69	2,295.53
Balance as on March 31, 2023	238.83	386.01	831.19	5.84	19.47	6.29	35.57	313.06	36.53	1.40	93.16	1,967.36

Note: Movable Property, Plant and Equipment are hypothecated against cash credit facilities availed by the Company amounting to ₹ 1,085 million and term loan.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

1 CAPITAL WORK IN PROGRESS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Building - MIDC	131.37	15.74
Building - Warehouse Daman	9.35	-
Building - Valsad	14.09	-
Electrical Fitting & Installation - Warehouse	2.12	-
Electrical Fitting & Installation - MIDC	0.24	-
Factory Shed - Warehouse	23.12	-
Furniture & Fixture - MIDC	9.30	-
Fire Hydrant System - MIDC	6.39	-
Lift	5.01	-
Mould	0.01	0.27
Total	201.02	16.00

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

(₹ in million)

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	185.28	15.74	-	-	201.02
Project is temporarily suspended	-	-	-	-	-
TOTAL	185.28	15.74	-	-	201.02

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

(₹ in million)

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

There are no projects as on each reporting date where activity had been suspended. Also, there are no projects as on the reporting years which has exceeded cost as compared to its original plan or where completion is overdue.

1 INTANGIBLE ASSETS

(₹ in million)

Particulars	Trade Mark	Web Designing	Total
I. Gross Block			
Balance as on April 01, 2022	45.72	0.59	46.30
Additions	1.33	-	1.33
Deductions/adjustments	-	-	-
Balance as on March 31, 2023	47.04	0.59	47.63
Additions	2.13	-	2.13
Deductions/adjustments	-	-	-
Balance as on March 31, 2024	49.18	0.59	49.76

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	Trade Mark	Web Designing	Total
II. Depreciation			
Balance as on April 01, 2022	22.36	0.41	22.77
Charge for the year	4.84	0.06	4.91
Deductions/adjustments	-	-	-
Balance as on March 31, 2023	27.21	0.47	27.68
Charge for the year	4.99	0.05	5.04
Deductions/adjustments	-	-	-
Balance as on March 31, 2024	32.20	0.52	32.72
III. Net Block			
Balance as on March 31, 2024	16.98	0.07	17.05
Balance as on March 31, 2023	19.84	0.12	19.95

1 RIGHTS-OF-USE ASSETS

(₹ in million)

Particulars	Leased Assets
I. Gross Block	
Balance as on April 01, 2022	137.13
Additions	2.99
Deductions/adjustments	-
Balance as on March 31, 2023	140.12
Additions	228.30
Deductions/adjustments	-
Balance as on March 31, 2024	368.42
II. Depreciation	
Balance as on April 01, 2022	101.22
Charge for the year	25.35
Deductions/adjustments	-
Balance as on March 31, 2023	126.57
Charge for the year	49.29
Deductions/adjustments	-
Balance as on March 31, 2024	175.87
III. Net Block	
Balance as on March 31, 2024	192.56
Balance as on March 31, 2023	13.55

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

2 INVESTMENTS
Non-Current

Particulars	As at March 31, 2024		As at March 31, 2023	
	Qty.	Amount	Qty.	Amount
Unquoted, fully paid up				
In Equity Shares of Subsidiary Companies				
Flair Cyrosil Industries Pvt Ltd of ₹ 100 each (Refer Note 34)	3,60,000	36.00	3,60,000	36.00
Flair Writing Equipments Pvt Ltd. of ₹ 10 each (Refer Note 34)	10,000	0.10	10,000	0.10
Total non-current investments	3,70,000	36.10	3,70,000	36.10
Aggregate Carrying Value of Unquoted Investments	-	36.10	-	36.10
Aggregate Carrying Value of Unquoted Investments measured at cost	-	36.10	-	36.10

3 LOANS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Unsecured, Considered good		
Loans and Advances to Employees #	4.01	0.29
Subsidiary Companies	1,283.09	476.26
Total	1,287.10	476.55
Current		
Unsecured, Considered good		
Loans and Advances to Employees #	0.48	3.10
Subsidiary Companies	46.04	17.99
Total	46.52	21.09

Loans and Advances that fall under the category of 'Loans-Non-Current' are re-payable after more than 1 year. Further the said loans are carried at amortised cost.

No Loans or Advance are granted to Promoters, Directors, the related Parties except Subsidiary Companies.

Type of Borrower	As at March 31, 2024		As at March 31, 2023	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of Loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of Loans
Flair Writing Equipments Private Limited	783.25	58.73%	333.73	67.06%
Flair Cyrosil Industries Private Limited	545.87	40.93%	160.52	32.26%

4 OTHER FINANCIAL ASSETS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Security Deposits	29.25	22.21

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank Deposits (Maturity more than 12 months) #	0.21	0.21
Interest Receivable	46.89	0.12
Other Deposits	30.30	0.65
Total	106.65	23.18
Current		
Security Deposits	36.37	4.24
Derivatives Financial Assets	0.07	-
Total	36.45	4.24
# includes deposits having restrictive use on account of:		
Pledged with Government Authorities	0.21	0.21

5 CURRENT TAX ASSETS (NET)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Assets	0.82	0.54
Total	0.82	0.54

6 OTHER ASSETS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non- Current		
Unsecured, Considered good		
Capital Advances	102.61	100.37
Balances with Government Authorities	4.28	4.97
Prepaid Expenses	12.19	0.57
Insurance claim Receivable	15.91	15.91
Total	135.00	121.82
Current		
Unsecured, Considered good		
Advances to Suppliers and Others	68.88	101.25
Balances with Government Authorities	90.07	23.75
Prepaid Expenses	48.72	7.60
Others Receivable	16.49	17.41
Total	224.16	150.01

7 INVENTORIES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories		
Raw and Packing Materials	694.80	853.73

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw and Packing Materials (In Transit)	30.74	0.20
Semi-Finished Goods	625.42	559.49
Semi-Finished Goods (In Transit)	0.25	25.79
Finished Goods	445.00	372.35
Finished Goods (In Transit)	2.73	-
Stock of Spares	29.84	21.19
Finished Goods (Traded Goods)	40.28	32.14
Total	1,869.05	1,864.89

- The Inventories have been valued as per Note 2(10) of Material Accounting Policies.
- Inventories are hypothecated against cash credit facilities availed by the Company totaling to ₹ 1,085 million.
- The cost of inventories recognised as an expense during the year was ₹ 4,655.32 million (March 31, 2023: ₹ 4,950.50 million).
- The Company has no write-down of inventory to net realisable value as at March 31, 2024 and March 31, 2023.

8 TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered good		
Trade Receivables # (refer note 34 for related party balances)	1,956.02	1,629.61
Less: Allowance for expected credit loss	11.68	12.26
	1,944.34	1,617.35

Trade Receivables are hypothecated against cash credit facilities availed by the Company amounting to ₹ 1,085 million.

The average credit period on sales of goods is 60-80 days.

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

(₹ in million)

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	1,901.98	33.75	9.83	3.09	7.36	1,956.02
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	-	-	(4.59)	-	(7.09)	(11.68)
Total	1,901.98	33.75	5.24	3.09	0.27	1,944.34

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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

(₹ in million)

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

9 CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	0.95	1.86
Balances with Banks		
- In Cash Credit Accounts	17.82	-
- In Current Accounts	0.08	0.09
- In EEFC Accounts	0.06	4.31
- Bank Deposits (Maturity less than 3 months)	500.00	-
LC Margin Money	0.56	-
Total	519.46	6.26

10 OTHER BANK BALANCES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
- Deposits with original maturity of more than three months but less than twelve months	1,634.40	0.05
- Balance In Escrow Account (Public Issue)	187.34	-
	1,821.74	0.05

11 EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
11,00,00,000 Equity Shares of ₹ 5/- each fully paid up (P.Y. 11,00,00,000 Equity Shares of ₹ 5/- each)	550.00	550.00
	550.00	550.00

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Issued, Subscribed and Fully paid up		
10,53,95,378 Equity Shares of ₹ 5/- each# (P.Y. 9,33,88,800 Equity Shares of ₹ 5/- each)	526.98	466.94
	526.98	466.94

a) Reconciliation of number of Shares outstanding

Particulars	(₹ in million)			
	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	9,33,88,800	466.94	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 (refer note 11(e) (ii))	-	-	4,66,94,400	233.47
Add: Shares issued during the year (refer note 42)	1,20,06,578	60.03	-	-
Balance as at the end of the year	10,53,95,378	526.98	9,33,88,800	466.94

*The Equity Shares of the Company were sub-divided from ₹ 10/- each to ₹ 5/- each pursuant to the approval from the shareholders in their meeting held on March 20, 2023.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	1,65,92,235	15.74%	1,86,77,760	20.00%
Vimalchand J. Rathod	1,24,40,887	11.80%	1,40,08,320	15.00%
Rajesh K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Mohit K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Sumit V. Rathod	82,76,380	7.85%	93,38,880	10.00%
Nirmala K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Manjula V. Rathod	82,76,380	7.85%	93,38,880	10.00%

c) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares with face value of ₹ 5/- each. Each Shareholder has a voting right in proportion to his/her Holding of the paid-up Equity share capital of the Company. Where Dividend is proposed by the Board of Directors, it is subject to the approval of the Shareholders in the Annual General Meeting (AGM), and in the case of 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]:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	Number of Shares	% of share Holding	% change during the year	Number of Shares	% of share Holding	% change during the year
Equity Shares						
Khubilal J. Rathod	1,65,92,235	15.74%	(4.26%)	1,86,77,760	20.00%	-

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	Number of Shares	% of share Holding	% change during the year	Number of Shares	% of share Holding	% change during the year
Vimalchand J. Rathod	1,24,40,887	11.80%	(3.20%)	1,40,08,320	15.00%	-
Rajesh K. Rathod	82,76,380	7.85%	(2.15%)	93,38,880	10.00%	-
Mohit K. Rathod	82,76,380	7.85%	(2.15%)	93,38,880	10.00%	-
Sumit V. Rathod	82,76,380	7.85%	(2.15%)	93,38,880	10.00%	-
	5,38,62,262	51.10%		6,07,02,720	65.00%	

e) Information regarding issue of shares in the last five years

- The Company has allotted 27,00,000 Equity Shares of ₹ 10/- each fully paid up were issued to the Equity share holders of the merged Companies, without payment being received in cash on May 26, 2018. Further the Company allotted bonus shares in the ratio of 7:1 (i.e. 2,04,28,800 bonus shares of ₹ 10/- each fully paid up) to its existing shareholders on August 16, 2018 by capitalisation of profits transferred from securities premium amounting to ₹ 204.29 million.
- The Company allotted bonus shares in the ratio of 1:1 (i.e. 4,66,94,400 bonus shares of ₹ 5/- each fully paid up) to its existing shareholders in its Board Meeting held on March 24, 2023.

12 OTHER EQUITY

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
i) Retained Earnings		
Balance at the beginning of the year	3,823.20	2,736.29
Add: Transfer on account of merger from Flair Distributor Private Limited	-	8.77
Add: Profit for the year	1,181.65	1,115.98
Less: Issue of Bonus Share#	-	(37.84)
Balance at the end of the year (a)	5,004.84	3,823.20
ii) Securities Premium		
Balance at the beginning of the year	-	195.64
Less: Issue of Bonus Share#	-	(195.64)
Add: Issue of Equity share	3,589.97	-
Less: Utilised issue expenses*	(186.32)	-
Balance at the end of the year (b)	3,403.64	-
iii) Other Comprehensive Income		
Balance at the beginning of the year	(30.36)	(28.76)
Remeasurement (losses) on Defined Benefit Plan	(13.40)	(1.60)
Balance at the end of the year (c)	(43.75)	(30.36)
Balance as at the end of the year (a+b+c)	8,364.73	3,792.84

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

*Issue related expenses (net of GST) amounting to ₹ 186.32 million have been adjusted against securities premium account

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

13 BORROWINGS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Secured - at Amortised cost		
Term Loan - from Bank	8.21	14.89
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	271.18	327.34
Loan from Related Parties (Refer Note 34)	5.61	5.46
Total	285.00	347.69
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	50.00	47.00
Working Capital Loan- Cash Credit	-	508.80
Current maturities of Long term borrowings	6.68	35.19
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	14.89	30.09
Total	71.57	621.09

(₹ in million)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2024	Rate of Interest	Repayment terms
Packing Credit - from Bank	Citi Bank N.A.	PCRE	₹	50.00	6.31%	77 days
Car Loan	Axis Bank	Car Loan	₹	2.64	7.71%	60 Months
Car Loan	Axis Bank	Car Loan	₹	6.31	8.45%	37 Months
Car Loan	Axis Bank	Car Loan	₹	5.95	8.45%	37 Months
Working Capital Loan- Cash Credit	Axis Bank	Cash Credit	₹	-	9.15%	Revolving 365 days
Working Capital Loan- Cash Credit	Citi Bank N.A.	Cash Credit	₹	-	9.50%	Revolving 365 days

Note:

- Refer Note 32 for information on Company's exposure to Interest rate, Foreign Currency and Liquidity risks.
- Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, First exclusive charge on all present & future movable fixed assets.
- 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 Limited.
- 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.
- The Company is filing monthly statement for Inventories, Debtors and Creditors for Raw Material with Banks (Citi Bank N.A. & Axis Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed with the banks and books of accounts:

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Quarter ended on	Amount as per books of accounts	Amount as reported in the statements	Difference	Remarks
March 31, 2024	3,379.59	3,379.59	-	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, 2023	3,371.01	3,369.42	1.58	
September 30, 2023	3,509.53	3,462.66	46.87	
June 30, 2023	3,433.41	3,391.60	41.81	
March 31, 2023	3,128.88	3,064.08	64.80	
December 31, 2022	3,094.25	3,010.11	84.14	
September 30, 2022	2,834.43	2,805.57	28.86	
June 30, 2022	2,890.11	2,861.34	28.77	

14 LEASE LIABILITIES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Lease Liabilities	161.96	15.96
	161.96	15.96
Current		
Lease Liabilities	43.76	0.59
Total	43.76	0.59

15 OTHER FINANCIAL LIABILITIES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Retention Money	4.66	0.73
	4.66	0.73
Current		
Creditors for capital expenditure (including MSME Creditors)	19.19	14.93
Security Deposit Received	0.85	0.85
Derivatives Financial Liabilities	-	1.84
Other Payables	200.65	161.67
Issue Expenses Payables	106.30	-
Total	326.99	179.29

16 PROVISIONS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for Employee Benefits (Refer Note 30)	86.86	63.01

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
	86.86	63.01
Current		
Provision for Employee Benefits (Refer Note 30)	96.72	74.10
Total	96.72	74.10

17 DEFERRED TAX LIABILITIES:

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

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	85.56	93.34
	85.56	93.34

Movement in deferred tax balances for the year ended March 31, 2024

Particulars	(₹ in million)				
	As at April 01, 2023	Transfer on account of merger from Flair Distributor Private Limited	Recognised in profit or loss	Recognised in OCI	As at March 31, 2024
Deferred Tax Liabilities					
Property, Plant and Equipment and other Intangibles Assets	137.70	-	3.05	-	140.74
(A)	137.70	-	3.05	-	140.74
Deferred Tax Assets					
Provision for Gratuity	25.40	-	4.96	4.51	34.87
Provisions for Employee benefit obligation	9.10	-	2.23	-	11.34
Others	8.08	-	0.90	-	8.98
(B)	42.58	-	8.09	4.51	55.18
Net Deferred tax Liabilities C = (A-B)	95.11	-	(5.04)	(4.51)	85.56
AMT-MAT Receivables	1.77	-	(1.77)	-	-
(D)	1.77	-	(1.77)	-	-
Total (C-D)	93.34	-	(3.27)	(4.51)	85.56

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

Particulars	(₹ in million)				
	As at April 01, 2022	Transfer on account of merger from Flair Distributor Private Limited	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred Tax Liabilities					
Property, Plant and Equipment and other Intangibles Assets	139.12	-	(1.42)	-	137.70
(A)	139.12	-	(1.42)	-	137.70

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)				
	As at April 01, 2022	Transfer on account of merger from Flair Distributor Private Limited	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred Tax Assets					
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Provisions for Employee benefit obligation	6.96	-	2.14	-	9.10
Others	10.92	-	(2.84)	-	8.08
B/F Losses and Unabsorbed Depreciation	-	(4.82)	(4.82)	-	-
(B)	39.79	(4.82)	(2.57)	0.54	42.58
Net Deferred tax Liabilities C = (A-B)	99.33	4.82	1.15	(0.54)	95.11
AMT-MAT Receivables	1.77	-	-	-	1.77
(D)	1.77	-	-	-	1.77
Total (C-D)	97.56	4.82	1.15	(0.54)	93.34

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.

18 OTHER LIABILITIES

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Non - Current		
Government Grants #	1.95	2.60
	1.95	2.60
Current		
Statutory Remittances	69.32	56.57
Revenue received in advance		
- Others	18.71	31.68
Government Grants #	0.64	0.68
Total	88.67	88.93

Government Grants includes Subsidy Received on Capital Goods.

The movement of government grant is as below:

Balance as at the beginning of the year	3.29	4.08
Add: Received during the year	-	-
Less: Government Grant recognised as income	0.70	0.79
Balance as at the end of the year	2.59	3.29

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

19 TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding Dues of Micro and Small Enterprises (refer note 34 for related party balances)	153.12	160.00
Total Outstanding Dues of Creditors other than Micro and Small Enterprises (refer note 34 for related party balances)	426.14	369.11
Total	579.26	529.11

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

(₹ in million)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- Micro, Small and Medium Enterprises	153.12	-	-	-	153.12
- Others	403.43	22.47	0.23	-	426.14
Disputed dues- Micro, Small and Medium Enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	556.56	22.47	0.23	-	579.26

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

(₹ in million)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- Micro, Small and Medium Enterprises	160.00	-	-	-	160.00
- Others	365.93	1.73	1.14	0.31	369.11
Disputed dues- Micro, Small and Medium Enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	525.93	1.73	1.14	0.31	529.11

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

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

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	153.06	160.00
- Interest	0.06	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.06	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

* The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

20 CURRENT TAX LIABILITIES (NET)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Expenses (Net of Advance Tax)	8.87	62.74
Total	8.87	62.74

21 REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of Products		
Domestic	7,380.55	7,103.94
Export	1,711.92	1,834.38
b) Sale of Services	-	0.62
c) Other Operating Revenue		
Sale of Scrap	20.67	20.91
Export Incentives	73.48	78.87
Total	9,186.63	9,038.72

Disclosure under Ind AS 115 "Revenue from Contracts with Customers"
a) Disaggregation of revenue from contracts with customers

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations		
Sale of Products		
Domestic	7,380.55	7,103.94
Export	1,711.92	1,834.38
Sale of Services	-	0.62
Other operating revenue	94.15	99.78
Total	9,186.63	9,038.72

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

b) Significant changes in the contract liabilities balances during the year

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	31.68	52.38
Add : Net additions during the year	17.10	27.15
Less : Revenue recognised during the year	30.07	47.85
Closing Balance	18.71	31.68

c) Contract liability (advance from customers)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Advance from Customers	18.71	31.68
Total	18.71	31.68

d) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers as per Contract price	9,305.40	9,054.24
Less : Discount, rebates, credits etc.	212.93	115.30
Add : Other operating revenue	94.15	99.78
Revenue from contracts with customers as per Statement of Profit and Loss	9,186.63	9,038.72

22 OTHER INCOME

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest		
- Bank	62.68	0.05
- Others	53.89	24.46
Other Non-Operating Revenue		
Government Grant Income	0.70	0.79
Gain On Foreign Currency Transactions (Net)	62.29	81.71
Labour Incentive	4.60	13.25
Premium/(Discount) on Forward Contract	1.32	-
Development Income	-	0.10
Tooling Amortisation Income	0.19	10.33
Rent	13.26	4.44
Other Non-Operating Income	1.31	0.13
Total	200.24	135.26

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

23 COST OF MATERIALS CONSUMED

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year	853.93	691.28
Add: Purchase	4,579.10	4,956.93
Less: Inventories at the end of the year	725.54	853.93
Total	4,707.49	4,794.28

24 PURCHASES OF STOCK-IN-TRADE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of Stock-in-Trade	71.74	61.65
Total	71.74	61.65

25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Semi- Finished Goods	585.28	689.40
Finished Goods	404.50	391.98
	989.78	1,081.38
Add: Transfer on account of merger (FG) from Flair Distributor Private Limited	-	2.95
Total (A)	989.78	1,084.34
Inventories at the end of the year		
Semi- Finished Goods	625.67	585.28
Finished Goods	488.02	404.50
Total (B)	1,113.68	989.78
Total (A-B)	(123.90)	94.56

26 EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Bonus	1,260.31	1,046.92
Contribution to Provident Fund and others (Refer Note 30)	91.66	66.58
Staff Welfare Expenses	11.32	10.44
Total	1,363.29	1,123.95

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

27 FINANCE COSTS

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Interest	37.24	29.00
Interest on Right of Use Assets	20.31	2.73
Interest on MSME	0.07	-
Interest on Direct Tax / Indirect Tax	0.61	18.86
Borrowing Cost	18.48	37.31
Total	76.71	87.89

28 OTHER EXPENSES

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing Expenses		
Consumption of Stores and Spares	34.00	29.04
Electric Power, Fuel and Water	176.21	175.57
Factory Rent	0.64	-
Freight Inward	16.47	12.97
Job Work and Other Related Expenditure	322.99	311.07
Loading and Unloading Expenses	2.20	1.93
Machine and Mould Maintenance	69.77	66.98
Factory Expenses	26.90	26.48
Establishment Expenses		
Charity and Donation	15.54	10.29
Electricity Charges	4.92	2.71
Insurance Expenses	11.88	11.27
Legal & Professional Fees	60.55	50.47
Postage & Courier	7.86	5.50
Printing and Stationery	5.00	4.02
Miscellaneous Expenses	5.89	9.22
Bank Charges	4.94	1.64
Discount on Forward contract	-	9.37
Share Issue Expenses	-	2.42
Repairs & Maintenance		
Computer	8.29	7.25
Vehicles	9.16	7.37
Others	16.65	19.22
Telephone & Communication Charges	4.87	4.00
Travelling & Conveyance	127.02	110.71
Director's Travelling & Conveyance	18.14	13.05

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Director's Sitting Fees	1.79	0.33
Payments to Auditor (Refer Note 28.1)	5.30	4.90
Selling and Distribution Expenses		
Advertisement Expenses	178.25	104.51
Allowance for expected credit loss on trade receivables	-	10.33
Sales Promotion & Marketing Expenses	24.66	13.69
Commission & Brokerage	42.83	18.84
Freight Outward	207.49	209.11
Export Expenses	3.44	2.85
Total	1,413.67	1,257.09

28.1 Payments to Auditor

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
As Auditors:		
Statutory Audit Fees	3.60	3.00
Taxation Matters	1.70	1.90
Total	5.30	4.90

29 EARNINGS PER SHARE (EPS)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Face value per Equity Share (₹)	5.00	5.00
Basic Earnings per Share (₹)	12.11	11.95
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in million)	1,181.65	1,115.98
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,75,81,261	9,33,88,800
Diluted Earnings per Share (₹)	12.11	11.95
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in million)	1,181.65	1,115.98
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,75,81,261	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	9,75,81,261	9,33,88,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,75,81,261	9,33,88,800

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

30 GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

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

(a) Defined contribution plan

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund	30.29	24.90
Employer's Contribution to Employee State Insurance Scheme	3.68	1.07
Employer's Contribution to Pension Scheme	49.73	40.57
Total	83.71	66.54

(b) Defined benefit plan

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

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

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined Benefit obligation at beginning of the year	100.93	87.07
Add: Current Service Cost	22.26	17.98
Interest Cost	7.38	5.26
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.88	(6.05)
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial loss / (gain) arising on account of experience variance	17.02	8.19
Past Service Cost		
Benefits paid	(9.94)	(11.52)
Defined Benefit obligation at end of the year	138.53	100.93
Net liability is bifurcated as follows :		
Current	51.67	37.92
Non-current	86.86	63.01
Net liability	138.53	100.93

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of Plan Assets beginning of the year	-	-
Investment Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Transfer In / (Out)	-	-
Fair Value of Plan Assets as at the end	-	-

III) Reconciliation of Fair Value of Assets and Obligations

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of Plan Assets	-	-
Present Value of Obligation	138.53	100.93
Amount Recognised in Balance Sheet Surplus/(Deficit)	(138.53)	(100.93)

IV) Expenses recognised during the year

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
In Income Statement		
Current Service Cost	22.26	17.98
Interest Cost	7.38	5.26
Past Service Cost	-	-
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	29.64	23.24
In Other Comprehensive Income		
Actuarial (Gain)/Loss	17.90	2.14
Return on Plan Assets	-	-
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	17.90	2.14

V) Investments details

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Government securities	-	-
Public Securities	-	-
Others	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

VI) Actuarial Assumptions

(₹ in million)

Mortality Table (Indian Assured Lives Mortality)	For the year ended March 31, 2024	For the year ended March 31, 2023
	(Ultimate)	(Ultimate)
Discount rate (p.a.)	7.15%	7.30%
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

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Assumptions - Discount rate	
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(135.67)	(98.75)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	141.55	103.24
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	141.57	103.25
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(135.63)	(98.72)

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

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

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

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

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Within the next 12 months (next annual reporting period)	51.67
Between 2 and 5 years	68.75	47.71
Beyond 5 years	86.19	69.88
Total expected payments	206.61	155.51
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	4 years	4 years

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

31 FINANCIAL INSTRUMENTS
Fair Value Measurement Hierarchy

As at March 31, 2024

(₹ in million)

Particulars	Carrying amount			Fair Value Measurement Hierarchy				
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	-	-	36.10	36.10	-	-	36.10	36.10
Trade Receivables	-	-	1,944.34	1,944.34	-	-	1,944.34	1,944.34
Cash and Cash Equivalents	-	-	519.46	519.46	-	-	519.46	519.46
Other Bank Balance	-	-	1,821.74	1,821.74	-	-	1,821.74	1,821.74
Loans	-	-	1,333.61	1,333.61	-	-	1,333.61	1,333.61
Other Financial Assets	-	-	143.09	143.09	-	-	143.09	143.09
Total Financial Assets	-	-	5,798.34	5,798.34	-	-	5,798.34	5,798.34
Financial Liabilities								
Non-Current Borrowings	-	-	285.00	285.00	-	-	285.00	285.00
Current Borrowings	-	-	71.57	71.57	-	-	71.57	71.57
Lease Liabilities	-	-	205.71	205.71	-	-	205.71	205.71
Trade payables	-	-	579.26	579.26	-	-	579.26	579.26
Other Financial Liabilities	-	-	331.65	331.65	-	-	331.65	331.65
Total Financial Liabilities	-	-	1,473.19	1,473.19	-	-	1,473.19	1,473.19

As at March 31, 2023

(₹ in million)

Particulars	Carrying amount			Fair Value Measurement Hierarchy				
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	-	-	36.10	36.10	-	-	36.10	36.10
Trade Receivables	-	-	1,617.35	1,617.35	-	-	1,617.35	1,617.35
Cash and Cash Equivalents	-	-	6.26	6.26	-	-	6.26	6.26
Other Bank Balance	-	-	0.05	0.05	-	-	0.05	0.05
Loans	-	-	497.64	497.64	-	-	497.64	497.64
Other Financial Assets	-	-	27.42	27.42	-	-	27.42	27.42
Total Financial Assets	-	-	2,184.82	2,184.82	-	-	2,184.82	2,184.82
Financial Liabilities								
Non-Current Borrowings	-	-	347.69	347.69	-	-	347.69	347.69
Current Borrowings	-	-	621.09	621.09	-	-	621.09	621.09
Lease Liabilities	-	-	16.55	16.55	-	-	16.55	16.55
Trade payables	-	-	529.11	529.11	-	-	529.11	529.11
Other Financial Liabilities	-	-	180.03	180.03	-	-	180.03	180.03
Total Financial Liabilities	-	-	1,694.46	1,694.46	-	-	1,694.46	1,694.46

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

The financial instruments are categorised 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 recognised and subsequently re-measured at fair value as described below:

- 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.
- The fair value is determined by using the valuation model/technique with observable inputs and assumptions.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.
- The fair value of investment in Mutual Fund is measured at cost quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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 Customer.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

Trade Receivables

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

Ageing of Trade Receivables are as follows:

(₹ in million)		
Due from the date of Invoice	As at March 31, 2024	As at March 31, 2023
Less than 6 months	1,901.98	1,567.47
6 months to 12 months	33.75	32.10
beyond 12 months	8.61	17.78
Total	1,944.34	1,617.35

ii) Liquidity Risk

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

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

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Unutilised credit limit from bank (₹ in million)	1,085.00	707.41
Current Ratio	5.31	2.35
Liquid Ratio	3.67	1.12

Contractual Maturity profile of Financial Liabilities:

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

As at March 31, 2024

(₹ in million)						
Particulars	As at March 31, 2024					TOTAL
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	
Financial liabilities						
Borrowings	68.16	3.41	8.21	-	276.79	356.57
Lease Liabilities	21.39	22.37	93.45	56.02	12.48	205.71
Trade payables	579.26	-	-	-	-	579.26
Other financial liabilities	326.99	-	4.66	-	-	331.65
	995.80	25.78	106.32	56.02	289.27	1,473.19
Derivative Liabilities						
	-	-	-	-	-	-
TOTAL	995.80	25.78	106.32	56.02	289.27	1,473.19

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

As at March 31, 2023

Particulars	As at March 31, 2023						TOTAL
	As at March 31, 2023					TOTAL	
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years		
Financial liabilities							
Borrowings	613.82	7.27	14.89	-	332.80	968.77	
Lease Liabilities	0.29	0.30	1.40	1.75	12.81	16.55	
Trade payables	529.11	-	-	-	-	529.11	
Other financial liabilities	177.45	-	0.73	-	-	178.18	
	1,320.67	7.57	17.02	1.75	345.61	1,692.62	
Derivative Liabilities	1.84	-	-	-	-	1.84	
TOTAL	1,322.51	7.57	17.02	1.75	345.61	1,694.46	

iii) Market Risk- Interest Risk

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

Interest Rate Exposure

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Expense		
Loan from Banks	37.24	29.00
Unsecured loan from Directors & their relatives	16.81	33.71
Others	20.31	2.73
Total	74.37	65.44

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

Particulars	As at March 31, 2024	As at March 31, 2023
1% Change in increase in Interest Rate	0.74	0.65
1% Change in decrease in Interest Rate	(0.74)	(0.65)

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.

Exposure to currency risk

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

Particulars	As at March 31, 2024					As at March 31, 2023			
	USD	EURO	CHF	JPY	CNY	USD	EURO	CHF	JPY
Financial assets									
Trade receivables	532.19	2.68	-	-	4.35	331.01	17.47	-	-
Other assets	106.55	0.94	0.25	-	-	77.97	6.51	55.65	3.28

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024					As at March 31, 2023			
	USD	EURO	CHF	JPY	CNY	USD	EURO	CHF	JPY
Financial liabilities									
Trade payables	33.31	31.35	-	10.17	-	25.62	66.20	-	12.16
Other liabilities	15.67	-	-	-	-	26.32	-	-	-
Net Exposure	589.76	(27.73)	0.25	(10.17)	4.35	357.05	(42.23)	55.65	(8.88)

SENSITIVITY ANALYSIS

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

(₹ in million)

Particulars	As at March 31, 2024					As at March 31, 2023			
	USD	EURO	CHF	JPY	CNY	USD	EURO	CHF	JPY
1% Depreciation in ₹									
Impact on Profit & Loss	5.90	(0.28)	0.00	(0.10)	0.04	3.57	(0.42)	0.56	(0.09)
TOTAL	5.90	(0.28)	0.00	(0.10)	0.04	3.57	(0.42)	0.56	(0.09)
1% Appreciation in ₹									
Impact on Profit & Loss	(5.90)	0.28	(0.00)	0.10	(0.04)	(3.57)	0.42	(0.56)	0.09
TOTAL	(5.90)	0.28	(0.00)	0.10	(0.04)	(3.57)	0.42	(0.56)	0.09

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.

33 INCOME TAX EXPENSE

(a) Amounts recognised in profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax	406.11	394.69
Deferred tax	(3.27)	1.15
Short/(Excess) Provision of tax relating to earlier years	0.04	0.72
Total Income Tax expenses	402.88	396.56

(b) Amounts recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement (losses) on Defined Benefit Plan	(17.90)	(2.14)
Tax (expense)/ benefit	4.51	0.54
Net of tax	(13.40)	(1.60)

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(c) Reconciliation of effective income tax rate

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Profit before tax	1,584.53	1,512.54
Company's domestic tax rate	25.17%	25.17%
Income tax using the Company's tax rate	398.79	380.68
Tax effect of:		
Permanent disallowances	3.69	7.29
Timing Difference	3.63	6.72
Deferred tax	(3.27)	1.15
Short/(Excess) Provision of tax relating to earlier years	0.04	0.72
Income tax as per Profit & Loss Account	402.88	396.56
Effective Tax Rate	25.43%	26.22%

34 RELATED PARTY DISCLOSURE
(a) Parties where control exists whether or not transactions have taken place:

(i) Nature of Relationship	Name of Related Party
Subsidiary Company	Flair Writing Equipments Pvt Ltd.
	Flair Cyrosil Industries Pvt. Ltd.

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

(i) Key Managerial Personnel (KMP)	Name of Related Party
	Khubilal J. Rathod
	Vimalchand J. Rathod
	Rajesh Rathod
	Mohit Rathod
	Sumit Rathod
	Punit Saxena
	Manoj Lalwani
	Rajneesh Bhandari
	Sheetal B. Shetty
	Prakash Gupta
	Bishan Singh Rawat
	Mayur Gala
	Vishal Chanda

(ii) Relatives of Key Managerial Personnel

Nirmala Rathod
Manjula Rathod
Sangita Rathod
Shalini Rathod
Sonal Rathod
Kiemaya Rathod
Sunita Jain
Jayesh Jain

(iii) Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):

Flair Pens Ltd.
Pentel Stationery (India) Pvt. Ltd.
Flair Pen & Plastic Industries
Hauser Lifestyle Products
Rathod N Rathod

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(c) Transactions with Related Parties

Sr. No.	Nature of Transaction	Type	(₹ in million)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
1	Sale of Goods			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	117.81	75.35
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	8.41	13.30
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	6.68
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	9.40	-
2	Sale of Fixed Assets			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	3.68	1.15
3	Sale of Licence			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	-	0.28
4	Purchase of Goods			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	100.41	37.89
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	41.14	60.45
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	11.50
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	11.65	-
5	Purchase of Licence			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.11
6	Purchase of Fixed Assets			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	4.40	3.93
7	Labour Charges			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.06	-
8	Rent Expense			
	Khubilal J. Rathod	Key Managerial Personnel	0.67	0.64
	Vimalchand J. Rathod	Key Managerial Personnel	1.70	1.59
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	18.59	16.04
	Flair Pen & Plastic Industries	Enterprises over which Key Managerial Personnel are able to exercise significant influence	23.88	10.14
	Rathod N Rathod	Relative of KMP	0.18	0.18
	Nirmala Rathod	Relative of KMP	4.74	2.28
	Manjula Rathod	Relative of KMP	4.74	2.28
9	Rent Income			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	13.26	4.44
10	Advertisement and Sales promotion expenses			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	19.94
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	16.69	1.08
11	Re-imburement of Expenses (Paid)			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.28	1.20
	Jayesh Jain	Relative of KMP	0.03	-
	Khubilal J. Rathod	Key Managerial Personnel	-	0.11
	Vimalchand Rathod	Key Managerial Personnel	-	0.09

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)				
Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2024	For the year ended March 31, 2023
12	Re-imburement of IPO Expenses (Paid)			
	Khubilal J. Rathod	Key Managerial Personnel	28.99	-
	Vimalchand Rathod	Key Managerial Personnel	22.36	-
	Rajesh Rathod	Key Managerial Personnel	18.22	-
	Mohit Rathod	Key Managerial Personnel	18.22	-
	Sumit Rathod	Key Managerial Personnel	18.22	-
	Nirmala Rathod	Relative of KMP	18.22	-
	Manjula Rathod	Relative of KMP	18.22	-
	Sangita Rathod	Relative of KMP	9.11	-
	Shalini Rathod	Relative of KMP	9.11	-
	Sonal Rathod	Relative of KMP	9.11	-
13	Re-imburement of Expenses (Received)			
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	3.71	0.19
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	22.92	-
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.01
14	Interest Income			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	29.40	16.75
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	21.75	3.24
15	Interest Expenses			
	Khubilal J. Rathod	Key Managerial Personnel	0.26	1.12
	Vimalchand J. Rathod	Key Managerial Personnel	0.44	4.13
	Rajesh Rathod	Key Managerial Personnel	0.33	2.43
	Mohit Rathod	Key Managerial Personnel	0.22	1.69
	Sumit Rathod	Key Managerial Personnel	0.11	2.88
	Nirmala Rathod	Relative of KMP	2.22	3.63
	Manjula Rathod	Relative of KMP	0.49	0.55
	Sangita Rathod	Relative of KMP	4.91	6.82
	Shalini Rathod	Relative of KMP	5.42	7.43
	Sonal Rathod	Relative of KMP	1.95	2.58
	Sunita Jain	Relative of KMP	0.27	0.27
	Kiemaya Rathod	Relative of KMP	0.18	0.17
16	Director/Managerial Remuneration			
	Khubilal J. Rathod	Key Managerial Personnel	4.95	-
	Vimalchand J. Rathod	Key Managerial Personnel	6.60	4.20
	Rajesh Rathod	Key Managerial Personnel	6.60	6.00
	Mohit Rathod	Key Managerial Personnel	6.60	6.00
	Sumit Rathod	Key Managerial Personnel	6.60	6.00
	Mayur Gala	Key Managerial Personnel	6.00	3.93
	Vishal Chanda	Key Managerial Personnel	1.18	0.81
	Prakash Gupta	Key Managerial Personnel	-	0.07
	Jayesh Jain	Relative of KMP	-	2.81
17	Director/Managerial Commission			
	Khubilal J. Rathod	Key Managerial Personnel	0.80	4.80
	Jayesh Jain	Relative of KMP	14.52	10.42

(₹ in million)				
Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2024	For the year ended March 31, 2023
18	Sitting Fees			
	Punit Saxena	Key Managerial Personnel	0.40	0.02
	Manoj Lalwani	Key Managerial Personnel	0.40	0.02
	Sheetal B. Shetty	Key Managerial Personnel	0.16	-
	Rajneesh Bhandari	Key Managerial Personnel	0.36	0.13
	Bishan Singh Rawat	Key Managerial Personnel	0.47	0.16
19	Loan Taken			
	Khubilal J. Rathod	Key Managerial Personnel	19.50	2.87
	Vimalchand J. Rathod	Key Managerial Personnel	14.49	6.91
	Rajesh Rathod	Key Managerial Personnel	107.86	50.56
	Mohit Rathod	Key Managerial Personnel	139.25	26.77
	Sumit Rathod	Key Managerial Personnel	4.46	26.48
20	Loan Repaid			
	Khubilal J. Rathod	Key Managerial Personnel	15.41	36.54
	Vimalchand J. Rathod	Key Managerial Personnel	13.55	107.83
	Rajesh Rathod	Key Managerial Personnel	92.58	105.84
	Mohit Rathod	Key Managerial Personnel	11.88	99.89
	Sumit Rathod	Key Managerial Personnel	9.24	136.43
	Nirmala Rathod	Relative of KMP	46.34	2.08
	Manjula Rathod	Relative of KMP	1.83	0.55
	Sangita Rathod	Relative of KMP	80.43	4.64
	Shalini Rathod	Relative of KMP	85.04	6.19
	Sonal Rathod	Relative of KMP	15.15	2.48
21	Loan Given			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	742.19	234.00
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	555.08	172.23
22	Loan Received			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	319.12	49.00
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	189.30	14.62

(d) Outstanding balances as at the year end

(₹ in million)				
Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2024	As at March 31, 2023
1	Investment			
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	36.00	36.00
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	0.10	0.10
2	Trade Payables			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	-	1.94
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	6.86	9.38
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	4.39	1.74
3	Trade Recievables			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	17.15	53.32
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	3.73	-
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2.12	0.45

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)				
Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2024	As at March 31, 2023
4	Loan Outstanding (Liability)			
	Khubilal J. Rathod	Key Managerial Personnel	15.10	10.78
	Vimalchand J. Rathod	Key Managerial Personnel	17.50	16.16
	Mohit Rathod	Key Managerial Personnel	132.53	4.97
	Rajesh Rathod	Key Managerial Personnel	23.03	7.46
	Sumit Rathod	Key Managerial Personnel	1.28	6.16
	Nirmala Rathod	Relative of KMP	9.97	54.31
	Manjula Rathod	Relative of KMP	6.79	8.18
	Sangita Rathod	Relative of KMP	25.26	101.27
	Shalini Rathod	Relative of KMP	29.69	109.85
	Sonal Rathod	Relative of KMP	24.75	38.15
	Sunita Jain	Relative of KMP	3.02	3.02
	Kiemaya Rathod	Relative of KMP	2.75	2.59
5	Rent Payable			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.16	0.61
	Flair Pen & Plastic Industries		-	0.06
6	Loan Outstanding (Assets)			
	Flair Writing Equipments Pvt Ltd.	Subsidiary Company	783.25	333.73
	Flair Cyrosil Industries Pvt. Ltd.	Subsidiary Company	545.87	160.52
7	Director/Managerial Commission (Outstanding)			
	Jayesh Jain	Relative of KMP	1.41	1.53

35 CAPITAL MANAGEMENT

For the purpose of the Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period/year ended March 31, 2024 and March 31, 2023. Capital gearing ratio is net debt divided by total capital plus net debt and Net debt is calculated as loans and borrowings less cash and cash equivalent. The Company policy is to keep the gearing ratio at optimum level.

The following table summarises the capital:

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Gross Debt including lease liability		
Long Term Debt	285.00	347.69
Short Term Debt	71.57	621.09
Lease liabilities	205.71	16.55
Less: Cash and Cash Equivalents	519.46	6.26
Net Debt (A)	42.82	979.07
Total Equity (As per Balance Sheet) (B)	8,891.71	4,259.78
Net Gearing Ratio (A/B)	0.005	0.230

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

36 SEGMENT REPORTING
Description of Segment and principal activities

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

Geographical Information

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

Revenue from operations	Within India	Outside India	Total
For the year ended March 31, 2024	7,401.22	1,785.40	9,186.63
For the year ended March 31, 2023	7,125.46	1,913.25	9,038.72
Non-Current Assets*			
As at March 31, 2024	2,841.15	-	2,841.15
As at March 31, 2023	2,138.70	-	2,138.70

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

Information about major customers

No single customer has accounted for more than 10% of the Company revenue for the year ended March 31, 2024 and March 31, 2023.

37 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE(CSR)

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

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent as per Section 135 of Companies Act, 2013	14.99	8.90
b) Amount Spent during the year		
i) Construction/Acquisition of assets	-	-
ii) On purpose other than above	14.05	9.84
c) Short/Excess amount spent under section 135 (5)		
i) Amount required to be spent during the year	14.99	8.90
ii) Actual amount spent/incurred during the year	14.05	9.84
Short/(Excess) amount spent	0.94	(0.94)
d) Nature of CSR activities	Education and Social welfare	
e) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

38 LEASES

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

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Reduction in Lease Rental	(59.44)	(32.85)
b) Increase in Depreciation	49.29	25.35
c) Increase in Interest	20.31	2.73
Net Impact on Profit before Tax	10.16	(4.76)

39 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Contingent Liability		
a) Disputed GST, Excise and Service Tax Matters	101.56	58.85
b) Income Tax Matters	55.12	46.87
c) Letter of Credit	47.50	4.22
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	73.57	246.68

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

40 RATIO ANALYSIS

Ratio	Numerator	Denominator	2023-24	2022-23	Variance (in %)	Explanation for change in the ratio by more than 25%
			Ratio	Ratio		
Current Ratio (in times)	Current Assets	Current Liabilities	5.31	2.35	125.68%	Increased due to repayments of borrowings and increase in cash and other bank balance
Debt-Equity Ratio (in times)	Total Debt	Total equity	0.06	0.23	(72.66%)	Decreased due to repayment of borrowings and correspondingly increase in shareholders equity due to Initial public offer
Debt service coverage ratio (in times)	Earning for Debt Service	Debt service	3.24	2.56	26.38%	Decreased due to reduce in repayment of borrowings
Return on equity ratio (in %)	Net Profit after taxes	Average total equity	17.97%	30.18%	(40.45%)	Decreased due to increase in shareholders equity due to Initial public offer
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.16	5.96	(13.48%)	
Trade Payable turnover ratio (in times)	Purchase	Average trade payables	8.39	10.00	(16.11%)	

 Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Ratio	Numerator	Denominator	2023-24	2022-23	Variance (in %)	Explanation for change in the ratio by more than 25%
			Ratio	Ratio		
Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	3.60	3.68	(2.23%)	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	2.50	4.24	(41.09%)	Decreased due to repayments of borrowings and increase in cash and other bank balance
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.86%	12.35%	4.18%	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	17.41%	29.98%	(41.91%)	Decreased due to increase in shareholders equity due to Initial public offer
Return on investment (in %)	Gain on Sale of Mutual Funds	Cost of Investment	0.16%	NA	-	

41 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

- The Company does not have any Benami property or proceeding is pending against the Company for holding any Benami Property.
- 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:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

 - 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 to or on behalf of the ultimate beneficiaries.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 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.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 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.
- The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has no transactions with the companies struck off under Companies Act, 2013.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the Company.
- The borrowings obtained by the Company from banks have been applied for the purposes for which it was taken.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

42 INITIAL PUBLIC OFFER

The Company has issued 24,01,315 Equity Shares of face value ₹ 5 each at an issue price of ₹ 304 per equity share to Volrado Venture Partners Fund III – Beta pursuant to the Pre Initial public offer (Pre-IPO) placement aggregating to ₹ 730 million on November 10, 2023. Subsequently The Company has completed an Initial Public Offer (“IPO”) by way of fresh issue of 96,05,263 equity shares of face value ₹ 5 each at an issue price of ₹ 304 per equity shares aggregating to ₹ 2,920 million and an Offer for Sale of 99,01,315 equity Shares of face value ₹ 5 each for at an issue price of ₹ 304 per equity share aggregating to ₹ 3,010 million. The Equity shares of the Company were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) (hereinafter collectively referred as “Stock Exchanges”) on December 01, 2023.

The details of Utilisation of the IPO proceeds of ₹ 2,730.37 million (net of estimated share issue expenses of ₹ 189.63 million) is as follows:

Particulars	Amount utilised (₹ in million)		
	IPO Proceeds (net)	Utilisation upto March 31, 2024	Unutilised amount March 31, 2024
Setting up new Valsad unit	559.93	13.89	546.04
Funding capital expenditure of the Company and it's Subsidiary, Flair Writing Equipments Private Limited	867.48	279.64	587.84
Funding working capital requirements of the Company and it's Subsidiaries, Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited	770.00	440.00	330.00
Repayment/pre-payment, in part or full, of certain borrowings availed by the Company and Subsidiaries, Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited	430.00	430.00	-
General corporate purposes	102.96	82.44	20.52
Total	2,730.37	1,245.97	1,484.40

Out of net proceeds which were unutilised as at March 31, 2024 ₹ 1484.40 million were temporarily invested in deposit with banks.

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

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

45 The financial statements were approved for issue by the Board of Directors on May 27, 2024 and are subject to approval of shareholders in their annual general meeting.

As per our attached Report of even date

For Jeswani & Rathore

Chartered Accountants
(Firm Reg. No. 104202W)

Dhiren K. Rathore

(Partner)
M.No. 115126

Place: Mumbai

Date: May 27, 2024

For and on behalf of the Board of Directors

Flair Writing Industries Limited

Khubilal Rathod

Chairman
(DIN. 00122867)

Mayur Gala

Chief Financial Officer

Vimalchand Rathod

Managing Director
(DIN. 00123007)

Vishal Chanda

Company Secretary

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, 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as **“the Consolidated Financial Statements”**).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended (**“the Act”**) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act, (**“Ind AS”**) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's 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, 2024, non-current assets in respect of Indirect tax receivables include VAT recoverable amounting to Rs. 4.28 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.

Consolidated Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE CONSOLIDATED 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

Consolidated Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

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

- (i) planning the scope of our audit work and in evaluating the results of our work and
- (ii) to evaluate the effect of any identified 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, 2024 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 Cash Flow Statement 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;
 - e) On the basis of the written representation received from the respective directors of companies as on March 31, 2024 taken on records by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 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.

Consolidated Independent Auditor's Report (Contd.)

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 according to the explanations given to us, the managerial remuneration paid by the respective Companies to its directors during the year are 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 39 to the Consolidated Financial Statements]

II. The Group did not have any long-term contracts including derivative contracts, which could result in any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2024.

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

the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose consolidated 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. Based on our examination, which included test checks, the Group has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

VII. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from

Consolidated Independent Auditor's Report (Contd.)

April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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)

Dhiren K. Rathore
(Partner)

M. No: 115126

Place: Mumbai
Date: May 27, 2024

UDIN: 24115126BKCYPD01212

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, 2024, 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. 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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 consolidated financial statements.

Annexure - A to the Consolidated Independent Auditor's Report (Contd.)

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.

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, 2024, 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)

Place: Mumbai
Date: May 27, 2024

M. No: 115126
UDIN: 24115126BKCYDO1212

Consolidated Balance Sheet

as at March 31, 2024

Particulars	Notes	₹ in million	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	1	3,011.18	2,400.90
b) Capital Work in Progress	1	201.72	16.00
c) Intangible Assets	1	17.07	19.98
d) Right-of-Use Assets	1	241.26	74.77
e) Goodwill	1	3.60	3.60
f) Financial Assets			
i) Loans	2	4.01	0.29
ii) Other Financial Assets	3	148.02	55.62
g) Current Tax Assets (Net)	4	0.92	0.56
h) Other Non-Current Assets	5	298.01	163.81
Total Non-Current Assets		3,925.79	2,735.54
Current Assets			
a) Inventories	6	2,264.60	2,137.61
b) Financial Assets			
i) Trade Receivables	7	2,148.84	1,706.72
ii) Cash and Cash Equivalents	8	519.93	7.89
iii) Bank Balance other than (ii) above	9	1,821.74	0.05
iv) Loans	2	0.48	3.28
v) Other Financial Assets	3	40.63	8.42
c) Other Current Assets	5	356.33	242.31
Total Current Assets		7,152.55	4,106.28
Total Assets		11,078.34	6,841.82
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	10	526.98	466.94
b) Other Equity	11	8,462.39	3,882.56
Equity attributed to equity holders of the parent		8,989.37	4,349.51
Non Controlling Interest		(1.99)	2.78
Total Equity		8,987.38	4,352.29
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	12	306.74	418.01
ii) Lease Liabilities	13	202.69	67.72
iii) Other Financial Liabilities	14	4.66	0.73
b) Provisions	15	86.86	63.01
c) Deferred Tax Liabilities (Net)	16	78.89	95.65
d) Other Non-Current Liabilities	17	1.95	2.60
Total Non-Current Liabilities		681.79	647.73
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	12	124.26	737.91
ii) Lease Liabilities	13	54.78	10.62
iii) Trade Payables			
Total Outstanding Dues of Micro and Small Enterprises; and	18	179.43	228.03
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	18	476.98	407.63
iv) Other Financial Liabilities	14	346.47	204.25
b) Provisions	15	100.74	77.15
c) Other Current Liabilities	17	117.64	111.10
d) Current Tax Liabilities (Net)	19	8.87	65.12
Total Current Liabilities		1,409.17	1,841.80
Total Liabilities		2,090.96	2,489.54
Total Equity and Liabilities		11,078.34	6,841.82

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Consolidated Statement of Profit & Loss

for the year ended March 31, 2024

Sr. No.	Particulars	Notes	₹ in million	
			For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME				
1	Revenue from Operations	20	9,787.25	9,426.60
2	Other Income	21	145.29	116.31
	Total Income	(A)	9,932.54	9,542.91
EXPENSES				
	(a) Cost of Material Consumed	22	4,972.87	5,081.51
	(b) Purchases of Stock-in-Trade	23	71.74	61.65
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(187.66)	(55.47)
	(d) Employee Benefits Expense	25	1,457.58	1,173.36
	(e) Finance Costs	26	101.50	99.91
	(f) Depreciation and Amortisation Expense	27	368.10	273.41
	(g) Other Expenses	28	1,560.30	1,330.42
4	Total Expenses	(B)	8,344.44	7,964.80
5	Profit Before Tax	(C=A-B)	1,588.10	1,578.11
6	Tax Expense			
	(a) Current Tax		415.50	404.98
	(b) Deferred Tax Expenses/(Credit)	16	(12.25)	2.01
	(c) Short/(Excess) Provision of tax relating to earlier years		0.05	0.72
	Total Tax Expense	(D)	403.29	407.72
7	Profit for the year	(E=C-D)	1,184.81	1,170.39
8	Other Comprehensive Income			
Items that will not be reclassified to Statement Of Profit Or Loss				
	(a) Remeasurement (losses) on Defined Benefit Plan		(17.90)	(2.14)
	(b) Income Tax effect on the above		4.51	0.54
	Total Other Comprehensive Income for the year (Net of Tax)	(F)	(13.40)	(1.60)
9	Total Comprehensive Income for the year	(G=E+F)	1,171.42	1,168.79
10	Profit for the year attributable to:			
	Equity holders of the parent		1,189.58	1,171.51
	Non Controlling Interest		(4.77)	(1.12)
11	Other Comprehensive Income for the year			
	Equity holders of the parent		(13.40)	(1.60)
	Non Controlling Interest		-	-
12	Total Comprehensive Income for the year			
	Equity holders of the parent		1,176.19	1,169.91
	Non Controlling Interest		(4.77)	(1.12)
13	Earnings Per Equity Share of face value of ₹ 5/- each			
	Basic(In ₹)	29	12.19	12.54
	Diluted (In ₹)	29	12.19	12.54

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

(₹ in million)

Balance as at April 01, 2023	Changes in Equity Share Capital due to prior year errors	Restated balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
466.94	-	-	60.03	526.98

(₹ in million)

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior year errors	Restated balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
233.47	-	-	233.47	466.94

#The Company has issued 24,01,315 Equity Shares of face value ₹ 5 each at an issue price of ₹ 304 per equity share to Volrado Venture Partners Fund III – Beta pursuant to the Pre Initial public offer (Pre-IPO) placement aggregating to ₹ 730 million on November 10, 2023. Subsequently, The Company has completed an Initial Public Offer("IPO") by way of fresh issue of 96,05,263 equity shares of face value ₹ 5 each at an issue price of ₹ 304 per equity shares aggregating to ₹ 2920 million and an Offer for Sale of 99,01,315 equity Shares of face value ₹ 5 each for at an issue price of ₹ 304 per equity share aggregating to ₹ 3010 million. The Equity shares of the Company were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) (hereinafter collectively referred as "Stock Exchanges") on December 01, 2023.

B. OTHER EQUITY

(₹ in million)

Particulars	Reserve & Surplus		Other Reserve	Total
	Retained Earning	Securities Premium	Other Comprehensive Income	
Balance as at April 01, 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	(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
Add : Profit for the period	1,189.58	-	-	1,189.58
Add : Issue of Equity Share	-	3,589.97	-	3,589.97
Less : Issue Expenses	-	(186.32)	-	(186.32)
Less : Other Comprehensive Income	-	-	(13.40)	(13.40)
Balance as at March 31, 2024	5,102.51	3,403.64	(43.75)	8,462.39

The material accounting policies and accompanying notes are an integral part of the Consolidated Financial Statements (Note 1 to 46)

As per our attached Report of even date

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

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

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Place: Mumbai
Date: May 27, 2024

Mayur Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	1,588.10	1,578.11
	Adjustments for:		
	Depreciation and amortisation Expenses	368.10	273.41
	Finance Costs	101.50	99.91
	Allowance for doubtful debts	-	10.33
	Interest Income	(68.11)	(5.63)
	Gain on Sale of Mutual Funds	(0.17)	-
	(Profit)/Loss on Sales of Property, Plant and Equipment	(0.32)	0.04
	Operating Profit before change in working capital	1,989.11	1,956.17
	Movements in working capital:		
	(Increase) in Inventories	(127.00)	(294.66)
	(Increase) in Trade Receivables	(442.12)	(247.35)
	(Increase) in Loans	(0.92)	(0.99)
	(Increase) in Financial and Other Assets	(372.83)	(192.21)
	increase in Trade Payables	20.75	132.74
	increase in Provisions	47.44	21.74
	Increase in Financial and Other Liabilities	134.12	37.44
	Cash Generated From / (Used In) Operations	1,248.56	1,412.89
	Income Taxes Paid (Net)	(472.16)	(433.58)
	Net Cash Generated From / (Used In) Operating Activities (A)	776.40	979.31
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment and Intangible Asset	(1,101.55)	(744.75)
	Sales of Property, Plant and Equipment and Intangible Asset	2.50	3.18
	Investment in units of Mutual Funds	(102.00)	-
	Redemption of Mutual Funds Investment	102.17	-
	(Increase) In Bank Deposits And Other Bank Balances*	(1,821.69)	-
	Interest received	68.11	5.63
	Net Cash Generated From / (Used In) Investing Activities (B)	(2,852.45)	(735.94)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Equity Share	3,650.00	-
	Share Issue Expenses	(186.32)	-
	Repayment of Borrowings	(724.92)	(107.40)
	Finance Costs Paid	(76.04)	(96.55)
	Repayment of Principal Portion of Lease Liabilities	(74.62)	(34.30)
	Net Cash Generated From / (Used In) Financing Activities (C)	2,588.09	(238.26)

Consolidated Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

(₹ in million)				
Sr. No.	Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
D	NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	512.04	5.11
	Add: Cash and cash equivalents pursuant to business combinations		-	(0.50)
	Cash and Cash Equivalents at the Beginning of the Year		7.89	3.28
	Cash And Cash Equivalents at the End of the Year		519.93	7.89
	Components of Cash and Cash Equivalents			
	Cash on Hand		1.18	1.94
	Balances with scheduled banks			
	- in Cash Credit Accounts		17.82	-
	- in Current Accounts		0.31	1.65
	- in EEFC Account		0.06	4.31
	- Bank Deposits (Maturity less than 3 months)		500.00	-
	- in LC Margin Money		0.56	-
	Total Cash and Cash Equivalents		519.93	7.89

*Other bank balances includes an amount of ₹ 187.34 million as at March 31, 2024 (March 31, 2023: Nil) pertains to amount held in Public Issue Account towards issue expenses. This balance is restricted bank balance which is not available with the Company for its normal operating, investing and financing activities.

Note:

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

1. 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, 2024.

Flair Writing Industries Limited ("the Company")(CIN: L51100MH2016PLC284727) is a public limited Company Incorporated and domiciled in India and having its registered office at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. During the year ended March 31, 2024, the Company has completed Initial Public offer (IPO) of its Shares. Pursuant to IPO, the Company's Shares were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) on December 01, 2023.

Group Structure

Name of Company	Country of Incorporation	% Ownership held as at March 31, 2024	% Ownership held as at March 31, 2023
Flair Writing Equipments Private Limited	India	100%	100%
Flair Cyrosil Industries Private Limited	India	90%	90%

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

a) Statement of Compliance :

The Group prepares its Consolidated Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These Consolidated financial statements includes Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended March 31, 2024, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

b) Basis of Consolidation

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

- The Audited Financial Statements of subsidiaries have 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.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of the parent's investment in subsidiaries is offset (eliminated) against the parent's portion of equity in subsidiaries.

c) Basis of Measurement :

The financial statements for the year ended March 31, 2024 have been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period.

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

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended March 31, 2023, except for adoption of new standard or any pronouncements effective from April 01, 2023.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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

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

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

Operating Cycle:

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

e) Functional and presentation currency

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

2.2. Use of Estimates, Judgements and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

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

- **Recoverability of trade receivables**

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

- **Provisions**

Provisions and liabilities are recognised 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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

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

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

- **Application of Discount rates**

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

- **Current versus Non-Current Classification**

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

- **Impairment of Non-Financial Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Group estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic

conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

- **Impairment of Financial Assets**

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

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

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

2.3. PROPERTY, PLANT AND EQUIPMENT (PPE)

i. Tangible Assets

- **Freehold Land**

Freehold Land is carried at historical cost.

- **Property, Plant and Equipment:**

Property, plant and equipment are stated at historical cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

**Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**

Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

ii. Intangible assets

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

iii. Capital Work-in-Progress:

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

iv. Depreciation/Amortisation:

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Part C of Schedule II of Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Part C of Schedule II.

The useful life of major assets is as under:

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

Assets	Useful life (in years)
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 life as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Others	10

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

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Profit and Loss when the assets is derecognised.

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's) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

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

**Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**

assessments of the time value of money and risk specific to the assets.

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

2.4. Finance Costs

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

2.5. Foreign Currency Transactions and Translation

The Group's financial statements are presented in ₹, which is the Group's functional currency.

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

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

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

2.6. Fair value measurement

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

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

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

For 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.

2.7. Revenue from Operations

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised 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 recognised 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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 realisation.

Contract balances and Trade receivables

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

Contract liabilities

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

Other Income

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

2.8. Tax Expenses

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

Current tax

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

Current tax assets and liabilities are offset only if,

- the Group has a legally enforceable right to set off the recognised amounts; and

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

2.9. Inventories

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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

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

2.10. Leases

As a Lessee:

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

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

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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

2.11. Provisions, Contingent Liabilities, Contingent Assets and Commitments

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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

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

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

2.12. Employee Benefits Expense

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

a) Short-term Employee Benefits

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

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

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

b) Post-Employment Benefits

I. Defined contribution plans

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

II. Defined benefit plans

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

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

2.13. Financial Instruments

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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 Group's expected purchase, sale or usage requirements.

(i) Financial Assets

a. Initial Recognition and Measurement

All Financial Assets are initially recognised 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 recognised using trade date accounting.

b. Subsequent Measurement

1) Financial Assets carried at Amortised Cost

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

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

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

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

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

c. Loans, Deposits and Receivable

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

d. Investment in Mutual Fund

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

e. Impairment of Financial Assets

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

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

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

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

Trade Receivables

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

individual basis based on historical data. The Group is receiving payments from customers within due dates and therefore the Group has no significant Credit Risk related to these parties. The Group evaluates the concentration of risk with respect to trade receivables as low.

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

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

Following is the policy for specific financial assets:-

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

(ii) Financial Liabilities

a. Initial Recognition and Measurement

All Financial Liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognised 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 amortised 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-recognises 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-recognised from the Group's Balance Sheet when obligation specified in the contract is discharged or cancelled or expires.

d. Offsetting of Financial Instruments

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

2.14. Cash and Cash Equivalents

Cash and Cash equivalents include Cash and Cheque in hand, Bank balances, Demand Deposits with Banks and other Short-Term highly liquid investments that

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.15. Cash Flow Statement

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

2.16. Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

2.17. Segment Reporting

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

2.18. Government Grants

Government grants are recognised 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 recognised 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 recognised as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognised at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from interest. The Loan or assistance is initially recognised 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.

2.19. Changes in material accounting policy information

The Group has applied new standards, interpretations and amendments issued and effective for annual periods beginning on or after April 01, 2023. This did not have any material changes in the Group's Consolidated accounting policies

2.20. New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2023.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

i) Definition of Accounting Estimates - Amendments to Ind AS 8:

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements

ii) Disclosure of Accounting Policies - Amendments to Ind AS 1:

The amendments to Ind AS 1 provided guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

decisions about accounting policy disclosures. The amendments had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

iii) **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12:**

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

A. Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

B. The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in million)											
	Land – Freehold	Buildings	Plant and Machinery	Office Equipment	Factory Equipments	Computer Equipment	Furniture & Fixtures	Mould	Electrical Installation	Two Wheeler	Vehicles	Total
I. Gross Block												
Balance as on April 01, 2022	195.35	459.14	1,321.38	11.40	58.75	22.30	59.61	606.10	94.30	1.96	60.46	2,890.74
Additions	43.49	-	417.70	4.45	23.91	4.16	17.28	145.28	21.93	0.18	66.83	745.21
Deductions/adjustments	-	-	1.71	-	-	-	-	-	-	0.09	12.05	13.85
Balance as on March 31, 2023	238.83	459.14	1,737.37	15.85	82.66	26.47	76.89	751.38	116.23	2.04	115.25	3,622.11
Additions	68.87	1.30	552.24	4.46	37.46	5.69	22.96	179.58	31.46	-	9.69	913.70
Deductions/adjustments	-	-	6.25	0.15	0.06	-	-	0.01	-	-	3.60	10.07
Balance as on March 31, 2024	307.70	460.44	2,283.36	20.16	120.06	32.15	99.85	930.95	147.68	2.04	121.33	4,525.74
II. Depreciation												
Balance as on April 01, 2022	-	58.20	488.38	8.23	33.50	16.22	25.05	302.87	36.58	0.46	20.60	990.08
Charge for the year	-	14.94	115.79	1.36	9.02	2.52	6.49	72.72	9.20	0.18	9.54	241.76
Deductions/adjustments	-	-	1.60	-	-	-	-	-	-	0.09	8.95	10.63
Balance as on March 31, 2023	-	73.13	602.57	9.59	42.51	18.74	31.54	375.59	45.78	0.55	21.19	1,221.21
Charge for the year	-	14.99	145.83	1.84	13.25	4.05	8.55	84.56	12.70	0.19	15.28	301.24
Deductions/adjustments	-	-	4.86	0.01	0.00	-	-	0.00	-	-	3.01	7.89
Balance as on March 31, 2024	-	88.13	743.53	11.42	55.76	22.79	40.09	460.15	58.48	0.75	33.46	1,514.56
III. Net Block												
Balance as on March 31, 2024	307.70	372.32	1,539.83	8.75	64.30	9.36	59.76	470.80	89.20	1.29	87.87	3,011.18
Balance as on March 31, 2023	238.83	386.01	1,134.80	6.25	40.15	7.73	45.35	375.79	70.44	1.49	94.06	2,400.90

Note: Movable Property, Plant and Equipment are hypothecated against cash credit facilities availed by the Company amounting to ₹ 1,215 million and term loan.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

1 CAPITAL WORK IN PROGRESS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Building - MIDC	131.37	15.74
Building - Warehouse Daman	9.35	-
Building - Valsad	14.09	-
Electrical Fitting & Installation	0.17	-
Electrical Fitting & Installation - Warehouse	2.12	-
Electrical Fitting & Installation - MIDC	0.24	-
Factory Shed - Warehouse	23.12	-
Furniture & Fixture - MIDC	9.30	-
Fire Hydrant System - MIDC	6.39	-
Lift	5.01	-
Mould	0.36	0.27
Machinery	0.18	-
Total	201.72	16.00

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

(₹ in million)

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	185.98	15.74	-	-	201.72
Project is temporarily suspended	-	-	-	-	-
TOTAL	185.98	15.74	-	-	201.72

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

(₹ in million)

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

There are no projects as on each reporting date where activity had been suspended. Also, there are no projects as on the reporting years which has exceeded cost as compared to its original plan or where completion is overdue.

1 INTANGIBLE ASSETS

(₹ in million)

Particulars	Trade Mark	Web Designing	Total
I. Gross Block			
Balance as on April 01, 2022	45.72	0.59	46.30
Additions	1.35	-	1.35
Deductions/adjustments	-	-	-

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	Trade Mark	Web Designing	Total
Balance as on March 31, 2023	47.07	0.59	47.66
Additions	2.13	-	2.13
Deductions/adjustments	-	-	-
Balance as on March 31, 2024	49.20	0.59	49.79
II. Depreciation			
Balance as on April 01, 2022	22.36	0.41	22.77
Charge for the year	4.85	0.06	4.91
Deductions/adjustments	-	-	-
Balance as on March 31, 2023	27.21	0.47	27.68
Charge for the year	5.00	0.05	5.04
Deductions/adjustments	-	-	-
Balance as on March 31, 2024	32.20	0.52	32.72
III. Net Block			
Balance as on March 31, 2024	17.00	0.07	17.07
Balance as on March 31, 2023	19.86	0.12	19.98

1 RIGHTS-OF-USE ASSETS

(₹ in million)

Particulars	Leased Assets
I. Gross Block	
Balance as on April 01, 2022	137.13
Additions	65.61
Deductions/adjustments	-
Balance as on March 31, 2023	202.74
Additions	228.30
Deductions/adjustments	-
Balance as on March 31, 2024	431.04
II. Depreciation	
Balance as on April 01, 2022	101.22
Charge for the year	26.75
Deductions/adjustments	-
Balance as on March 31, 2023	127.97
Charge for the year	61.82
Deductions/adjustments	-
Balance as on March 31, 2024	189.78
III. Net Block	
Balance as on March 31, 2024	241.26
Balance as on March 31, 2023	74.77

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

1 GOODWILL

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Gross carrying value(at cost)		
Balance at the beginning of the year	3.60	-
Acquired pursuant to business combination	-	3.60
Balance at the end of the year (a)	3.60	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	3.60

2 LOANS

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Non- Current		
Unsecured, Considered good		
Loans and Advances to Employees #	4.01	0.29
Total	4.01	0.29
Current		
Unsecured, Considered good		
Loans and Advances to Employees #	0.48	3.28
Total	0.48	3.28

Loans and Advances that fall under the category of 'Loans-Non-Current' are re-payable after more than 1 year. Further the said loans are carried at amortised cost.

3 OTHER FINANCIAL ASSETS

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Non- Current		
Security Deposits	38.64	24.46
Bank Deposits (Maturity more than 12 months) #	29.58	29.58
Interest Receivable	49.51	0.93
Other Deposits	30.30	0.65
Total	148.02	55.62
Current		
Security Deposits	40.56	8.42
Derivatives Financial Assets	0.07	-
Total	40.63	8.42
# includes deposits having restrictive use on account of:		
Pledged with Government Authorities	29.58	29.58

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

4 CURRENT TAX ASSETS (NET)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Income Tax	0.92	0.56
Total	0.92	0.56

5 OTHER ASSETS

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Non- Current		
Capital Advances	265.10	142.14
Balances with Government Authorities	4.28	4.97
Prepaid Expenses	12.72	0.79
Insurance claim Receivable	15.91	15.91
Total	298.01	163.81
Current		
Advances to Suppliers and Others	104.50	118.67
Balances with Government Authorities	185.51	98.09
Prepaid Expenses	49.82	8.14
Others Receivable	16.50	17.41
Total	356.33	242.31

6 INVENTORIES

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Inventories		
Raw and Packing Materials	846.34	946.89
Raw and Packing Materials (In Transit)	31.43	0.20
Semi-Finished Goods	774.14	667.77
Semi-Finished Goods (In Transit)	0.25	25.79
Finished Goods	538.78	443.14
Finished Goods (In Transit)	3.05	-
Stock of Spares	30.34	21.68
Finished Goods (Traded Goods)	40.28	32.14
Total	2,264.60	2,137.61

- The Inventories have been valued as per Note 2(9) of Material Accounting Policies.
- Inventories are hypothecated against cash credit facilities availed by the Company totaling to ₹ 1215 million.
- The cost of inventories recognised as an expense during the year was ₹ 4856.95 million (March 31, 2023: ₹ 5087.70 million).
- The Company has no write-down of inventory to net realisable value as at March 31, 2024 and March 31, 2023.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

7 TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered good		
Trade Receivables # (refer note 34 for related party balances)	2,160.52	1,718.97
Less: Allowance for expected credit loss	11.68	12.26
	2,148.84	1,706.72

Trade Receivables are hypothecated against cash credit facilities availed by the Company amounting to ₹ 1,215 million.

The average credit period on sales of goods is 60-80 days.

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

(₹ in million)

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	2,088.99	48.81	12.27	3.09	7.36	2,160.52
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	-	-	(4.59)	-	(7.09)	(11.68)
Total	2,088.99	48.81	7.68	3.09	0.27	2,148.84

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

(₹ in million)

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

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

8 CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	1.18	1.94
Balances with Banks		
- In Cash Credit Accounts	17.82	-
- In Current Accounts	0.31	1.65
- In EEFC Accounts	0.06	4.31
- Bank Deposits (Maturity less than 3 months)	500.00	-
LC Margin Money	0.56	-
Total	519.93	7.89

9 OTHER BANK BALANCES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
- Deposits with original maturity of more than three months but less than twelve months	1,634.40	0.05
- Balance In Escrow Account (Public Issue)	187.34	-
	1,821.74	0.05

10 EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
11,00,00,000 Equity Shares of ₹ 5/- each fully paid up (P.Y. 11,00,00,000 Equity Shares of ₹ 5/- each)	550.00	550.00
	550.00	550.00
Issued, Subscribed and Fully paid up		
10,53,95,378 Equity Shares of ₹ 5/- each# (P.Y. 9,33,88,800 Equity Shares of ₹ 5/- each)	526.98	466.94
	526.98	466.94

a) Reconciliation of number of Shares outstanding

(₹ in million)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	9,33,88,800	466.94	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 (refer note 11(e) (ii))	-	-	4,66,94,400	233.47
Add: Shares issued during the year (refer note 42)	1,20,06,578	60.03	-	-
Balance as at the end of the year	10,53,95,378	526.98	9,33,88,800	466.94

*The Equity Shares of the Company were sub-divided from ₹ 10/- each to ₹ 5/- each pursuant to the approval from the shareholders in their meeting held on March 20, 2023.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of share Holding	Number of Shares	% of share Holding
Equity Shares				
Khubilal J. Rathod	1,65,92,235	15.74%	1,86,77,760	20.00%
Vimalchand J. Rathod	1,24,40,887	11.80%	1,40,08,320	15.00%
Rajesh K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Mohit K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Sumit V. Rathod	82,76,380	7.85%	93,38,880	10.00%
Nirmala K. Rathod	82,76,380	7.85%	93,38,880	10.00%
Manjula V. Rathod	82,76,380	7.85%	93,38,880	10.00%

c) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares with face value of ₹ 5/- each. Each Shareholder has a voting right in proportion to his/her Holding of the paid-up Equity share capital of the Company. Where Dividend is proposed by the Board of Directors, it is subject to the approval of the Shareholders in the Annual General Meeting (AGM), and in the case of Interim Dividend, it is ratified by the Shareholders at the Annual General Meeting.

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

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	Number of Shares	% of share Holding	% change during the year	Number of Shares	% of share Holding	% change during the year
Equity Shares						
Khubilal J. Rathod	1,65,92,235	15.74%	-4.26%	1,86,77,760	20.00%	-
Vimalchand J. Rathod	1,24,40,887	11.80%	-3.20%	1,40,08,320	15.00%	-
Rajesh K. Rathod	82,76,380	7.85%	-2.15%	93,38,880	10.00%	-
Mohit K. Rathod	82,76,380	7.85%	-2.15%	93,38,880	10.00%	-
Sumit V. Rathod	82,76,380	7.85%	-2.15%	93,38,880	10.00%	-
	5,38,62,262	51.10%		6,07,02,720	65.00%	

e) Information regarding issue of shares in the last five years

- The Company has allotted 27,00,000 Equity Shares of ₹ 10/- each fully paid up were issued to the Equity share holders of the merged Companies, without payment being received in cash on May 26, 2018. Further the Company allotted bonus shares in the ratio of 7:1 (i.e. 2,04,28,800 bonus shares of ₹ 10/- each fully paid up) to its existing shareholders on August 16, 2018 by capitalisation of profits transferred from securities premium amounting to ₹ 204.29 million.
- The Company allotted bonus shares in the ratio of 1:1 (i.e. 4,66,94,400 bonus shares of ₹ 5/- each fully paid up) to its existing shareholders in its Board Meeting held on March 24, 2023.

11 OTHER EQUITY

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Retained Earnings		
Balance at the beginning of the year	3,912.92	2,780.05
Add: Profit for the year	1,189.58	1,171.51

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Add: Impact of business combination	-	(0.79)
Less: Issue of Bonus Share #	-	(37.84)
Balance at the end of the year (a)	5,102.51	3,912.92
ii) Securities Premium		
Balance at the beginning of the year	-	195.64
Less: Issue of Bonus Share #	-	(195.64)
Add: Issue of Equity share	3,589.97	-
Less: Utilised issue expenses*	(186.32)	-
Balance at the end of the year (b)	3,403.64	-
iii) Other Comprehensive Income		
Balance at the beginning of the year	(30.36)	(28.76)
Remeasurement (losses) on Defined Benefit Plan	(13.40)	(1.60)
Balance at the end of the year (c)	(43.75)	(30.36)
Balance at the end of the year (a+b+c)	8,462.39	3,882.56

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

*Issue related expenses (net of GST) amounting to ₹ 186.32 million have been adjusted against securities premium account.

12 BORROWINGS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Secured - at Amortised cost		
Term Loan - from Bank	29.94	85.21
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	271.18	327.34
Loan from Related Parties (Refer Note 34)	5.61	5.46
Total	306.74	418.01
Current		
Secured - at Amortised cost		
Packing Credit - from Bank	50.00	47.00
Working Capital Loan- Cash Credit	22.32	589.97
Current maturities of Long term borrowings	37.05	70.84
Unsecured - at Amortised cost		
Loan from Directors & their relatives (Refer Note 34)	14.89	30.09
Total	124.26	737.91

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Nature of Borrowing	Name of the lender	Nature of Borrowing	Loan Currency	Amount outstanding as on March 31, 2024	Rate of Interest	Repayment terms
Packing Credit - from Bank	Citi Bank N.A.	PCRE	INR	50.00	6.31%	77 days
Car Loan	Axis Bank	Car Loan	INR	2.64	7.71%	60 Months
Car Loan	Axis Bank	Car Loan	INR	6.31	8.45%	37 Months
Car Loan	Axis Bank	Car Loan	INR	5.95	8.45%	37 Months
Working Capital Loan- Cash Credit	Axis Bank	Cash Credit	INR	-	9.15%	Revolving 365 days
Working Capital Loan- Cash Credit	Citi Bank N.A.	Cash Credit	INR	-	9.50%	Revolving 365 days
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	36.26	T Bill + 2.5%	End to End tenor of 5 Years with quarterly rest and 6 Months moratorium
Citi Bank Cash Credit	Citi Bank N.A.	Cash Credit	INR	1.10	9.50%	Revolving 365 days
Term Loan - from Bank	Citi Bank N.A.	Term Loan	INR	15.85	8.60%	End to End tenor of 5 Years with 18 months moratorium Repayment will be quarterly basis
Cash Credit - from Bank	Citi Bank N.A.	Cash Credit	INR	21.22	9.50%	Revolving 365 days

Note:

- Refer Note 32 for information on Company's exposure to Interest rate, Foreign Currency and Liquidity risks.
- Working Capital Loans from Bank are secured by hypothecation of all present and future Stock and Receivables, First exclusive charge on all present & future movable fixed assets.
- 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 Limited.
- 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.
- The Company is filing monthly statement for Inventories, Debtors and Creditors for Raw Material with Banks (Citi Bank N.A. & Axis Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed with the banks and books of accounts:

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Quarter ended on	Amount as per books of accounts	Amount as reported in the statements	Difference	Remarks
March 31, 2024	4,075.16	4,075.62	(0.46)	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, 2023	3,791.19	3,788.48	2.71	
September 30, 2023	3,838.50	3,784.86	53.64	
June 30, 2023	3,745.72	3,702.60	43.12	
March 31, 2023	3,471.06	3,400.54	70.52	
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	

13 LEASE LIABILITIES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Lease Liabilities	202.69	67.72
	202.69	67.72
Current		
Lease Liabilities	54.78	10.62
	54.78	10.62

14 OTHER FINANCIAL LIABILITIES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Retention money	4.66	0.73
	4.66	0.73
Current		
Creditors for capital expenditure (including MSME Creditors)	23.27	24.78
Security Deposit Received	0.85	0.85
Derivatives Financial Liabilities	-	1.84
Other Payables	216.05	176.78
Issue Expenses Payables	106.30	-
	346.47	204.25

15 PROVISIONS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for Employee Benefits (Refer Note 30)	86.86	63.01
	86.86	63.01

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Provision for Employee Benefits (Refer Note 30)	100.74	77.15
Total	100.74	77.15

16 DEFERRED TAX LIABILITIES:

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

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	78.89	95.65
	78.89	95.65

Movement in deferred tax balances for the year ended March 31, 2024

(₹ in million)					
Particulars	As at April 01, 2023	Deferred tax from subsidiary company	Recognised in profit or loss	Recognised in OCI	As at March 31, 2024
Deferred Tax Liabilities					
Property,Plant and Equipment and other Intangibles Assets	145.15	-	9.38	-	154.53
	(A)	145.15	9.38	-	154.53
Deferred Tax Assets					
Provision for Gratuity	25.40	-	4.96	4.51	34.87
Provisions for Employee benefit obligation	9.63	-	2.40	-	12.03
Others	9.65	-	1.65	-	11.30
B/F Losses and Unabsorbed Depreciation	3.05	-	14.40	-	17.44
	(B)	47.73	23.40	4.51	75.63
Net Deferred tax Liabilities C = (A-B)	97.42	-	(14.03)	(4.51)	78.89
AMT-MAT Receivables	1.77	-	(1.77)	-	-
	(D)	1.77	(1.77)	-	-
Total	(C-D)	95.65	(12.25)	(4.51)	78.89

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

(₹ in million)					
Particulars	As at April 01, 2022	Deferred tax from subsidiary company	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred Tax Liabilities					
Property,Plant and Equipment and other Intangibles Assets	141.89	-	3.26	-	145.15
	(A)	141.89	3.26	-	145.15

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)					
Particulars	As at April 01, 2022	Deferred tax from subsidiary company	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred Tax Assets					
Provision for Gratuity	21.91	-	2.95	0.54	25.40
Provisions for Employee benefit obligation	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
	(B)	45.01	0.93	1.24	47.73
Net Deferred tax Liabilities C = (A-B)	96.88	(0.93)	2.01	(0.54)	97.42
AMT-MAT Receivables	1.77	-	-	-	1.77
	(D)	1.77	-	-	1.77
Total	(C-D)	95.11	(0.93)	2.01	95.65

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.

17 OTHER LIABILITIES

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Government Grants #	1.95	2.60
	1.95	2.60
Current		
Statutory Remittances	76.41	60.81
Revenue received in advance		
- Others	40.59	49.61
Government Grants #	0.64	0.68
Total	117.64	111.10

Government Grants includes Subsidy Received on Capital Goods.

The movement of government grant is as below:

Balance as at the beginning of the year	3.29	4.08
Add: Received during the year	-	-
Less: Government Grant recognised as income	0.70	0.79
Balance as at the end of the year	2.59	3.29

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

18 TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding Dues of Micro and Small Enterprises (refer note 34 for related party balances)	179.43	228.03
Total Outstanding Dues of Creditors other than Micro and Small Enterprises (refer note 34 for related party balances)	476.98	407.63
Total	656.41	635.66

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

(₹ in million)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- Micro, Small and Medium Enterprises	179.43	-	-	-	179.43
- Others	454.13	22.48	0.37	-	476.98
Disputed dues- Micro, Small and Medium Enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	633.56	22.48	0.37	-	656.41

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

(₹ in million)

Particulars	Outstanding for following periods from transaction				Total
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
- Micro, Small and Medium Enterprises	228.03	-	-	-	228.03
- Others	404.26	1.91	1.14	0.31	407.63
Disputed dues- Micro, Small and Medium Enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	632.30	1.91	1.14	0.31	635.66

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

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

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	179.13	228.03
- Interest	0.30	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.30	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

* The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19 CURRENT TAX LIABILITIES (NET)

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Expenses (Net of Advance Tax)	8.87	65.12
Total	8.87	65.12

20 REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of Products		
Domestic	7,907.40	7,478.21
Export	1,783.08	1,847.04
b) Sale of Services	-	0.62
c) Other Operating Revenue		
Sale of Scrap	21.40	21.04
Export Incentives	75.37	79.69
Total	9,787.25	9,426.60

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

a) Disaggregation of revenue from contracts with customers

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations		
Sale of Products		
Domestic	7,907.40	7,478.21
Export	1,783.08	1,847.04
Sale of Services	-	0.62
Other operating revenue	96.77	100.73
Total	9,787.25	9,426.60

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

b) Significant changes in the contract liabilities balances during the year

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	49.61	52.38
Add : Net additions during the year	31.79	45.08
Less : Revenue recognised during the year	40.80	47.85
Closing Balance	40.59	49.61

c) Contract liability (advance from customers)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Advances from Customers	40.59	49.61
Total	40.59	49.61

d) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers as per Contract price	9,903.70	9,441.70
Less : Discount, rebates, credits etc.	213.22	115.84
Add : Other operating revenue	96.77	100.73
Revenue from contracts with customers as per Statement of Profit and Loss	9,787.25	9,426.60

21 OTHER INCOME

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest		
- Bank	64.68	0.95
- Others	3.43	4.68
Other Non-Operating Revenue		
Government Grant Income	0.70	0.79
Gain On Foreign Currency Transactions (Net)	68.75	86.03
Labour Incentive	4.60	13.25
Premium/(Discount) on Forward Contract	1.32	-
Development Income	-	0.12
Tooling Amortisation Income	0.19	10.33
Other Non-Operating Income	1.61	0.16
Total	145.29	116.31

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

22 COST OF MATERIALS CONSUMED

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year	947.09	714.79
Add. Purchase	4,903.54	5,313.81
Less. Inventories at the end of the year	877.77	947.09
Total	4,972.87	5,081.51

23 PURCHASE OF STOCK-IN-TRADE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of Stock-in-Trade	71.74	61.65
Total	71.74	61.65

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Semi- Finished Goods	693.56	706.25
Finished Goods	475.28	407.12
Total (A)	1,168.84	1,113.37
Inventories at the end of the year		
Semi- Finished Goods	774.39	693.56
Finished Goods	582.11	475.28
Total (B)	1,356.50	1,168.84
Total (A-B)	(187.66)	(55.47)

25 EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Bonus	1,347.43	1,094.04
Contribution to Provident Fund and others (Refer Note 30)	97.37	68.76
Staff Welfare Expenses	12.78	10.56
Total	1,457.58	1,173.36

26 FINANCE COSTS

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Interest	55.47	37.47
Interest on Right of Use Assets	25.46	3.36

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on MSME	0.36	-
Interest on Direct Tax / Indirect Tax	0.63	19.37
Borrowing Cost	19.58	39.71
Total	101.50	99.91

27 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation and Amortisation Expenses	368.10	273.41
Total	368.10	273.41

28 OTHER EXPENSES

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing Expenses		
Consumption of Stores and Spares	38.65	31.33
Electric Power, Fuel and Water	211.31	199.35
Factory Rent	0.64	2.40
Freight Inward	17.89	13.61
Job Work and Other Related Expenditure	394.86	331.46
Loading and Unloading Expenses	3.35	2.06
Machine and Mould Maintenance	78.73	71.17
Factory Expenses	29.88	26.97
Establishment Expenses		
Charity and Donation	16.36	10.29
Electricity Charges	4.92	2.71
Insurance Expenses	12.68	11.65
Legal & Professional Fees	67.75	53.42
Office Rent	0.28	0.01
Postage & Courier	8.08	5.53
Printing and Stationery	5.62	4.34
Miscellaneous Expenses	6.19	9.66
Pre-operating Expenses	-	5.77
Bank Charges	5.20	1.69
Discount on Forward contract	-	9.37
Share Issue Expenses	-	2.42

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance		
Computer	8.50	7.25
Vehicles	9.34	7.37
Others	20.16	20.03
Telephone & Communication Charges	5.20	4.11
Travelling & Conveyance	130.51	111.23
Director's Travelling & Conveyance	18.14	13.05
Director's Sitting Fees	1.79	0.33
Payments to Auditor (Refer Note 28.1)	6.00	5.38
Selling and Distribution Expenses		
Advertisement Expenses	163.07	107.12
Provision for Doubtful Debts	-	10.33
Sales Promotion & Marketing Expenses	24.66	13.69
Commission & Brokerage	43.06	18.90
Freight Outward	224.01	213.59
Export Expenses	3.45	2.85
Total	1,560.30	1,330.42

28.1 Payments to Auditor

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
As Auditors:		
Statutory Audit Fees	4.16	3.35
Taxation Matters	1.84	2.03
Total	6.00	5.38

29 EARNINGS PER SHARE (EPS)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Face value per Equity Share (₹)	5.00	5.00
Basic Earnings per Share (₹)	12.19	12.54
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in million)	1,189.58	1,171.51
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,75,81,261	9,33,88,800
Diluted Earnings per Share (₹)	12.19	12.54
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in million)	1,189.58	1,171.51
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,75,81,261	9,33,88,800

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	9,75,81,261	9,33,88,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	9,75,81,261	9,33,88,800

30 GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

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

(a) Defined contribution plan

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund	32.03	25.98
Employer's Contribution to Employee State Insurance Scheme	4.87	1.07
Employer's Contribution to Pension Scheme	52.51	41.66
Total	89.41	68.71

(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.

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined Benefit obligation at beginning of the year	100.93	87.07
Add: Current Service Cost	22.26	17.98
Interest Cost	7.38	5.26
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.88	(6.05)
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial loss / (gain) arising on account of experience variance	17.02	8.19
Past Service Cost		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Benefits paid	(9.94)	(11.52)
Defined Benefit obligation at end of the year	138.53	100.93
Net liability is bifurcated as follows :		
Current	51.67	37.92
Non-current	86.86	63.01
Net liability	138.53	100.93

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of Plan Assets beginning of the year	-	-
Investment Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Transfer In / (Out)	-	-
Fair Value of Plan Assets as at the end	-	-

iii) Reconciliation of Fair Value of Assets and Obligations

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of Plan Assets	-	-
Present Value of Obligation	138.53	100.93
Amount Recognised in Balance Sheet Surplus/(Deficit)	(138.53)	(100.93)

iv) Expenses recognised during the year

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
In Income Statement		
Current Service Cost	22.26	17.98
Interest Cost	7.38	5.26
Past Service Cost	-	-
Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Net Cost	29.64	23.24
In Other Comprehensive Income		
Actuarial (Gain)/Loss	17.90	2.14
Return on Plan Assets		
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	17.90	2.14

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

V) Investments details

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Government securities	-	-
Public Securities	-	-
Others	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	(₹ in million)	
	For the year ended March 31, 2024 (Ultimate)	For the year ended March 31, 2023 (Ultimate)
Discount rate (p.a.)	7.15%	7.30%
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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Assumptions - Discount rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	(135.67)	(98.75)
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	141.55	103.24
Assumptions - Salary Escalation rate		
Sensitivity Level		
Impact of Increase in (-/+ 0.5%) on defined benefit obligation	141.57	103.25
Impact of Decrease in (-/+ 0.5%) on defined benefit obligation	(135.63)	(98.72)

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

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

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

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

Particulars	(₹ in million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months (next annual reporting period)	51.67	37.92
Between 2 and 5 years	68.75	47.71
Beyond 5 years	86.19	69.88
Total expected payments	206.61	155.51
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	4 years	4 years

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

31 FINANCIAL INSTRUMENTS

Fair Value Measurement Hierarchy

As at March 31, 2024

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Trade Receivables	-	-	2,148.84	2,148.84	-	-	2,148.84	2,148.84
Cash and Cash Equivalents	-	-	519.93	519.93	-	-	519.93	519.93
Other Bank Balance	-	-	1,821.74	1,821.74	-	-	1,821.74	1,821.74
Loans	-	-	4.49	4.49	-	-	4.49	4.49
Other Financial Assets	-	-	188.65	188.65	-	-	188.65	188.65
Total Financial Assets	-	-	4,683.65	4,683.65	-	-	4,683.65	4,683.65
Financial Liabilities								
Non-Current Borrowings	-	-	306.74	306.74	-	-	306.74	306.74
Current Borrowings	-	-	124.26	124.26	-	-	124.26	124.26
Lease Liabilities	-	-	257.47	257.47	-	-	257.47	257.47
Trade payables	-	-	656.41	656.41	-	-	656.41	656.41
Other Financial Liabilities	-	-	351.12	351.12	-	-	351.12	351.12
Total Financial Liabilities	-	-	1,696.00	1,696.00	-	-	1,696.00	1,696.00

As at March 31, 2023

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	-	-	204.98	204.98	-	-	204.98	204.98
Total Financial Liabilities	-	-	2,074.89	2,074.89	-	-	2,074.89	2,074.89

The financial instruments are categorised 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.

**Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**
Valuation Methodology :

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

- 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.
- The fair value is determined by using the valuation model/technique with observable inputs and assumptions.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.
- The fair value of investment in Mutual Fund is measured at cost quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis

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.

**Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**
Ageing of Trade Receivables are as follows:

(₹ in million)		
Due from the date of Invoice	As at March 31, 2024	As at March 31, 2023
Less than 6 months	2,088.99	1,656.55
6 months to 12 months	48.81	32.38
beyond 12 months	11.04	17.78
Total	2,148.84	1,706.72

ii) Liquidity Risk

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

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

(₹ in million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Unutilised credit limit from bank (₹ in million)	1,196.69	797.97
Current Ratio	5.08	2.23
Liquid Ratio	3.35	1.02

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, 2024

(₹ in million)						
Particulars	As at March 31, 2024					TOTAL
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	
Financial liabilities						
Borrowings	108.30	15.95	29.94	-	276.79	430.99
Lease Liabilities	26.75	28.03	120.10	70.11	12.48	257.47
Trade payables	656.41	-	-	-	-	656.41
Other financial liabilities	346.47	-	4.66	-	-	351.12
	1,137.93	43.99	154.70	70.11	289.27	1,696.00
Derivative Liabilities	-	-	-	-	-	-
TOTAL	1,137.93	43.99	154.70	70.11	289.27	1,696.00

As at March 31, 2023

(₹ in million)						
Particulars	As at March 31, 2023					TOTAL
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	
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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Particulars	As at March 31, 2023					TOTAL
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	
Trade payables	635.66	-	-	-	-	635.66
Other financial liabilities	202.41	-	0.73	-	-	203.14
	1,551.17	25.40	61.92	27.17	407.40	2,073.06
Derivative Liabilities	1.84	-	-	-	-	1.84
TOTAL	1,553.01	25.40	61.92	27.17	407.40	2,074.90

iii) Market Risk- Interest Risk

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

Interest Rate Exposure

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Expense		
Loan from Banks	55.47	37.47
Unsecured loan from Directors & their relatives	16.82	34.90
Others	25.46	3.36
Total	97.75	75.73

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

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
1% Change in increase in Interest Rate	0.98	0.76
1% Change in decrease in Interest Rate	(0.98)	(0.76)

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.

Exposure to currency risk

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

(₹ in million)

Particulars	As at March 31, 2024					As at March 31, 2023			
	USD	EURO	CHF	JPY	CNY	USD	EURO	CHF	JPY
Financial assets									
Trade receivables	568.83	2.68	-	-	4.35	338.55	17.47	-	-
Other assets	290.30	3.34	0.25	-	-	121.93	6.51	55.65	3.28
Financial liabilities									
Trade payables	34.57	31.35	-	10.17	-	25.62	66.20	-	13.90
Other liabilities	36.58	-	-	-	-	43.64	-	-	-
Net Exposure	787.99	(25.33)	0.25	(10.17)	4.35	391.22	(42.23)	55.65	(10.62)

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

SENSITIVITY ANALYSIS

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

(₹ in million)

Particulars	As at March 31, 2024					As at March 31, 2023			
	USD	EURO	CHF	JPY	CNY	USD	EURO	CHF	JPY
1% Depreciation in INR									
Impact on Profit & Loss	7.88	(0.25)	0.00	(0.10)	0.04	3.91	(0.42)	0.56	(0.11)
TOTAL	7.88	(0.25)	0.00	(0.10)	0.04	3.91	(0.42)	0.56	(0.11)
1% Appreciation in INR									
Impact on Profit & Loss	(7.88)	0.25	(0.00)	0.10	(0.04)	(3.91)	0.42	(0.56)	0.11
TOTAL	(7.88)	0.25	(0.00)	0.10	(0.04)	(3.91)	0.42	(0.56)	0.11

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.

33 INCOME TAX EXPENSE
(a) Amounts recognised in profit and loss

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Income tax	415.50	404.98
Deferred tax	(12.25)	2.01
Short/(Excess) Provision of tax relating to earlier years	0.05	0.72
Total Income Tax expenses	403.29	407.72

(b) Amounts recognised in other comprehensive income

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement (losses) on Defined Benefit Plan	(17.90)	(2.14)
Tax (expense)/ benefit	4.51	0.54
Net of tax	(13.40)	(1.60)

(c) Reconciliation of effective income tax rate

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	1,588.10	1,578.11
Company's domestic tax rate	25.17%	25.17%

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	(₹ in million)	
	As at March 31, 2024	As at March 31, 2023
Income tax using the Company's tax rate	399.69	397.18
Tax effect of:		
Permanent disallowances	2.78	7.45
Timing Difference	3.80	3.01
Deferred tax	(12.25)	2.01
Short/(Excess) Provision of tax relating to earlier years	0.05	0.72
Others	9.23	(2.65)
Income tax as per Profit & Loss Account	403.29	407.72
Effective Tax Rate	25.39%	25.84%

34 RELATED PARTY DISCLOSURE
(a) Other Related Parties with whom transactions have taken place:

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

(b) Transactions with Related Parties

Sr. No.	Nature of Transaction	Type	(₹ in million)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
1	Sale of Goods			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	13.68	13.41
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	17.12
2	Purchase of Goods			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	41.55	60.64
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	68.05
3	Purchase of Licence			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.11
4	Purchase of Fixed Assets			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	7.93	7.52
	Flair Pen & Plastic Industries	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	2.00
5	Rent Expense			
	Khubilal J. Rathod	Key Managerial Personnel	0.67	0.64
	Vimalchand J. Rathod	Key Managerial Personnel	1.70	1.59
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	18.87	16.18
	Flair Writing Aids	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.80	0.34
	Flair Pen & Plastic Industries	Enterprises over which Key Managerial Personnel are able to exercise significant influence	37.26	13.66
	Rathod N Rathod	Relative of KMP	0.18	0.18
	Nirmala Rathod	Relative of KMP	4.74	2.28
	Manjula Rathod	Relative of KMP	4.74	2.28
6	Advertisement and Sales promotion expenses			
	Hauser Lifestyle Products	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	19.94
7	Power Charges			
	Flair Writing Aids	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.06	-
8	Re-imburement of Expenses (Paid)			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	1.33	1.21
	Jayesh Jain	Relative of KMP	0.03	-
	Vimalchand Rathod	Key Managerial Personnel	-	0.09
	Khubilal J. Rathod	Key Managerial Personnel	-	0.11

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)				
Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2024	For the year ended March 31, 2023
9	Re-imburement of Expenses (Received)			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	-	0.01
10	Re-imburement of IPO Expenses (Paid)			
	Khubilal J. Rathod	Key Managerial Personnel	28.99	-
	Vimalchand Rathod	Key Managerial Personnel	22.36	-
	Rajesh Rathod	Key Managerial Personnel	18.22	-
	Mohit Rathod	Key Managerial Personnel	18.22	-
	Sumit Rathod	Key Managerial Personnel	18.22	-
	Nirmala Rathod	Relative of KMP	18.22	-
	Manjula Rathod	Relative of KMP	18.22	-
	Sangita Rathod	Relative of KMP	9.11	-
	Shalini Rathod	Relative of KMP	9.11	-
	Sonal Rathod	Relative of KMP	9.11	-
11	Interest Expenses			
	Khubilal J. Rathod	Key Managerial Personnel	0.26	1.12
	Vimalchand J. Rathod	Key Managerial Personnel	0.44	4.13
	Rajesh Rathod	Key Managerial Personnel	0.33	2.53
	Mohit Rathod	Key Managerial Personnel	0.22	2.12
	Sumit Rathod	Key Managerial Personnel	0.11	3.54
	Nirmala Rathod	Relative of KMP	2.22	3.63
	Manjula Rathod	Relative of KMP	0.49	0.55
	Sangita Rathod	Relative of KMP	4.91	6.82
	Shalini Rathod	Relative of KMP	5.42	7.43
	Sonal Rathod	Relative of KMP	1.95	2.58
	Sunita Jain	Relative of KMP	0.27	0.27
	Kiemaya Rathod	Relative of KMP	0.18	0.17
12	Director/Managerial Remuneration			
	Vimalchand J. Rathod	Key Managerial Personnel	6.60	4.20
	Khubilal J. Rathod	Key Managerial Personnel	5.70	1.20
	Rajesh Rathod	Key Managerial Personnel	6.60	6.00
	Mohit Rathod	Key Managerial Personnel	6.60	6.00
	Sumit Rathod	Key Managerial Personnel	6.60	6.00
	Mayur Gala	Key Managerial Personnel	6.00	3.93
	Vishal Chanda	Key Managerial Personnel	1.18	0.81
	Prakash Gupta	Key Managerial Personnel	-	0.07
	Jayesh Jain	Relative of KMP	-	2.81
13	Director/Managerial Commission			
	Khubilal J. Rathod	Key Managerial Personnel	0.80	4.80
	Jayesh Jain	Relative of KMP	14.70	10.42

(₹ in million)				
Sr. No.	Nature of Transaction	Type	For the year ended March 31, 2024	For the year ended March 31, 2023
14	Sitting Fees			
	Punit Saxena	Key Managerial Personnel	0.40	0.02
	Manoj Lalwani	Key Managerial Personnel	0.40	0.02
	Sheetal B. Shetty	Key Managerial Personnel	0.16	-
	Rajneesh Bhandari	Key Managerial Personnel	0.36	0.13
	Bishan Singh Rawat	Key Managerial Personnel	0.47	0.16
15	Loan Taken			
	Khubilal J. Rathod	Key Managerial Personnel	19.50	2.87
	Vimalchand J. Rathod	Key Managerial Personnel	14.49	6.91
	Rajesh Rathod	Key Managerial Personnel	107.86	53.15
	Mohit Rathod	Key Managerial Personnel	139.25	40.09
	Sumit Rathod	Key Managerial Personnel	4.46	37.77
16	Loan Repaid			
	Khubilal J. Rathod	Key Managerial Personnel	15.41	36.54
	Vimalchand J. Rathod	Key Managerial Personnel	13.55	107.83
	Rajesh Rathod	Key Managerial Personnel	92.58	108.99
	Mohit Rathod	Key Managerial Personnel	11.88	113.71
	Sumit Rathod	Key Managerial Personnel	9.24	155.83
	Nirmala Rathod	Relative of KMP	46.34	2.08
	Manjula Rathod	Relative of KMP	1.83	0.55
	Sangita Rathod	Relative of KMP	80.43	4.64
	Shalini Rathod	Relative of KMP	85.04	6.19
	Sonal Rathod	Relative of KMP	15.15	2.48

(c) Outstanding balances as at the year end

(₹ in million)				
Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2024	As at March 31, 2023
1	Trade Payables			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	6.86	9.61
	Hauser Lifestyle Products		5.20	50.95
2	Trade Recievables			
	Pentel Stationery (India) Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	2.12	0.45
	Hauser Lifestyle Products		-	9.22
3	Loan Outstanding (Liability)			
	Khubilal J. Rathod	Key Managerial Personnel	15.10	10.78
	Vimalchand J. Rathod	Key Managerial Personnel	17.50	16.16
	Mohit Rathod	Key Managerial Personnel	132.53	4.97
	Rajesh Rathod	Key Managerial Personnel	23.03	7.46
	Sumit Rathod	Key Managerial Personnel	1.28	6.16
	Nirmala Rathod	Relative of KMP	9.97	54.31

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

Sr. No.	Nature of Balance Outstanding	Type	As at March 31, 2024	As at March 31, 2023
	Manjula Rathod	Relative of KMP	6.79	8.18
	Sangita Rathod	Relative of KMP	25.26	101.27
	Shalini Rathod	Relative of KMP	29.69	109.85
	Sonal Rathod	Relative of KMP	24.75	38.15
	Sunita Jain	Relative of KMP	3.02	3.02
	Kiemaya Rathod	Relative of KMP	2.75	2.59
4	Rent Payable			
	Flair Pens Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	0.16	0.63
	Flair Writing Aids		0.03	0.27
	Flair Pen & Plastic Industries		-	0.12
5	Director/Managerial Commission (Outstanding)			
	Jayesh Jain	Relative of KMP	1.45	1.53

35 CAPITAL MANAGEMENT

For the purpose of the Group capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023. Capital gearing ratio is net debt divided by total capital plus net debt and Net debt is calculated as loans and borrowings less cash and cash equivalent. The Group policy is to keep the gearing ratio at optimum level.

The following table summarises the capital:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Debt including lease liability		
Long Term Debt	306.74	418.01
Short Term Debt	124.26	737.91
Lease liability	257.47	78.34
Less: Cash and Cash Equivalents	519.93	7.89
Net Debt (A)	168.54	1,226.36
Total Equity (As per Balance Sheet) (B)	8,987.38	4,352.29
Net Gearing Ratio (A/B)	0.02	0.28

36 SEGMENT REPORTING

Description of Segment and principal activities

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Geographical Information

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

Revenue from operations	Within India	Outside India	Total
For the year ended March 31, 2024	7,928.80	1,858.45	9,787.25
For the year ended March 31, 2023	7,499.86	1,926.74	9,426.60
Non-Current Assets*			
As at March 31, 2024	3,772.84	-	3,772.84
As at March 31, 2023	2,679.08	-	2,679.08

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

Information about major customers

No single customer has accounted for more than 10% of the Group's revenue for the year ended March 31, 2024 and March 31, 2023.

37 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE(CSR)

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

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent as per Section 135 of Companies Act, 2013	15.80	8.90
b) Amount Spent during the year		
i) Construction/Acquisition of assets	-	-
ii) On purpose other than above	14.86	9.84
c) Short/Excess amount spent under section 135 (5)		
i) Amount required to be spent during the year	15.80	8.90
ii) Actual amount spent/incurred during the year	14.86	9.84
Short/(Excess) amount spent	0.93	(0.94)
d) Nature of CSR activities	Education and Social welfare	
e) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

38 LEASES

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

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Reduction in Lease Rental	(74.62)	(34.30)
b) Increase in Depreciation	61.82	26.75
c) Increase in Interest	25.46	3.36
Net Impact on Profit before Tax	12.65	(4.20)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

39 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Contingent Liability		
a) Disputed GST, Excise and Service Tax Matters	101.56	58.85
b) Income Tax Matters	55.12	46.87
c) Letter of Credit	47.50	4.22
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	239.27	373.10

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

40 RATIO ANALYSIS

Ratio	Numerator	Denominator	2023-24	2022-23	Variance (in %)	Explanation for change in the ratio by more than 25%
			Ratio	Ratio		
Current Ratio (in times)	Current Assets	Current Liabilities	5.08	2.23	127.66%	Increased due to repayments of borrowings and increase in cash and other bank balance
Debt-Equity Ratio (in times)	Total Debt	Total equity	0.08	0.28	(73.01%)	Decreased due to repayment of borrowings and correspondingly increase in shareholders equity due to Initial public offer
Debt service coverage ratio (in times)	Earning for Debt Service	Debt service	3.02	2.76	9.42%	
Return on equity ratio (in %)	Net Profit after taxes	Average total equity	17.84%	31.12%	(42.68%)	Decreased due to increase in shareholders equity due to Initial public offer
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.08	5.94	(14.46%)	
Trade Payable turnover ratio (in times)	Purchase	Average trade payables	7.70	9.44	(18.44%)	
Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	3.26	3.50	(7.04%)	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	2.44	4.37	(44.07%)	Decreased due to repayments of borrowings and increase in cash and other bank balance

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Ratio	Numerator	Denominator	2023-24	2022-23	Variance (in %)	Explanation for change in the ratio by more than 25%
			Ratio	Ratio		
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.15%	12.43%	(2.20%)	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	17.32%	29.55%	(41.39%)	Decreased due to increase in shareholders equity due to Initial public offer
Return on investment (in %)	Gain on Sale of Mutual Funds	Cost of Investment	0.16%	NA	-	

41 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

- The Group does not have any Benami property or proceeding is pending against the Company for holding any Benami Property.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- 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.
- The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Group is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
- The Group has no transactions with the companies struck off under Companies Act, 2013.
- The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the Company.
- The borrowings obtained by the Company from banks have been applied for the purposes for which it was taken.

42 INITIAL PUBLIC OFFER

The Company has issued 24,01,315 Equity Shares of face value ₹ 5 each at an issue price of ₹ 304 per equity share to Volrado Venture Partners Fund III – Beta pursuant to the Pre Initial public offer (Pre-IPO) placement aggregating to ₹ 730 million on November 10, 2023. Subsequently The Company has completed an Initial Public Offer ("IPO") by way of fresh issue of 96,05,263 equity shares of face value ₹ 5 each at an issue price of ₹ 304 per equity shares aggregating to ₹ 2920 million and an Offer for Sale of 99,01,315 equity Shares of face value ₹ 5 each for at an issue price of ₹ 304 per equity share aggregating to ₹ 3010 million. The Equity shares of the Company were listed on National stock Exchange of India Limited (NSE) and BSE Limited (BSE) (hereinafter collectively referred as "Stock Exchanges") on December 01, 2023.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

The details of Utilisation of the IPO proceeds of ₹ 2730.37 million (net of estimated share issue expenses of ₹ 189.63 million) is as follows:

Particulars	Amount utilised (₹ in million)		
	IPO Proceeds (net)	Utilisation upto March 31, 2024	Unutilised amount March 31, 2024
	Setting up new Valsad unit	559.93	13.89
Funding capital expenditure of the Company and it's Subsidiary, Flair Writing Equipments Private Limited	867.48	279.64	587.84
Funding working capital requirements of the Company and it's Subsidiaries, Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited	770.00	440.00	330.00
Repayment/pre-payment, in part or full, of certain borrowings availed by the Company and Subsidiaries, Flair Writing Equipments Private Limited and Flair Cyrosil Industries Private Limited	430.00	430.00	-
General corporate purposes	102.96	82.44	20.52
Total	2,730.37	1,245.97	1,484.40

Out of net proceeds which were unutilised as at March 31, 2024 ₹ 1484.40 million were temporarily invested in deposit with banks.

43 SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES AS PER COMPANIES ACT, 2013

Name of the Entity	As at March 31, 2024							
	Net Assets i.e. Total Assets Minus Liabilities		Share of Profit		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
a) Parent								
Flair Writing Industries Limited	99.06%	8,904.77	99.91%	1,188.54	100.00%	(13.40)	99.91%	1,175.14
b) Indian Subsidiary								
Flair Writing Equipments Private Limited	1.61%	144.52	4.10%	48.76	-	-	4.15%	48.76
Flair Cyrosil Industries Private Limited	(0.67%)	(59.92)	(4.01%)	(47.72)	-	-	(4.06%)	(47.72)
Total	100.00%	8,989.37	100.00%	1,189.58	100.00%	(13.40)	100.00%	1,176.19
c) Non-Controlling Interest								
Flair Cyrosil Industries Private Limited		(1.99)		(4.77)				(4.77)

(₹ in million)

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 Limited	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)
Total	100%	4,349.51	100%	1,171.51	100%	(1.60)	100%	1,169.91

 Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ in million)

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
c) Non-Controlling Interest								
Flair Cyrosil Industries Private Limited		2.78		(1.12)				(1.12)

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]

Name of Subsidiary	Flair Writing Equipments Private Limited		Flair Cyrosil Industries Private Limited	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
The Date since which Subsidiary was acquired	04-Nov-19		30-Aug-22	
Reporting Currency	INR	INR	INR	INR
Equity Share Capital	0.10	0.10	40.00	40.00
Other Equity	144.52	95.76	(59.92)	(12.20)
Total Assets	1,163.10	817.19	620.59	321.68
Total Liabilities	1,018.48	721.34	640.51	293.89
Investments	-	-	-	-
Revenue from Operation	813.40	501.68	54.94	-
Profit Before Tax	59.03	73.27	(57.58)	(9.22)
Provision for Tax	10.27	12.67	(9.86)	(1.52)
Profit After Tax	48.76	60.60	(47.72)	(7.70)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Proposed Dividend	-	-	-	-
% of Share Holding	100%	100%	90%	90%

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

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

46 The financial statements were approved for issue by the Board of Directors on May 27, 2024 and are subject to approval of shareholders in their annual general meeting.

As per our attached Report of even date

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

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

Place: Mumbai
Date: May 27, 2024

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

Khubilal Rathod
Chairman
(DIN. 00122867)

Mayur Gala
Chief Financial Officer

Vimalchand Rathod
Managing Director
(DIN. 00123007)

Vishal Chanda
Company Secretary



Flair Writing Industries Limited

Registered Office:

63 B/C, Government Industrial Estate,
Charkop, Kandivali (West),
Mumbai - 400 067,
Maharashtra, India