DRAFT RED HERRING PROSPECTUS
Dated September 24, 2018
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Offer

FLAIR WRITING INDUSTRIES LIMITED

Our Company was originally formed and registered as a partnership firm under the Indian Partnership Act, 1932 under the name of 'M/s Flair Writing Instruments' with firm registration number BA-12035, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. Pursuant to the conversion of M/s Flair Writing Instruments under the provisions of Chapter XXI of the Companies Act, 2013, our Company was incorporated as a private limited company on August 12, 2016 at Mumbai, Maharashtra, India as 'Flair Writing Industries Private Limited'. Our Company was then converted into a public limited company and the name of our Company was changed to 'Flair Writing Industries Limited'. A fresh certificate of incorporation dated May 30, 2018 was issued by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"). For further details in relation to changes in the name of our Company, see "*History and Certain Corporate Matters*" on page 150.

Registered Office: 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India
Tel: +91 22 4203 0405**; Fax:** +91 22 2868 9318
Contact Person: Mr. Vishal Chanda, Company Secretary and Compliance Officer
E-mail: investors@flairpens.com**; Website:** www.flairworld.in**; Corporate Identity Number:** U74999MH2016PLC284727

OUR PROMOTERS: MR. KHUBILAL JUGRAJ RATHOD AND MR. VIMALCHAND JUGRAJ RATHOD

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF FLAIR WRITING INDUSTRIES LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹4,500 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹3,300 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹1,200 MILLION (THE "OFFER FOR SALE") COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES BY MR. KHUBILAL JUGRAJ RATHOD AGGREGATING UP TO ₹240 MILLION, UP TO [●] EQUITY SHARES BY MR. VIMALCHAND JUGRAJ RATHOD AGGREGATING UP TO ₹180 MILLION, UP TO [●] EQUITY SHARES BY MRS. NIRMALA KHUBILAL RATHOD AGGREGATING UP TO ₹120 MILLION, UP TO [●] EQUITY SHARES BY MRS. MANJULA VIMALCHAND RATHOD AGGREGATING UP TO ₹120 MILLION, UP TO [●] EQUITY SHARES BY MR. RAJESH KHUBILAL RATHOD AGGREGATING UP TO ₹120 MILLION, UP TO [●] EQUITY SHARES BY MR. MOHIT KHUBILAL RATHOD AGGREGATING UP TO ₹120 MILLION, UP TO [●] EQUITY SHARES BY MR. SUMITKUMAR VIMALCHAND RATHOD AGGREGATING UP TO ₹120 MILLION, UP TO [●] EQUITY SHARES BY MRS. SANGITA RAJESH RATHOD AGGREGATING UP TO ₹60 MILLION, UP TO [●] EQUITY SHARES BY MRS. SHALINI MOHIT RATHOD AGGREGATING UP TO ₹60 MILLION AND UP TO [●] EQUITY SHARES BY MRS. SONAL SUMITKUMAR RATHOD AGGREGATING UP TO ₹ 60 MILLION (COLLECTIVELY, THE "PROMOTER GROUP SELLING SHAREHOLDERS"). THE OFFER WILL CONSTITUTE [●]% OF THE FULLY-DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Our Company, in consultation with the Book Running Lead Managers (the "BRLMs"), may consider issuing and allotting up to 700,000 Equity Shares on a private placement basis for cash consideration aggregating up to ₹ 500 million at its discretion prior to registering the Red Herring Prospectus with the RoC (the "Pre-IPO Placement"). If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with the Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR").

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER GROUP SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●] AND [●] EDITIONS OF THE MARATHI DAILY NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and the terminals of the Syndicate Members (as defined hereinafter) and by intimation to the other Designated Intermediaries (as defined hereinafter).

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the self-certified syndicate banks (the "**SCSBs**") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Offer Procedure*" on page 600.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, as stated in "*Basis for Offer Price*" on page 101) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 18.

COMPANY'S AND PROMOTER GROUP SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Promoter Group Selling Shareholder, severally and not jointly, accepts responsibility that this Draft Red Herring Prospectus contains all information about them and their respective Offered Shares in the context of the Offer and such Promoter Group Selling Shareholder assumes responsibility for and confirms that the statements in relation to them and their respective Offered Shares included in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus will be delivered to the RoC for registration in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 673.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
AXIS CAPITAL	Edelweiss Ideas create, values protect	LINKIntime
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **Fax:** +91 22 4325 3000 **E-mail:** fwil.ipo@axiscap.in **Investor Grievance E-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person:** Simran Gadh/ Sagar Jatakiya **SEBI Registration No.:** INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India **Tel:** +91 22 4009 4400 **Fax:** +91 22 4086 3610 **E-mail:** flair.ipo@edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Yashraj Shetty/ Tanya Rizvi **SEBI Registration No.:** INM0000010650	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 22 4918 6200 **Fax:** +91 22 4918 6195 **E-mail:** flairwriting.ipo@linkintime.co.in **Investor Grievance E-mail:** flairwriting.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact person:** Ms. Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: [●](1)	BID/OFFER CLOSES ON: [●](2)

(1) *Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
our Company or the Company or the Issuer	Flair Writing Industries Limited, a company incorporated under the Companies Act, 2013, whose registered office is situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India
we or us or our	Unless the context otherwise indicates or implies, refers to our Company (including the Erstwhile Partnership Firms and the Transferor Companies) together with the Subsidiary

Company Related Terms

Term	Description
AoA or Articles or Articles of Association	The articles of association of our Company, as amended
Audit Committee	The audit committee of the Board of Directors as described in "*Our Management*" on page 156
Auditors or Statutory Auditors	The statutory auditors of our Company, namely M/s. Jeswani & Rathore, Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Director	A director on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Erstwhile Partnership Firms	M/s. Flair Impex Corporation, M/s. Flair Pens and Stationery Ind, M/s. Flair Writing Instruments, M/s. National Impex Corporation, M/s. National Pen and Plastic Industries and M/s. National Pen and Plastic Industries (UK)
Executive Director	An executive director on the Board
FDPL	Flair Distributor Private Limited
FIIPL	Flair Impex Industries Private Limited, a private limited company incorporated under the Companies Act, 2013 pursuant to the conversion of M/s. Flair Impex Corporation, a partnership firm
FPPIPL	Flair Pen and Plastic Industries Private Limited, a private limited company incorporated under the Companies Act, 2013 pursuant to the conversion of M/s. National Pen and Plastic Industries, a partnership firm
FPP(UK)PL	Flair Pen and Plastic (UK) Private Limited, a private limited company incorporated under the Companies Act, 2013 pursuant to the conversion of M/s. National Pen and Plastic Industries (UK), a partnership firm
FPSIPL	Flair Pens and Stationery Industries Private Limited, a private limited company incorporated under the Companies Act, 2013 pursuant to the conversion of M/s. Flair Pens and Stationery Ind, a partnership firm
FSPL	Flair Stationeries Private Limited, a private limited company incorporated under the Companies Act, 2013 pursuant to the conversion of M/s. National Impex Corporation, a partnership firm
Group Companies	The companies that are covered under the applicable accounting standards on the basis of the Restated Consolidated Financial Information and any other companies considered material by the Board of Directors, as disclosed in "*Our Group Companies*" on page 176
Independent and Non-executive Director	An independent and non-executive director on the Board
IPO Committee	The IPO committee of the Board of Directors
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" on page 156
MoA or Memorandum or	The memorandum of association of our Company, as amended

Term	Description
Memorandum of Association	
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors as described in "*Our Management*" on page 156
Non-executive Director	A non-executive director on the Board
Promoters	Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 171
Registered Office	The registered office of our Company, which is located at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India
Registrar of Companies or RoC	The Registrar of Companies, Maharashtra located at Mumbai
Restated Consolidated Financial Information	The Restated Consolidated Statement of Assets and Liabilities as at March 31, 2017 and 2018, the Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the Financial Year ended March 31, 2018 and for the period between August 12, 2016 and March 31, 2017 and read together with the summary of significant accounting policies, the annexures and notes thereto and restated consolidated other financial information of our Company and the Subsidiary, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by ICAI.
Restated Financial Information	The Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	The Restated Standalone Statement of Assets and Liabilities as at March 31, 2017 and 2018, the Restated Standalone Statement of Profit and Loss and Other Comprehensive income, the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for the Financial Year ended March 31, 2018, and for the period between August 12, 2016 and March 31, 2017 and read together with the summary of significant accounting policies, the annexures and notes thereto and restated standalone other financial information of our Company prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations; and the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by ICAI
Scheme	Scheme of amalgamation under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 among the Company and the Transferor Companies approved by the NCLT, Mumbai Bench through an order dated March 15, 2018, pursuant to which the Transferor Companies merged with and into our Company
Shareholders	The holders of the Equity Shares, from time to time
Special Purpose Restated Consolidated Financial Information	The Special Purpose Restated Consolidated Statement of Assets and Liabilities as at March 31, 2014, 2015, 2016, 2017 and 2018, the Special Purpose Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Consolidated Statement of Changes in Equity and the Special Purpose Restated Consolidated Statement of Cash Flows in each case for the Financial Years ended March 31, 2014, 2015, 2016, 2017 and 2018 and special purpose restated consolidated other financial information of our Company and the Subsidiary, prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2018 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Companies Act, to the extent applicable in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by ICAI, the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI and 'the Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI
Special Purpose Restated Financial Information	The Special Purpose Restated Consolidated Financial Information and the Special Purpose Restated Standalone Financial Information
Special Purpose Restated Standalone Financial Information	The Special Purpose Restated Standalone Statement of Assets and Liabilities as at March 31, 2014, 2015, 2016, 2017 and 2018, the Special purpose Restated Standalone Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Standalone Statement of Changes in Equity and the Special Purpose Restated Standalone Statement of Cash Flows in each case for the Financial Years ended March 31, 2014, 2015, 2016, 2017 and 2018 and special purpose restated standalone other financial information of our Company prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards)

Term	Description
	Rules, 2015, as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Companies Act, to the extent applicable in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by ICAI, the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI and the Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors as described in "*Our Management*" on page 156
Subsidiary	The subsidiary of our Company, namely, FDPL. For details, see "*History and Certain Corporate Matters*" on page 150
Transferor Companies	The companies which merged with and into our Company pursuant to the Scheme, namely, FIIPL, FPPIPL, FPP(UK)PL, FPSIPL and FSPL

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotment or Allot or Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares offered by the Promoter Group Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which shall be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be collected and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in an ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount specified in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder except an Anchor Investor
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis Capital	Axis Capital Limited
Banker(s) to the Offer	The Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank(s)
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 600

Term	Description
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Anchor Investor or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the BRLMs and the Syndicate Members and intimated to the other Designated Intermediaries. Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	The centers at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, namely Axis Capital and Edelweiss
Broker Centers	The broker centers notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	A notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with the SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Cut-off Price	The Offer Price finalized by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors are permitted to Bid at the Cut-off Price. No other category of Bidders is permitted to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs where ASBA Bidders can submit ASBA Forms, a list of

Term	Description
	which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and instructions are issued for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s) or the Refund Account(s), as the case may be, in terms of the Red Herring Prospectus, following which the Board of Directors (or a duly constituted committee thereof) shall Allot Equity Shares to successful Bidders and the Promoter Group Selling Shareholders shall give instructions for the transfer of their respective Offered Shares, after filing of the Prospectus with the RoC
Designated Intermediaries	Collectively, the Syndicate, Sub-Syndicate Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from ASBA Bidders in the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 24, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda hereto
Edelweiss	Edelweiss Financial Services Limited
Eligible FPI(s)	FPI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) in whose favour the Anchor Investors will transfer money through direct credit, NACH, NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Promoter Group Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s) for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with the SEBI as 'bankers to an issue' under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) shall be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹3,300 million by our Company, in terms of the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
General Information Document or GID	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI, as updated to reflect enactments and regulations to the extent applicable to a public issue, including circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI, as suitably modified and included in "*Offer Procedure*" on page 600
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is

Term	Description
	computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further information regarding use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 92
Non-Institutional Investors or NIIs	All Bidders (including Category III FPIs) that are not QIBs or Retail Individual Investors, but not including NRIs other than Eligible NRIs, and who have Bid for Equity Shares for an amount of more than ₹200,000
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Offer	Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating up to ₹4,500 million comprising the Fresh Issue and the Offer for Sale Our Company, in consultation with the BRLMs, may consider undertaking the Pre-IPO Placement at its discretion prior to the registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Offer Agreement	The agreement dated September 24, 2018 entered into among our Company, the Promoter Group Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offered Shares	Up to [●] Equity Shares aggregating up to ₹1,200 million being offered by the Promoter Group Selling Shareholders in the Offer for Sale
Offer for Sale	The offer for sale of up to [●] Equity Shares for cash aggregating up to ₹1,200 million by the Promoter Group Selling Shareholders of which (i) up to [●] Equity Shares are being offered by Mr. Khubilal Jugraj Rathod aggregating up to ₹240 million, (ii) up to [●] Equity Shares are being offered by Mr. Vimalchand Jugraj Rathod aggregating up to ₹180 million, (iii) up to [●] Equity Shares are being offered by Mrs. Nirmala Khubilal Rathod aggregating up to ₹120 million, (iv) up to [●] Equity Shares are being offered by Mrs. Manjula Vimalchand Rathod aggregating up to ₹120 million, (v) up to [●] Equity Shares are being offered by Mr. Rajesh Khubilal Rathod aggregating up to ₹120 million, (vi) up to [●] Equity Shares are being offered by Mr. Mohit Khubilal Rathod aggregating up to ₹120 million, (vii) up to [●] Equity Shares are being offered by Mr. Sumitkumar Vimalchand Rathod aggregating up to ₹120 million, (viii) up to [●] Equity Shares are being offered by Mrs. Sangita Rajesh Rathod aggregating up to ₹60 million, (ix) up to [●] Equity Shares are being offered by Mrs. Shalini Mohit Rathod aggregating up to ₹60 million; and (x) up to [●] Equity Shares are being offered by Mrs. Sonal Sumitkumar Rathod aggregating up to ₹60 million, in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus
Pre-IPO Placement	The proposed private placement of up to 700,000 Equity Shares for cash consideration aggregating up to ₹500 million, which may be undertaken at the discretion of our Company, in consultation with the BRLMs, prior to registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Price Band	Price band of a minimum price of ₹[●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer

Term	Description
	Opening Date
Pricing Date	The date on which our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, will finalize the Offer Price
Promoter Group Selling Shareholders	Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mrs. Nirmala Khubilal Rathod, Mrs. Manjula Vimalchand Rathod, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod, Mr. Sumitkumar Vimalchand Rathod, Mrs. Sangita Rajesh Rathod, Mrs. Shalini Mohit Rathod and Mrs. Sonal Sumitkumar Rathod
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	'No-lien' and 'non interest-bearing' bank account(s) opened with the Public Offer Account Bank(s) in accordance with Section 40(3) of the Companies Act, 2013, to receive money from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Banker(s) to the Offer with which the Public Offer Account(s) shall be opened, being [●]
QIB Portion	The portion of the Offer being not more than 50% of the Offer which shall be allocated on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Allocation Price, as applicable
Qualified Institutional Buyers, QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued or transferred and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon registration with the RoC after the Pricing Date
Refund Account(s)	'No-lien' and 'non interest-bearing' bank account(s) opened with the Refund Bank(s) from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount may be made to the Anchor Investors
Refund Bank(s)	Banker(s) to the Offer with which Refund Account(s) shall be opened, being [●]
Registered Brokers	The stock brokers registered with the Stock Exchanges having nationwide terminals, other than the Members of the Syndicate, which are eligible to procure Bids in terms of circular (No. CIR/CFD/14/2012) dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated September 21, 2018, entered into among our Company, the Promoter Group Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrars to an Issue and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Investors or RIIs	Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the *karta* and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage, but can make upward revisions in their Bids. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Banks or SCSBs	Banks registered with the SEBI and offering services in relation to ASBA, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Share Escrow Agreement	The agreement to be entered into among the Promoter Group Selling Shareholders, our

Term	Description
	Company and the Share Escrow Agent in relation to the transfer of the Offered Shares in the Offer for Sale by the Promoter Group Selling Shareholders and the credit of such Equity Shares to the demat accounts of the Allottees
Share Escrow Agent	[●]
Specified Locations	Bidding Centers where the Syndicate will accept ASBA Forms, a list of which is available at the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members, the Promoter Group Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●]
Systemically Important NBFCs	In the context of a Bidder, a non-banking financial company registered with the RBI and having a net worth of more than ₹5,000 million as per its last audited financial statements
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, the Promoter Group Selling Shareholders and our Company to be entered into on or after the Pricing Date but prior to registration of the Prospectus with the RoC
Working Day(s)	All days other than the second and the fourth Saturday of a month or a Sunday or a public holiday on which commercial banks in Mumbai, Maharashtra, India are open for business, except with reference to announcement of the Price Band and the Bid/Offer Period, "Working Days" shall mean all days on which commercial banks in Mumbai, Maharashtra, India are open for business, excluding all Saturdays, Sundays and public holidays, and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days of Stock Exchanges, excluding Sundays and days on which commercial banks in Mumbai, Maharashtra, India are closed for business as per the circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
BFPMTA	Bombay Fountain Pen Manufacturers and Trading Association
COPRA	The Consumer Protection Act, 1986
CSO	Central Statistics Office
EPCG	Export Promotion Capital Goods
FMCG	Fast moving consumer goods
GVA	Gross Value Added
IEC Number	Importer-exporter code number
ISO	International Organization for Standardization
Legal Metrology Act	The Legal Metrology Act, 2009
NSSO	National Sample Survey Organization
OEM	Original equipment manufacturer
PEPC	Plastics Export Promotion Council
PFCE	Private Final Consumption Expenditure
PLEX Council	Plastics and Linoleum Export Promotion Council
SKUs	Stock keeping units
WIMO	Writing Instruments Manufacturers' Organization (India)

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations

Term	Description
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III FPIs	FPIs registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956, to the extent in force and the Companies Act, 2013, to the extent notified, as applicable
Companies Act, 2013	The Companies Act, 2013, to the extent notified, read with the rules, regulations, clarifications and notifications thereunder
Companies Act, 1956	The Companies Act, 1956, to the extent in force read with the rules, regulations, clarifications and notifications thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
DPMA	German Patent and Trade Mark Office
EBITDA	Earnings before interest, taxes, depreciation and amortization
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term "FCNR(B) account" under the Foreign Exchange Management (Deposit) Regulations, 2016
FDI	Foreign Direct Investment
FDI Policy	The 'Consolidated FDI Policy Circular of 2017' (No. 5(1)/2017-FC-1) issued by the DIPP, which took effect from August 28, 2017
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Foreign Trade Policy	The Foreign Trade Policy 2015-20
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
Income-tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to and notified in the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
KYC	Know Your Customer
Listing Agreement	The agreement to be entered into between our Company and each of the Stock Exchanges in relation to listing of the Equity Shares on such Stock Exchanges
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of

Term	Description
	India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE Account	Non-Resident External Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NRI	A person resident outside India, who is a citizen of India or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Offer
P&L	Profit and loss
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income-tax Act
PAT	Profit after tax
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft. or sq.ft.	Square feet
State Government	The government of a State of India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
TAN	Tax Deduction and Collection Account Number allotted under the Income-tax Act
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
VAT	Value Added Tax

Term	Description
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
WIPO	World Intellectual Property Organization
Year or calendar year	Unless the context otherwise requires, shall mean the twelve month period ending December 31

The words and expressions used but not defined herein shall have the meanings assigned to such terms under the SEBI Act, the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Information*", and "*Outstanding Litigation and Material Developments*" on pages 104, 147, 150, 183 and 570, respectively, shall have the meanings given to such terms in these respective sections. In "*Main Provisions of the Articles of Association*" on page 645, defined terms shall have the meaning given to such terms in the Articles of Association.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S.", "USA" or the "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from the Special Purpose Consolidated Restated Financial Information. For information, see "*Financial Information*" on page 183. The Special Purpose Restated Financial Information as at March 31, 2014, 2015, 2016, 2017 and 2018 and for the Financial Years 2014, 2015, 2016, 2017 and 2018 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013, the SEBI ICDR Regulation, the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI, the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the ICAI and the Standard on Special Considerations - Audits of Financial Statements prepared in accordance with Special Purpose Framework (SA 800) issued by the ICAI. We have prepared the Special Purpose Restated Financial Information to illustrate our financial position as at March 31, 2014, 2015, 2016, 2017 and 2018 and our financial performance for the Financial Years 2014, 2015, 2016, 2017 and 2018, as it would have been, had each of the Erstwhile Partnership Firms been converted into the relevant Transferor Company and merged with our Company, in each case, with effect from April 1, 2013. For further information, see "*Special Purpose Restated Financial Information*" on page 338. The Restated Financial Information as at March 31, 2017 and 2018 and for the period between August 12, 2016 and March 31, 2017 and the Financial Year 2018 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI. For further information, see "*Restated Financial Information*" on page 183. Accordingly, the financial information included in this Draft Red Herring Prospectus may not be comparable to our historical or future financial information. For further details, see "*Risk Factors – The Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus may be based on assumptions which do not reflect our historical financial performance or may not be comparable to our future financial statements*" on page 21.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The GoI has adopted the Ind AS, which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 124 and 525, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Special Purpose Restated Financial Information.

Non-GAAP Financial Measures

We use a variety of financial and operational performance indicators to measure and analyze our financial and operational performance and financial condition from period to period, and to manage our business. These financial and operational performance indicators and ratios, including employee cost ratio, other expenses ratio, EBITDA ratio, profit after tax ratio and gross profit margin ratio. For further details, see "*Our Business –Key Performance Indicators*" on page 135.

While these financial and operational performance indicators may be used by other companies, including in the writing instruments industry, they may not be comparable to similar financial or performance indicators used by other companies. Other companies may use different financial or performance indicators or calculate these ratios differently, and similarly titled indicators used by them may therefore not be comparable to those used by us. Further, these financial and performance indicators are not defined under Ind AS, and therefore, should not be viewed as substitutes for performance or profitability measures under Ind AS. These financial and performance indicators have limitations as analytical tools. See "*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the writing instruments industry, and therefore, may not be comparable with financial information of similar nomenclature computed and presented by other companies, including in the writing instruments industry*" on page 39. Accordingly, these financial or operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information and Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to "₹" or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

All references to "US$" or "USD" are to the United States Dollars, the official currency of the United States of America.

All references to "Shs" are to the Kenyan Shilling, the official currency of the Republic of Kenya.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

Currency	**Exchange rate as on**					
	June 29, 2018(1) (₹)	**March 28, 2018(2) (₹)**	**March 31, 2017 (₹)**	**March 31, 2016 (₹)**	**March 31, 2015 (₹)**	**March 28, 2014(3) (₹)**
1 USD	68.58	65.04	64.84	66.33	62.59	60.10
1 Shs	0.68	0.64	0.63	0.65	0.68	0.70

(Source: www.rbi.org.in for USD-INR exchange rate; www.xe.com for Kenyan Shilling-INR rate)

(1) The reference rate is not available for June 30, 2018 being a Saturday.

(2) The reference rate is not available for March 31, 2018 being a Saturday and March 30, 2018 and March 29, 2018 being public holidays.

(3) The reference rate is not available for March 31, 2014 being a public holiday and March 29, 2014 and March 30, 2014 being a Saturday and a Sunday respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources such as a report dated June 2018 and titled "Assessment of Indian writing instruments industry" (the "**CRISIL Report**") that has been prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. Additionally, certain industry related information in "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 47, 53, 108, 124, 18 and 525, respectively, has been derived from the CRISIL Report. The CRISIL Report is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). CRISIL does not guarantee the accuracy, adequacy or completeness of any material contained in or referred to in the report. While CRISIL takes reasonable care in preparing the report, CRISIL shall not be responsible for any errors or omissions in or for the results obtained from the use of or the decisions made based on, the Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Flair Writing Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

For details of risks in relation to the CRISIL Report, see "*Risk Factors – We have commissioned an industry report from CRISIL Research which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us, the Directors, the BRLMs or the Promoter Group Selling Shareholders*" on page 38.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Although we consider that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, the Directors, the Promoter Group Selling Shareholders (including the Promoters), the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 18. Accordingly, no investment decision should be made on the basis of such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 101 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "goal", "project", "propose", "seek to", "likely", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to respond and adapt to consumer needs and maintain an optimal product mix in terms of production volumes and profitability;
- our dependence on our distribution network;
- any deterioration in the reputation and the consumer awareness of our brands and products;
- any slowdown or shutdown in our manufacturing operations;
- the special purpose restated financial information used in this Draft Red Herring Prospectus are based on certain assumptions which do not reflect our historical financial performance or may not be comparable to our future financial statements;
- any inability to accurately forecast demand for our products and manage our inventory;
- competition in our business;
- any termination or disruption in our agreements and relationships with key brand partners;
- our ability to grow our business in new geographic markets;
- our ability to successfully implement any future capacity expansion plans;
- any increase in the cost of or a shortfall in the availability of raw materials from our suppliers;
- any downward trend in our OEM business; and
- general economic and business condition in India and other countries.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 124 and 525, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses in the future could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, the Directors, the Promoter Group Selling Shareholders (including the Promoters), the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company, the BRLMs and the Promoter Group Selling Shareholders will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, the industry in which we operate or India and other regions we operate in. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur or become material in the future, our business, operations, prospects and financial results could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, the effects of certain risks may not be quantifiable, and accordingly, have not been disclosed in the applicable risk factors.

To obtain a more detailed understanding of our business and operations, prospective investors should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 108, 124 and 525, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our business, operations and prospects and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in the Offer.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 17.

The industry information contained in this section is derived from the report "Assessment of Indian writing instruments industry" dated June 2018 prepared by CRISIL and commissioned by our Company in connection with the Offer. Neither we nor the BRLMs nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Unless stated or the context requires otherwise, the financial information used in this section is derived from the Special Purpose Restated Consolidated Financial Information of our Company.

Internal Risks

1. *Our success depends on our ability to respond and adapt to consumer needs and maintain an optimal product mix in terms of production volumes and profitability. Any inability to successfully implement our business plan and growth strategy or effectively manage our growth could have a material adverse effect on our business, operations, prospects or financial results.*

If we are unable to introduce new products and respond to changing consumer preferences in a timely and effective manner, the demand for our products may decline, which may have a material adverse effect on our business, operations, prospects or financial results. Our ability to sustain profitability and growth in sales depends largely on consumer acceptance of products introduced and planned for introduction. The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that consumers require. Delays in any part of the process or failure of a product to be successful at any stage could materially and adversely affect our business. Although we seek to differentiate our products on the basis of quality and innovation, we may not be able to generate and maintain customer loyalty, which would impact the demand for our products.

We have expanded our operations and experienced growth in recent years. From the Financial Year 2014 to the Financial Year 2018, our revenue from operations increased from ₹2,694.97 million to ₹5,744.65 million. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds Pens India Private

Limited ("**Reynolds India**") were excluded from being accounted in our revenue from operations as sales (see "*- Under our arrangements with Reynolds India, certain sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales and are consolidated. Accordingly, our revenue from operations may be lower if not so accounted, as noted in our Restated Consolidated Financial Information and our Special Purpose Restated Consolidated Financial Information*" on page 23**)**, our revenue from operations would have been ₹5,176.11 million. As part of our strategy, we continuously refine our product mix and allocate resources to focus on key products, price points and geographies. For details, see "*Our Business – Our Strategy*" on page 129. In addition to manufacturing and distributing writing instruments under our "Flair" brand, we have grown by acquiring rights to brands such as "Hauser" and "Pierre Cardin" and undertaking manufacturing for international brands on an OEM basis in order to capitalize on the existing market for such brands and expanding our production volumes, sales and revenues. We also seek to diversify our product range, increase our emphasis on the premium segment of products, strive to be one of the leading manufacturers of writing instruments, enhance our production capacity and capacity utilization, expand our exports business and revitalize our distribution network. We intend to continue to follow these strategies and also expand our geographic reach as well as production volumes.

We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate or in a cost-effective manner, or be able to obtain the expected benefits of such acquisitions or arrangements. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce new products and maintain the quality of our products, general political and economic conditions in the countries where we have or intend to have operations, government policies or strategies in respect of our specific sector, prevailing interest rates, price of raw materials (including oil prices), energy supply, currency exchange rates, security risks, natural disasters, health conditions and possible disruptions in transportation networks. Any inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of consumers could have a material adverse effect on our business, operations, prospects or financial results.

Our products cater to similar price ranges and consumers across different brands. As a result, certain of our products or new products or brands we introduce may compete with each other and materially and adversely affect our overall sales volumes, as well as margins on such products, which may depend on whether the brand is owned by us or whether we only manufacture/distribute such products.

2. ***We are dependent on our distribution network in India and overseas to sell our products and any disruption in our distribution network could have a material adverse effect on our business, operations, prospects or financial results.***

For sales and distribution in India, we have a multi-tiered network comprising super-stockists, distributors, direct dealers, wholesalers and retailers. For exports, we engage with third-party distributors on a country-wise or region-wise basis. For certain countries, we may appoint a single distributor for an entire region, for instance, our distributor in Panama handles sales of our products in six countries in South America. The super-stockists and such overseas distributors are not under an obligation under the terms of our agreements with them to have an exclusive relationship with us and they conduct business with our competitors as well.

We cannot assure you that we will be able to successfully appoint new super-stockists or effectively manage our existing distribution network. We have less than five years of business relationship with a significant number of the super-stockists, particularly the super-stockists for our "Hauser" and "Reynolds" products partly since these brands were launched in recent years. If any super-stockist discontinues its relationships with us, fails to meet sales targets or reduces purchases from us, the demand for and sales of our products could decline, which would materially and adversely affect our business, operations, prospects and financial results.

In India, we invoice and sell our products directly to super-stockists, which resell to distributors at prices determined by our Company. We receive payments directly from the super-stockists irrespective of onward sales to distributors/direct dealers. In the Financial Years 2016, 2017 and 2018, we derived 47.14%, 57.38% and 63.06% of our revenue from operations from sales to super-stockists, excluding our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, we would have derived 70.11% of our revenue from operations from sales to super-stockists, excluding Flair Sporty. Our agreements with the super-stockists do not provide for purchase commitments and our sales are based on purchase orders from super-stockists, which aggregate orders from distributors/ direct dealers. We do not have direct control over sales and marketing by the super-stockists. Additionally, in terms of our arrangements with the super-stockists, the super-stockists are responsible for the appointment of and supply of our products to the distributors in their designated areas and for collecting payments from them. We are not involved in the appointment of distributors or in the collection of payments from them.

In the Financial Years 2016, 2017 and 2018, our top five super-stockists accounted for an aggregate of 31.59%, 31.47%, and 21.69% of our sale of goods (domestic) (calculated as the aggregate of sale of goods (manufactured - domestic) and sale of goods (traded - domestic)) and our top five distributors accounted for an aggregate of 54.54%, 50.93% and 38.19% of our sale of goods (exports) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)), respectively. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our top five super-stockists would have accounted for an aggregate of 24.82% of our sale of goods (domestic).

If we are unable to maintain our distribution network, our products may not effectively reach consumers and we may lose market share, which could have a material adverse effect on our business, operations, prospects or financial results.

3. *Any deterioration in the reputation and the consumer awareness of our brands and products could have a material adverse effect on our business, operations, prospects or financial results.*

Our business depends significantly on the strength of our brands and in marketing and selling our products. We believe that our brands are well respected and recognized in the Indian writing instruments industry. However, if we are unable to successfully maintain or enhance consumer awareness of our brands in a cost-effective manner, our business and ability to compete in our industry would be materially and adversely affected. Any loss of trust in our products by consumers or by our distribution network or brand partners or OEM customers could harm the value of our brands, which could materially and adversely affect our business, reputation, financial results or prospects. We believe that our ability to maintain brand recognition depends on our ability to maintain appropriate pricing for our products, our ability to maintain and grow our sales and distribution network, the quality of our manufacturing, consumer satisfaction with our products and investments in brand recognition and marketing activities. Although historically we have not experienced any significant product liability claims, we cannot assure you that we will not be subject to any such claims or allegations in the future which could adversely affect our business, operations, prospects or financial results.

We are exposed to risks relating to brands acquired or part-acquired by us or licensed to us due to various factors that are not in our control, such as product defects or negative publicity arising from prior third-party owners or licensors of such brands or third-party operators of such brands in a different line of business, which could have a material adverse effect on our reputation, business, prospects or financial results.

4. *A slowdown or shutdown in our manufacturing operations, including due to labour unrest, or any inability to obtain adequate electricity, fuel or water with respect to such operations could have a material adverse effect on our business, operations, prospects or financial results.*

Our business is dependent upon our ability to manage our manufacturing plants, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. On July 28, 2016, we experienced a major fire accident at our manufacturing plant in Daman (i.e., Daman Unit-II), which caused a partial shutdown of manufacturing operations in such plant for a period of eight months. Also see "- *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may materially and adversely affect our business, operations, prospects or financial results*" below on page 32. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our supply obligations.

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may materially and adversely affect our operations. The production process of certain products requires significant power. We currently source our water requirements from bore wells and local utility providers and depend on state-owned electricity distribution companies for our electricity requirements. We cannot assure you that our facilities will be operational during power failures. We do not have alternate power sources such as generators installed at all our manufacturing plants. We also do not intend to install such alternate power sources at our proposed manufacturing plant in Valsad, Gujarat. Any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and in a cost-effective manner, may have a material adverse effect on our business, operations and financial results.

Further, as of June 30, 2018, we employed a total of 3,789 full-time employees and 491 persons on contract labour. Although we have not experienced any strikes or labour unrest in the past, we cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could materially and adversely affect our business, operations, prospectus or financial results.

5. ***The Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus may be based on assumptions which do not reflect our historical financial performance or may not be comparable to our future financial statements.***

The Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus have been prepared on the basis that our Company existed as a merged entity since the Financial Year 2014 and certain other assumptions, including, among others, (i) that M/s. Flair Writing Instruments was converted into our Company on April 1, 2013, irrespective of the actual date of conversion and incorporation of our Company, i.e., August 12, 2016, and (ii) that each of the other Erstwhile Partnership Firms was converted into the relevant Transferor Company and merged with our Company, in each case, with effect from April 1, 2013, irrespective of the actual appointed date of the Scheme, i.e., April 1, 2017, and the respective date of conversion of each such Erstwhile Partnership Firm into the relevant Transferor Company. Accordingly, the Special Purpose Restated Financial Information may not accurately reflect our financial position as of March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 and our financial performance for the last five Financial Years and may not be comparable to our future financial statements.

6. ***Our inability to accurately forecast demand for our products and manage our inventory may have a material adverse effect on our business, operations, prospects or financial results.***

Our business depends on our estimate of the long-term demand for our products from our customers. We make forecasts of sales and inventory based on past experience and available market information. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. Any error in our forecast could result in surplus stock, which may not be sold in a timely manner. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Further, the number of purchase orders that our super-stockists and other customers place with us differs from time to time, which has caused our results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future. For instance, our sale of goods (exports) declined by 18.15% from ₹1,396.71 million in the Financial Year 2017 to ₹1,143.14 million in the Financial Year 2018 due to a reduction in the orders from our international OEM customers. Additionally, according to CRISIL, the market size of exports in the Indian writing instruments industry (based on manufacturing realization) may decline from ₹14,000 million in the Financial Year 2015 to ₹12,000 million in the Financial Year 2018 and remain stable until the Financial Year 2021, which could adversely affect our revenue from exports. Our inability to accurately forecast demand for our products and manage our inventory may have a material adverse effect on our business, operations, prospects or financial results. In the future, we may also face an increased risk of being unable to accurately forecast demand for our products and to manage our inventory in relation to new products pursuant to expansion of our product range, owing to our relative lack of experience in such products.

7. ***We operate in a competitive business environment. Competition from existing players and new entrants in the industry could have a material adverse effect on our business, prospects, operations, prospects or financial results.***

The writing instruments industry is highly competitive. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors may succeed in developing and offering products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and materially and adversely affect our business and financial results. Some of our competitors may have greater financial resources, better distribution networks, technical and marketing resources and generate higher revenues, and therefore may be able to respond better to market changes, technology, standards or consumer preferences. Further, writing instruments could be imported into or sold in India at prices lower than those of our Company's products. We believe that our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to dealer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, operations, prospects or financial results.

The writing instruments industry is also highly concentrated in the mass-market segment comprising writing instruments sold at prices up to ₹15. We may be unable to increase the prices of products targeting the mass-market segment as any increase or change in prices, e.g., deviation from denominations in multiples of ₹5, may cause us to lose market share to our competitors, which could adversely affect our margins and have a material adverse effect on our business, operations, prospects or financial results.

Some of our products also compete with electronic products. Computers and electronic devices are increasingly being used in educational institutions and offices and accessibility to such devices is also increasing, which could result in a decline in the use of writing instruments and could have a material adverse effect on our business, operations, prospects or financial results.

8. ***Any termination or disruption in our agreements and relationships with key brand partners, such as Reynolds India, or any changes that affect the commercial viability or business potential of such relationships, or any factors that affect our reputation or ability to form relationships with other such parties in the future may have a material adverse effect on our business or financial results.***

We are the manufacturers and exclusive distributors of "Reynolds" branded pens in India. Our master product supply agreement with Reynolds India dated March 1, 2017 (the "**Supply Agreement**") for the manufacture and sale of writing instruments under the "Reynolds" brand is valid for an initial period of five years until February 28, 2022, subject to termination on the terms specified in such agreement. Absent prior termination, the Supply Agreement automatically renews on a month-to-month basis after the expiry of the specified term until terminated. The Subsidiary's distribution agreement with Reynolds India dated January 11, 2017 (the "**Distribution Agreement**") to be the exclusive distributor of writing instruments under the "Reynolds" brand in India is valid for an initial period of five years, until January 10, 2022, and unless terminated pursuant to the terms specified in such agreement, may be renewed for additional one-year periods by Reynolds India pursuant to the terms of such agreement. The Distribution Agreement may be terminated by Reynolds India after the expiry of three years from the date of the agreement if purchases and resales by the Subsidiary fall below certain specified targets and in any event after the expiry of five years from the date of the agreement. For details of the Supply Agreement and the Distribution Agreement, see "*Our Business*" on page 124. In the Financial Year 2018, the manufacture and distribution of products under the "Reynolds" brand contributed ₹1,251.26 million or approximately 21.78% to our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, the manufacture and distribution of products under the "Reynolds" brand would have contributed ₹682.72 million or 13.19% of our revenue from operations.

If the Supply Agreement and/or the Distribution Agreement or any other such agreements or arrangements with key brand partners including Reynolds India are terminated or not renewed after expiry of the initial terms or renewed on terms not favourable to us, our business, reputation, operations, prospects and financial results may be materially and adversely affected.

9. ***Under our arrangements with Reynolds India, certain sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales and are consolidated. Accordingly, our revenue from operations may be lower if not so accounted, as noted in our Restated Consolidated Financial Information and our Special Purpose Restated Consolidated Financial Information.***

Under the Supply Agreement and the Distribution Agreement, we manufacture "Reynolds" products for sale to Reynolds India and also purchase "Reynolds" products from Reynolds India through the Subsidiary for sales and distribution in our distribution network. Accordingly, in our Restated Consolidated Financial Information and Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales, and are consolidated. If sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations, our sale of goods (manufactured - domestic), revenue from operations and total income for the Financial Year 2018 on a consolidated basis would have been lower as specified in Note 52 to the Restated Consolidated Financial Information and Note 53 to the Special Purpose Restated Consolidated Financial Information. For details, see "*Financial Information*" on page 183.

10. ***Our inability to grow our business in new geographic markets may affect our growth which could have a material adverse effect on our business, operations, prospects or financial results.***

We intend to expand our distribution network through the appointment of new super-stockists/distributors in underpenetrated markets within India and abroad. In the Financial Year 2018, we expanded our distribution network in existing markets within India and commenced exports to new markets such as Panama. Accordingly, we may face additional risks with establishing and conducting operations in new geographic locations, including:

- compliance with a range of laws, regulations and practices, including uncertainties associated with government actions, changes in laws, regulations and practices and their interpretation;
- uncertainties in relation to any new local distribution network;
- increased advertising and brand building expenditure; and
- political, economic and social instability.

The risks involved in entering new markets and expanding operations may be higher than expected, and we may face significant competition in such markets. We have limited or no experience in such markets. Competing successfully in international markets may require additional resources due to the unique aspects of each geographic market. Some of our competitors in such markets may have greater capital and financial and other resources, greater market penetration and broader product range and larger, stronger sales force than us which may make their products more competitive than ours. We cannot assure you that we will be able to grow our business in such new geographic markets. For example, in the Financial Year 2014, we temporarily discontinued exports to Egypt, including due to political instability and anti-dumping duties. Upon resumption, we experienced reduction in the volume of our exports to Egypt. In the Financial Year 2018, our sale of goods (exports) to Egypt was ₹0.67 million compared to ₹16.20 million in the Financial Year 2015. Our inability to grow our business in such additional geographic areas could have a material adverse effect on our business, operations, prospects or financial results.

11. ***Our inability to successfully implement any future capacity expansion plans could have a material adverse effect on our business, prospects, operations, prospects or financial results.***

We intend to use a portion of the Net Proceeds towards the construction and electrification of certain factory buildings and related facilities forming part of the first phase of our manufacturing plant in Valsad, Gujarat. We also intend to use a portion of the Net Proceeds to purchase machinery for our plant in Valsad, Gujarat and our other manufacturing plants. For details, see "*Objects of the Offer*" on page 92. Such expansion of our manufacturing capacity may be subject to regulatory restrictions and we may face other challenges including recruitment of labour with sufficient training and in sufficient numbers. The first phase of our manufacturing plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimal utilization as of March 31, 2021, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. We cannot assure you that such expansion plans will be successfully implemented. Any delay or increase in the costs of construction, commissioning or operation of such plants could have a material adverse effect on our business or results of operations. Further, we cannot assure you that we will be able to increase the capacity utilization of our manufacturing plants. The capital expenditure incurred in relation to the manufacturing plants is generally long term in nature and may not generate the expected returns due to market conditions. Significant changes from our expected returns on investment in manufacturing plants could have a material adverse effect on our business, prospects, operations, prospects or financial results.

12. ***An increase in the cost of or a shortfall in the availability of raw materials from our suppliers, with whom we generally do not have written agreements, or any failure by third party transportation providers for delivery of raw materials or products to us and our super-stockists could have a material adverse effect on our business, operations, prospects or financial results.***

We primarily depend on third party suppliers for the supply of reasonably priced and quality raw materials such as powder, ink, tips and packing material in the quantities required by us. For the Financial Years 2016, 2017 and 2018, our cost of materials consumed was ₹1,426.11 million, ₹1,671.12 million and ₹2,433.52 million, or 37%, 39.58% and 42.36%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds India and the subsequent purchase of "Reynolds" products by the Subsidiary from Reynolds India were excluded from being accounted in our revenue from operations as sales and cost of materials consumed, respectively, our cost of materials consumed would have been 36.03% of our revenue from operations. Our suppliers may be unable to provide us with sufficient quantity of raw materials at a suitable price for us to meet the demand for our products. The price and availability of raw materials for our products depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, and government policies. We do not enter into supply contracts with any of our raw material suppliers. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these increased costs onto our customers, which may reduce our profit margins. We endeavour to have a cordial relationship with our raw material suppliers, but they are not under an obligation to have an exclusive relationship with us and they can have a similar relationship with our competitors. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may materially and adversely affect our operations.

We face risks related to supplier concentration in respect of one of our key raw materials, i.e., ink, which accounted for 8.89% of our cost of materials consumed (purchases) in the Financial Year 2018. We primarily source our requirements of ink from approximately four suppliers and are unable to expand our supplier base owing to the non-availability of quality suppliers. If any such supplier discontinues its relationship with our Company, we may be unable to procure ink from alternate sources in a timely fashion and on commercial acceptable terms. Since pens account for approximately 90% of our revenue from operations, any disruption in the procurement of ink could have a material adverse effect on our business, operations, prospects or financial results. We also face a similar risk of supplier concentration in respect of plastic powder and tips, owing to the non-availability or limited availability of qualified suppliers.

One of our key raw materials, i.e., plastic powder, is crude-oil-based and the writing instruments industry is sensitive to crude oil prices. Any rise in crude oil prices may hurt our margins as crude oil derivatives accounted for 28.49% of our cost of materials consumed (purchases) in the Financial Year 2018. The price of our other key raw materials, i.e., tips and packaging material are dependent on the prices of crude oil, polymer/metal and paper, respectively. Any increase in the price of such raw materials could have a material adverse effect on our business, operations, prospects or financial results. Packaging material and tips accounted for 19.97% and 5.20% of our cost of materials consumed (purchases) in the Financial Year 2018. Any changes in applicable law or regulations prohibiting or restricting the use of plastic packaging material could have a material adverse effect on our business, operations, prospects or financial results.

In the Financial Year 2018, we derived 39.42% of our revenue from operations from the sale of mass-market pen and stationery products. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, we would have derived 36.11% of our revenue from operations from the sale of mass-market pen and stationery products. The mass-market segment is highly competitive and we may be unable to increase the prices of our products in this segment. Additionally, our arrangements with the super-stockists and overseas distributors require us to sell our products to them at discounted wholesale prices with fixed margins. Accordingly, we may be unable to pass on an increase in the cost of raw materials to our customers, which could hurt our margins and have a material adverse effect on our business, operations, prospects or financial results.

As a manufacturing business, our success depends on the smooth supply and transportation of the raw materials required for our manufacturing process and transportation of our products from our manufacturing units to our super-stockists, both of which are subject to various uncertainties and risks. We use third party transportation providers. Transportation strikes have had in the past, and could again in the future have, a material adverse effect on our supplies and our deliveries to and from our customers and suppliers in a timely and cost efficient manner. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also materially and adversely affect our business and operations. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material adverse effect on our reputation, business, operations, prospects or financial results.

13. ***We are dependent on certain third party vendors from whom we procure certain components on a non-exclusive basis and any significant loss or disruption of production or deterioration in product quality from our third party vendors for any reasons could have a material adverse effect on our business, operations, prospects or financial results.***

We procure certain components such as clips and ink cartridges on a non-exclusive basis from certain third party vendors. We do not have direct control over the timing or quality of the products supplied by such third party vendors. Any significant loss or disruption of production at the manufacturing facilities of such third party vendors may materially and adversely affect our business, operations, prospects or financial results. We also import calculator parts for assembly at our Company's Dehradun Unit-I manufacturing plant. Any disruption in the supply of calculator parts could have a material adverse effect on our calculators business.

We do not have contractual arrangements with such third party vendors. Such arrangements expose our Company to execution, legal and reputation risks including delay in delivery of products, non-conformity with the prescribed product standards and delayed payments to us by customers owing to delayed supply. Such third party vendors are not under an obligation to have an exclusive relationship with us and they conduct business with our competitors. We face a risk that one or more of our third party vendors may discontinue their supplies to us, and any inability on our part to procure finished goods from alternate vendors in a timely fashion, or on commercially reasonable terms, may materially and adversely affect our reputation, business, operations, prospects or financial results.

14. ***The customers of our OEM business may not continue to outsource manufacturing to us or there may be a downward trend in the OEM business, which could have a material adverse effect on our business, operations, prospects or financial results.***

We manufacture writing instruments on an OEM basis for export for various international companies. Our OEM customers' decisions to outsource manufacturing are affected by competitive terms from suppliers including our Company and the competitive advantages of such outsourcing. Our OEM business also depends on the business position and financial health of such customers. Under our OEM contracts, we are subject to restrictions on ownership and usage of tools, moulds and certain intangible property utilized by us in manufacturing writing instruments for our OEM customers. Some of our OEM contracts, which have been entered into by the Erstwhile Partnership Firms or the Transferor Companies and have been subsequently transferred to our Company pursuant to the Scheme, required the prior consent of such customers for such transfer. If any of our OEM arrangements are terminated due to any default by us, our business, operations, prospects or financial results could be adversely affected.

If our customers do not continue to outsource manufacturing to us or reduce the quantities ordered from us, our business, operations, prospects or financial results may be materially and adversely affected. For instance, our sale of goods (exports) declined by 18.15% to ₹1,143.14 million in the Financial Year 2018 from ₹1,396.71 million in the Financial Year 2017 primarily due to a reduction in orders from our OEM customers.

15. ***There are legal proceedings pending involving our Company, the Promoters, the Directors and the Group Companies, which if determined unfavorably, may have a material adverse effect on our reputation, business, operations, prospects or financial results.***

There are certain outstanding legal proceedings and claims involving our Company, the Promoters, the Directors and Group Companies, which are pending at different levels of adjudication before various courts, tribunals and other authorities. There can be no assurance that these legal proceedings will be decided in our favor. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses and our liabilities and could materially and adversely affect our reputation, business, operations, prospects or financial results.

A summary of the litigation involving our Company, the Promoters, the Directors and the Group Companies is set out below. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable.

Nature of Legal Proceedings	Number of outstanding Legal Proceedings	Approximate aggregate amount to the extent ascertainable (₹ in millions)
Proceedings involving our Company		
Criminal matters	NIL	-
Statutory/regulatory matters	1	-
Tax matters[(1)]	13	3.45
Direct	8	2.12[(2)]
Indirect	5	1.33[(3)]
Material civil litigation	NIL	-
Proceedings involving the Promoters		
Criminal matters	NIL	-
Statutory/regulatory matters	1	-
Tax matters	4	-
Direct	4	-
Indirect	NIL	-
Material civil litigation	NIL	-
Proceedings involving the Directors (excluding the Promoters)		
Criminal matters	NIL	-
Statutory/regulatory matters	1	-
Tax matters	6	-
Direct	6	-
Indirect	NIL	-
Material civil litigation	NIL	-
Proceedings involving the Group Companies		
Criminal matters	NIL	-
Statutory/regulatory matters	NIL	-
Tax matters	NIL	-
Material civil litigation	1	-[(4)]

[(1)] Includes matters involving certain of the Erstwhile Partnership Firms or the Transferor Companies. The amounts involved in relation to such tax matters exclude any interest or penalty in relation to such tax proceedings.
[(2)] Such amount includes the fees for compounding and litigation incurred by the Erstwhile Partnership Firm, M/s. Flair Writing Instruments and its partners, including the Promoters and the Executive Directors
[(3)] Of such amount, ₹0.12 million has been paid to the relevant authorities, i.e., Department of Commercial Tax, Uttarakhand and Central Excise, Customs and Service Tax, Daman.
[(4)] The amount claimed by the Group Company, Pentel Stationery (India) Private Limited, exceeds the materiality threshold adopted by the Board. However, the quantum of funds involving Pentel Stationery (India) Private Limited is nil.

For further details, see *"Outstanding Litigation and Material Developments"* on page 570.

16. *We face risks related to the geographic concentration of our exports.*

Set forth below is a table of the top five export countries and the aggregate revenue from the top five export countries in terms of percentage of our sale of goods (exports) for the periods indicated.

Financial Year	Top Five Export Countries	Aggregate Revenue from the Top Five Export Countries as a percentage of our Sale of Goods (Exports) (%)
2016	Colombia, United States, United Arab Emirates, Mexico and Yemen	64.14
2017	United States, Luxembourg, United Arab Emirates, Yemen and Colombia	61.73
2018	United States, United Arab Emirates, Luxembourg, Germany and Colombia	49.71

Our exports have been subject to anti-dumping and value-based duties in the past. Any adverse developments or changes in the demand for our products, applicable regulations and exchange rates, among others, in relation to such countries could have a material adverse effect on our business, operations, prospects or financial results.

17. ***If we fail to obtain, maintain or renew the statutory and regulatory licenses, permits and approvals required for our business and operations, our business, operations, prospects or financial results may be materially and adversely affected. As of the date of this Draft Red Herring Prospectus, certain of our statutory and regulatory approvals have been registered in the name of the Transferor Companies or the Erstwhile Partnership Firms.***

We are required to obtain and maintain certain statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing plants. For details of applicable regulations and approvals relating to our business and operations, see "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 147 and 575, respectively.

A majority of these approvals are granted for a limited duration and require renewal. The approvals required by us are subject to certain conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could materially and adversely affect our business.

In relation to Daman Unit-II, Daman Unit-III and Daman Unit-IV, we have received provisional no-objection certificates from the Department of Fire and Emergency Services, Administration of Daman and Diu (Union Territory), each dated December 14, 2016, January 9, 2017 and December 14, 2016, respectively, for revised construction at the respective manufacturing plants. Pursuant to our applications to the Assistant Director Fire Officer, Department of Fire and Emergency Services, Daman, each dated December 14, 2017, we have sought extension of time period for the provisional no-objection certificates for Daman Unit-II, Daman Unit-III and Daman Unit-IV. We are yet to receive sanction of our requests from the Department of Fire and Emergency Services, Daman.

If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, operations, prospects or financial results may be materially and adversely affected. There can be no assurance that the relevant authorities will issue such approvals, licenses, registrations and permissions in the timeframe anticipated by us or at all.

As of the date of this Draft Red Herring Prospectus, certain of our statutory and regulatory licenses, permits and approvals have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. While our Company has initiated the process to apply for change of name to its present name in respect of certain such approvals, such applications are pending before the relevant authorities.

18. ***As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the name of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected.***

As of the date of this Draft Red Herring Prospectus, our Company had registered 42 trademarks and had 17 pending trademark applications, in India. For further details, see "*Government and Other Approvals*" on page 575. Certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms, which may not be transferred in the name of our Company until the expiry of their respective validity periods. Due to the different regulatory bodies and varying requirements across the world, we may be unable to obtain intellectual property protection in such jurisdictions for certain of our products. Our trademark rights may not prevent our competitors from developing, using or commercializing products that are similar to our products. Further, our trademark applications may fail to result in trademark registrations being issued, and our existing and future trademarks may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that intellectual property licensed to or by us in the past or in the future will not be challenged or circumvented by competitors. We may be required to negotiate licenses for brands from third parties to conduct our business, which may not be available on reasonable terms or at all.

While we have registered trademarks in relation to our "Flair" brand including a wordmark and a logo under class 16, we have also applied for registration of trademarks under classes 16 and 9 for our rebranded corporate logo, which is used in this Draft Red Herring Prospectus, through application no. 3837354 and application no. 3837355, respectively, on May 19, 2018. As of the date of this Draft Red Herring Prospectus, such applications are in the 'accepted and advertised' and 'objected' stages, respectively.

Our Company has entered into agreements for sale of intellectual property with certain members of the Promoter Group, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and Flair Pens Limited, each dated June 29, 2018. Pursuant to such agreements, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and Flair Pens Limited, respectively, have agreed to sell 45 trademarks registered in India and 11 trademarks registered abroad under classes 9 and 16 and used in our business to our Company for a nominal consideration. As of the date of this Draft Red Herring Prospectus, no such consideration has been paid and such trademarks are yet to be transferred in our Company's name.

Our Company acquired certain "Pierre Cardin" trademarks under class 16 registered in India from Flair Pens Limited, a member of the Promoter Group and a Group Company, on July 10, 2018. Flair Pens Limited had previously acquired such trademarks pursuant to a trademark assignment agreement dated December 10, 2012 with PCL S.A. Our Company has applied for the transfer of registration in relation to such "Pierre Cardin" trademarks under class 16 registered in the name of our Company. As of the date of this Draft Red Herring Prospectus, such "Pierre Cardin" trademarks are yet to be transferred in our Company's name. A predecessor entity, M/s. National Pen and Plastic Industries ("**NPPI**"), a partnership firm which converted into FPPIPL and subsequently merged into our Company pursuant to the Scheme, purchased certain "Hauser" trademarks pursuant to an agreement for sale of brand dated March 31, 2014 and deeds of assignment dated May 23, 2014 and September 30, 2014. As of the date of this Draft Red Herring Prospectus, the records of the German Patent and Trademark Office reflect FPPIPL, a Transferor Company formed pursuant to the conversion of NPPI, as the registered proprietor of such "Hauser" trademarks. Also see "*Our Business – Description of our Business*" on page 131. We have also licensed such "Hauser" trademarks to HAUSER GmbH pursuant to a license agreement dated October 27, 2014 for a period of 20 years (subject to automatic renewal for additional periods of 10 years until termination) for certain territories in Europe.

We have also granted consent in perpetuity to the use of the brand name/ trademark "Flair" by certain members of the Promoter Group, i.e., Flair Pens Limited, M/s. Flair Pen and Plastic Industries and M/s. Flair Writing Aids, their successors and other entities incorporated or formed by the directors of Flair Pens Limited or the partners of M/s. Flair Pen and Plastic Industries or M/s. Flair Writing Aids, which comprise the Promoters and certain members of the Promoter Group. Such consent is subject to the restriction that none of these entities manufactures, deals or trades in stationery products, writing instruments and calculators. We have also granted consent in perpetuity to (i) Flair Kenya Limited, a Group Company and a member of the Promoter Group, to use the name "Flair" subject to the condition that M/s. Royal Pen and Plastic Industries, a member of the Promoter Group, owns 55% stake in Flair Kenya Limited and has management control, and (ii) any entities formed by the directors of Flair Kenya Limited, subject to the condition that such entities do not use "Flair" trading name for manufacturing/dealing/trading in stationery products, writing instruments and calculators.

In the past, our Company has been subject to litigation alleging infringement of trademarks and passing off, which were amicably settled pursuant to modification of the design of the particular model of writing instruments with no monetary consideration paid for such settlement. Our Company has also been subject to petitions for cancellation of designs (no. 236611 and no. 239181) registered by our Company under the Designs Act, 2000. Accordingly, such designs were cancelled through orders dated December 30, 2015 passed by the Deputy Controller of Patents and Designs.

We cannot be sure that our trademarks, logos and domain names and other intellectual property will be protected to the same extent as in the countries in which they are registered or that the steps we have taken to protect our trademarks, logos and domain names and other intellectual property will prevent misappropriation or infringement. We do not maintain a comprehensive database of all our registered trademarks and other intellectual property rights, which may result in us not being aware of the status of certain of our intellectual property rights and in our inability in challenging any potential infringement by any third party. In addition, this may result in our inability to ensure that we do not infringe upon the intellectual property rights of any other person. Additionally, we have not registered any designs under the Designs Act, 2000. Accordingly, we may be unable to enforce our intellectual property rights in relation to our designs. Any such misappropriation or infringement or any related litigation in which we need to engage could have a material adverse effect on our business, reputation and financial results and cause diversion of resources and management attention.

19. ***We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or a significant portion of our management personnel could weaken our management team and have a material adverse effect on our business, operations, prospects or financial results.***

Our performance depends largely on the efforts and abilities of our Key Management Personnel. We believe that the inputs and experience of our Key Management Personnel are valuable to the development of our business and operations and the strategic directions taken by our Company. For further information, see "*Our Management*" on page 156. We cannot assure you that we will be able to retain these individuals or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have a material adverse effect on our business, operations, prospects or financial results.

While we believe we have an experienced technical and production team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may materially and adversely affect our business, operations, prospects or financial results.

20. ***We are dependent on the Promoters, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest.***

The Registered Office (which is also the registered office of the Subsidiary) and five of our manufacturing plants are situated on lands and/or in buildings that have been leased/ licensed to us by the Promoters and certain members of the Promoter Group. In addition, the Promoters and certain members of the Promoter Group have extended unsecured loans to our Company that amounted to ₹999.77 million as of September 5, 2018. The Promoters and members of the Promoter Group have not committed to provide such forms of support in future. We have also historically depended on guarantees provided to our lenders by the Promoters and members of the Promoter Group in order to help fund our business and expansion projects. We may be unable to obtain such business arrangements or funds in future on favourable terms or at all without such support, which may affect our business and growth plans. Also see *"- We have, in the past, entered into related party transactions and may continue to do so in the future.*" below on page 35.

Certain Group Companies and entities in the Promoter Group are in the same line of business as our Company, such as Flair Kenya Limited, Pentel Stationery (India) Private Limited, M/s. Padmavati Pen and Plastic Industries, M/s. Prayas Pen and Plastic Industries and M/s. Prayas Writing Instruments. Certain other Group Companies and entities in the Promoter Group, including Flair Pens Limited, Stypen Manufacturing Company (India) Private Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod and Rathod and M/s. Royal Pen and Plastic Industries, are authorized to engage in the same line of business as our Company under their respective memoranda of association/partnership deeds. Certain individuals forming part of the Promoter Group other than the Executive Directors are also engaged in the business of writing instruments. Such businesses and other businesses developed in future by the Promoters, the members of the Promoter Group or the Group Companies may lead to conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other entities in which one or more of the Promoters, members of the Promoter Group or Group Companies has an interest. Flair Kenya Limited, by its letter to our Company dated June 28, 2018, has (i) confirmed that it has not sold writing instruments manufactured by it in the Indian market in the past and (ii) undertaken to not market writing instruments manufactured by it in the Indian market in the future, where our Company and the Subsidiary operate. Stypen Manufacturing Company (India) Private Limited, Flair Pens Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod N Rathod and M/s. Royal Pen and Plastic Industries, through their letters to our Company, each dated August 6, 2018, have (i) confirmed that they have no business operations currently, (ii) undertaken to not commence the business of manufacturing and selling of writing instruments and (iii) undertaken to not operate in the same line of business as that of our Company and the Subsidiary in the future. The non-compete letters are subject to the provisions of the Indian Contract Act, 1872, as amended, with respect to enforceability.

Pentel Stationery (India) Private Limited, a Group Company and a member of the Promoter Group, carries on the business of manufacturing and trading of writing instruments, other stationery and allied components. The Promoters are directors of Pentel Stationery (India) Private Limited and the Promoters together with certain members of the Promoter Group hold 48.72% of the paid-up equity share capital of Pentel Stationery (India) Private Limited. Pentel Stationery (India) Private Limited will continue to directly compete with our Company and the Subsidiary, which may lead to conflicts of interest in the future.

Except as stated above, none of the Promoters, the members of the Promoter Group or the Group Companies has undertaken to refrain from competing with our business or is obligated to direct any opportunities in the industry in which we operate to us.

Additionally, we have granted consent in perpetuity to the use of the brand name/ trademark "Flair" by certain members of the Promoter Group, which are owned and controlled by the Promoters and other members of the Promoter Group. For details, see "- *As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected"* above on page 27.

21. ***If we are unable to introduce new products and respond to changing consumer preferences in a timely and effective manner, the demand for our products may decline, which may have a material adverse effect on our business, operations, prospects or financial results.***

We seek to enhance our design and production capabilities to distinguish ourselves from our competitors and enable us to introduce new products as well as different variants of our existing products, based on consumer preferences and demand. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product categories.

We also depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Consequently, any failure on our part to successfully introduce new products and processes may have a material adverse effect on our business, operations, prospects or financial results.

22. ***Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our business, operations, prospects and financial results. Further, our accounts receivable collection cycle exposes us to client credit risk.***

We are exposed to payment delays and/or defaults in payments by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Any delays in payments may require us to make a working capital investment. Further, we cannot assure that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. For the Financial Years 2016, 2017 and 2018, our trade receivables were ₹789.11 million, ₹861.71 million and ₹1,188.19 million, respectively, which constituted 20.47%, 20.41% and 20.68% of our revenue from operations for these periods. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our trade receivables would have constituted 21.50% of our revenue from operations. If a customer defaults in making its payments on an order on which we have devoted significant resources, or if an order in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's operations, prospects and financial results. Our credit terms vary according to local market practice and typically, the credit period ranges between 45 days to 150 days.

As of March 31, 2018, our top five debtors accounted for 32.04% of our total trade receivables and our top 10 debtors accounted for 42.58% of our total trade receivables.

If any of our customers fail to make payments to us or become insolvent, we would suffer losses and our financial results could be materially and adversely affected. In case of any disputes or differences or default with regard to our payments, we would have to initiate appropriate recovery proceedings and which may be costly and time-consuming. There is no guarantee on the timelines of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our business, cash flows, operations, prospects or financial results may be materially and adversely affected. Sales of our products are not always supported by letters of credit or bank guarantees.

23. *Any inability to meet our obligations under various business agreements, including financial and other covenants under our debt financing arrangements could materially and adversely affect our business, operations, prospects or financial results.*

Our inability to comply with covenants and obligations under our business agreements may have adverse consequences, including termination, which could have a material adverse effect on our business, operations, prospects or financial results.

For example, under the Supply Agreement with Reynolds India, our Company is obligated to, among others, (i) provide most favored customer pricing; (ii) not sell "Reynolds" branded products to third parties without the consent of Reynolds India; and (iii) procure tips and ink for "Reynolds" branded products from Reynolds India or third party vendors identified by Reynolds India. Under the Distribution Agreement, the Subsidiary is obligated to, among others, (i) sell "Reynolds" branded products at prices determined by Reynolds India and (ii) meet minimum annual sales requirements and minimum distribution reach. Reynolds India also has audit rights to inspect our facilities for compliance with product standards and applicable law. Under the agreements with the OEM manufacturers, our Company is obligated to, among others, (i) comply with product quality standards, inspections and audits; and (ii) deliver products within stipulated timelines. If we are unable to meet our obligations under such or other business agreements, including annual sales targets, our business relationships may be adversely affected.

Our financing arrangements also contain certain restrictive covenants that limit our ability to undertake certain types of transactions and which could adversely affect our business and financial condition. We are required to obtain approval from/ provide prior intimation to the lender for, among others:

- entering into further borrowing arrangements;
- creating security over our property and assets;
- issuing guarantees;
- effecting any change in equity, management and operating structure of our Company;
- declaring dividends; and
- making any corporate investment or investment by way of share capital or debentures or advance funds or monies or place deposits with any other body corporate or concern.

Under the financing documents, the lender also has the right to, *inter-alia*, modify or cancel the facility, in whole or in part, at the lender's sole discretion, and all outstanding amounts owing under the facility shall become immediately due and payable, forthwith on demand. As security for the loan, the lender has a charge on our assets and default of our loan agreement can potentially lead to the lender disposing off our assets. Our financing agreement requires the term of the facility to be at least on par with all outstanding and future debt obligations of our Company. In accordance with the terms of our financing arrangements, Citibank, N.A. is our Company's sole banker and we are required to route all our transactions through them. These restrictions may impact our ability to incur additional debt in the future.

24. *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may materially and adversely affect our business, operations, prospects or financial results.*

We could be held liable for accidents that occur at our manufacturing plants or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include insurance for standard fire and special perils, marine import and export, workmens' compensation and product liability, subject to the policy exclusions.

As of March 31, 2018, our net block of total fixed tangible assets (excluding land) and inventory was ₹1,366.74 million and ₹912.05 million, respectively, and the insurance coverage on such assets and inventory was ₹1,689.52 million and ₹970 million, respectively, or 123.62% and 106.35%, respectively.

We have had fire accidents at our manufacturing plants, i.e., Daman Unit-II in 2016 and Daman Unit-III in 2014, in the past. In relation to the fire accident at Daman Unit-II, the insurance claim was made by one of the Erstwhile Partnership Firms, which was subsequently transferred to our Company at a written down value of ₹142.39 million. We have not received any reimbursement in relation to such claim. In relation to the fire accident at Daman Unit-III, we claimed ₹3.7 million from the insurer and were reimbursed ₹2.13 million.

We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, operations, prospects or financial results could be materially and adversely affected.

In addition, certain of the insurance policies that we have entered into include exclusion clauses in respect of damage or loss caused by civil unrest, acts of violence, terrorism and other similar events. In the event we were to suffer losses as a result of such events, we would be unlikely to be able to recover such losses by making claims on policies that include such clauses.

25. *Significant disruptions of information technology systems or breaches of data security could have a material adverse effect on our business, operations, prospects or financial results.*

We depend upon information technology systems for our business operations. We have recently implemented an enterprise resource planning solution, which we believe will help standardize our processes, planning, performance and collection of information. We also recently commenced a pilot project of a software application which features, among others, tracking of secondary sales and generation of reports in connection with such sales. Although we have not experienced any significant disruptions to our information technology systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could materially and adversely affect our business, reputation, operations, prospects or financial results.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees and others. Any such security breaches could have an adverse effect on our business, reputation, operations, prospects or financial results.

26. ***We face foreign exchange risks that could materially and adversely affect our business, operations, prospects or financial results.***

We derived 19.64% of our revenue from operations in currencies other than Indian Rupees in the Financial Year 2018. In the Financial Year 2018, if sales of "Reynolds" products made by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, we would have derived 21.8% of our revenue from operations in currencies other than Indian Rupees. As of March 31, 2018, our unhedged net foreign currency exposure was ₹305.83 million. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly.

In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may materially and adversely affect our business, cash flows, operations, prospects or financial results.

27. ***We have made certain delayed or inaccurate statutory form filings with the RoC in the past.***

In the past, we have delayed filing certain statutory forms with the RoC, as required under the Companies Act, 2013 and we have paid additional fees in respect of such form filings. We have also filed certain statutory forms with the RoC which had inadvertent factual inaccuracies. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business, reputation, operations, prospects or financial results.

28. ***Non-compliance with and changes in, safety, environmental and labour laws and other applicable regulations, may materially and adversely affect our business, operations, prospects or financial results.***

We are subject to laws and government regulations, including in relation to safety, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. For details on regulations and policies applicable to our business, see "*Regulations and Policies*" on page 147. We handle and use hazardous materials in our manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.

We have, in the past, had incidents of fires at certain of our manufacturing plants. We cannot assure you that we will not experience fires and other accidents in the future. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing plants may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production. We do not carry any insurance to cover environmental losses and liabilities.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have a material adverse impact on our financial results.

29. ***Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilizing the Net Proceeds. There is no assurance that the Objects of the Offer will be achieved within the timeframe expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.***

The Offer comprises the Fresh Issue and the Offer for Sale. The proceeds of the Offer for Sale, net of their share of Offer-related expenses, will be paid to the Promoter Group Selling Shareholders, and our Company will not receive any portion of the proceeds from the Offer for Sale.

Our Company intends to use the Net Proceeds for (i) purchase of machinery, (ii) constructing new factory buildings and related facilities at our manufacturing plant in Valsad, Gujarat, (iii) funding working capital requirements, (iv) repayment/pre-payment of debt and (v) general corporate purposes. For details, see *"Objects of the Offer*" on page 92. The funding plans are based on management estimates and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. Our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to the registration of the Red Herring Prospectus with the RoC in accordance with the SEBI ICDR Regulations. The management of our Company will have discretion to use the Net Proceeds, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds. Our Company may have to revise its management estimates from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest or exchange rate fluctuations, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

Further, pursuant to Sections 13(8) and 27 of the Companies Act, 2013, any variation in the objects would require a special resolution of the Shareholders in a general meeting and the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in accordance with the SEBI ICDR Regulations.

30. ***We have not placed orders for machinery of value of ₹1,196.86 million constituting approximately 88.08% of the value of the total machinery to be purchased from the Net Proceeds.***

As of the date of this Draft Red Herring Prospectus, our Company has not placed orders for machinery of value of ₹1,196.86 million constituting approximately 88.08% of the value of the total machinery to be purchased from the Net Proceeds. For details regarding such machinery, see "*Objects of the Offer – Details of the Objects of the Fresh Issue – Purchase of Machinery*" on page 94. We cannot assure you that we will be able to purchase such machinery from the suppliers disclosed or at the prices quoted in this Draft Red Herring Prospectus.

Any delays in placing orders for such machinery may result in a cost and time overrun, which could have a material adverse effect on the operations and profitability of our Company. Additionally, approximately 70% of such machinery will be imported. On account of such purchases, we may be exposed to currency risk and may require additional working capital. Also see "- *We face foreign exchange risks that could materially and adversely affect our business, operations, prospects or financial results*" on page 33.

31. ***The Registered Office and certain manufacturing plants are situated on lands/in buildings that are not owned by us. In the event that we lose such rights or are required to renegotiate arrangements for such rights, our business and financial results could be materially and adversely affected.***

The Registered Office (which is also the registered office of the Subsidiary) and five of our seven manufacturing plants are situated on lands/in buildings that have been leased/licensed to us by related parties, and are not owned by us. For further details, see "*Our Business – Manufacturing Facilities and Other Properties*" on page 140.

Termination of such lease/ license arrangements, or our failure to renew such agreements, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, and could materially and adversely affect our business and financial results. Such lease/license agreements also include escalation clauses that provide for an increase in rent/license fee payable by us during the term of such agreements. We cannot assure you that we will be able to renew any such arrangements when the term of the original arrangement expires, on similar terms or terms reasonable for us or that such arrangements will not be prematurely terminated (including for reasons that may be beyond our control). The failure to identify suitable premises for relocation of existing properties, if required, could have an adverse effect on our production, prospects, business and results of operations.

Further, any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or breach of the contractual terms of any lease, leave and license agreements may materially and adversely affect our business, operations, prospects or financial results.

32. *We have, in the past, entered into related party transactions and may continue to do so in the future.*

We have entered into several transactions with related parties, including for sale and purchase of goods, purchase of fixed assets, lease/license of properties, borrowings and interest, payment of remuneration, advertisement and sales promotion expenses and reimbursement of certain expenses incurred in the ordinary course of business. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. For details on our related party transactions, see "*Related Party Transactions*" on page 181. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, operations, prospects or financial results or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

33. *Information relating to the historical capacity of our manufacturing plants included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.*

Information relating to the historical capacity of our manufacturing plants included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in SKUs for a particular product, unscheduled breakdowns and expected operational efficiencies. Such information has been certified by C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018, and certified based on the following assumptions: (i) total working days of 305 days during the Financial Year; (ii) one day weekly holiday and (iii) preventive maintenance and technology upgrade of the plant and machinery.

Actual production levels and capacity utilization rates may differ significantly from the estimated production capacities or historical estimated capacity information of our facilities due to various factors including seasonality of demand. Additionally, the production volumes of writing instruments depend on the products mix. Different writing instruments require moulds of varying cavities; the higher-cavity moulds result in higher volumes of writing instruments produced in a single production run. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Draft Red Herring Prospectus.

34. *The withdrawal/ cessation of benefits and exemptions availed by our Company could have a material adverse effect on our business, operations, prospects or financial results.*

Our manufacturing plants in Dehradun, Uttarakhand, i.e., Dehradun Unit-I and Dehradun Unit-II, benefit from deduction of 30% of the profits and gains derived from such undertakings under Section 80-IC of the Income-tax Act until the Financial Year 2019 and the Financial Year 2021, respectively.

Dehradun Unit-I also benefits from the "Scheme of Budgetary Support under the Goods and Services Tax Regime to the units located in the states of Jammu and Kashmir, Uttarakhand, Himachal Pradesh and North Eastern States including Sikkim" dated June 2017 which provides refund of additional goods and services tax that accrue to the Central Government, i.e., 58% of the central tax paid through debit in cash ledger account under the Central Goods and Services Act, 2017 and 29% of integrated tax paid through the debit in cash ledger under the

Integrated Goods and Services Act, 2017, until March 2019. Additionally, for our manufacturing plant in Valsad, Gujarat, we intend to avail of reimbursement of 70% of net value added taxes payable to the State Government of Gujarat for a period of 10 years. We will avail of deduction of expenditure incurred in connection with the Scheme for a period of five years from the Financial Year 2018 under Section 35DD of the Income-tax Act.

We also benefit from the Export Promotion Capital Goods Scheme (the "**EPCG Scheme**"), which allows import of capital goods including spares for pre-production, production and post-production at zero customs duty, subject to the condition that we export goods of a defined amount within six years from the grant of our license under the EPCG Scheme. As of March 31, 2018, our pending export obligations under the EPCG Scheme amounted to ₹766.79 million.

The withdrawal/ cessation of such tax and other benefits could have a material adverse effect on our business, operations, prospects or financial results.

35. ***If we are unable to raise additional capital, our business, operations, prospects or financial results may be materially and adversely affected.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash in hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. In accordance with the terms of our financing arrangements, Citibank, N.A. is our Company's sole banker and we are required to route all our transactions through them. Such arrangement may further restrict our ability to raise additional capital through loans. Additionally, the inability to obtain sufficient financing could materially and adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may materially and adversely affect our cash flows, operations, prospects or financial results. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, operations, prospects or financial results could be materially and adversely affected.

If we have to fund our working capital requirements through infusion of equity, it may result in dilution of the shareholding of our existing Shareholders. Further, our Company proposes to utilize the Net Proceeds for its working capital requirements. See "*Objects of the Offer*" on page 92. Any delay in the Offer may have an adverse effect on our business, operations, cash flows and financial condition.

36. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

As of the date of this Draft Red Herring Prospectus, our Company does not have any formal dividend policy in place. Our Company has not declared dividend since incorporation. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure, restrictive covenants of our financing arrangements and applicable legal provisions under our financing arrangements, which are subject to change. Any future determination as to the declaration and payment of dividends will be at the discretion of the Board and will depend on factors that the Board deems relevant, including among others, our future earnings, financial condition, future expansion plans and capital requirements, cash requirements, business, prospects, rate of dividend distribution tax, any other financing arrangements, general financial conditions, general economic conditions and applicable law. We cannot assure you that we will be able to pay dividends in the future. Also see "*Dividend Policy*" on page 182.

37. ***Certain of the Directors and Key Management Personnel have interests in us other than reimbursement of expenses incurred, normal remuneration or benefits.***

Certain of the Directors and Key Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. The Executive Directors may be deemed interested to the extent of (i) the Equity Shares held by them or their relatives; (ii) unsecured loans availed from them and their relatives and the interest payable thereon by our Company and the Subsidiary; (iii) payment of rent or license fee for premises rented/leased from them or their relatives or entities in which they are interested by our Company and the Subsidiary. The Executive Directors may also be interested to the extent of transactions entered into with companies or partnership firms, in which they are shareholders/directors/partners, as applicable. One of the Independent and Non-executive Directors, Mr. Ratanchand Jivraj Oswal is the managing director of Hilden Packaging Machines Private Limited, and was interested to the extent of sale transactions between Hilden Packaging Machines Private Limited and our Company for an amount of approximately ₹0.11 million in the Financial Year 2018. Also see "*Our Management*" on page 156.

38. *Our Company has issued Equity Shares during the preceding one year at a price that may be lower than the Offer Price. Additionally, our Company may issue and allot Equity Shares in the Pre-IPO Placement at a price that may be lower than the Offer Price.*

In the year preceding the filing of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price which may be lower than the Offer Price. Our Company has allotted Equity Shares to the Promoters and certain members of the Promoter Group on May 26, 2018 pursuant to the Scheme. Our Company has allotted Equity Shares to its existing shareholders, i.e., the Promoters and certain members of the Promoter Group, as part of a bonus issue, on August 16, 2018. For further details, see "*Capital Structure – Notes to Capital Structure - Share Capital History of our Company*" on page 82. Additionally, our Company, in consultation with the BRLMs, may undertake the Pre-IPO Placement of up to 700,000 Equity Shares for cash consideration aggregating up to ₹500 million at its discretion prior to registering the Red Herring Prospectus with the RoC at a price to be determined in accordance with the Companies Act, 2013 and other applicable law. If the Pre-IPO Placement is completed, the details and price at which the Equity Shares are allotted shall be disclosed in the Red Herring Prospectus. The price at which Equity Shares have been issued by our Company in the preceding year or at which Equity Shares may be issued by our Company in the Pre-IPO Placement are not indicative of the prices at which they will be allotted in the Offer or traded following the listing of our Equity Shares.

39. *The Promoters and members of the Promoter Group will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us, which may limit your ability to influence the outcome of matters submitted for approval of the Shareholders.*

As of the date of this Draft Red Herring Prospectus, the Promoters and members of the Promoter Group will hold 100% of our total issued and paid-up Equity Share capital. Upon completion of the Offer, the Promoters and members of the Promoter Group will hold [●]% of our issued and paid-up Equity Shares. Accordingly, the Promoters and members of the Promoter Group will continue to exercise significant influence, which could limit the other Shareholders' ability to influence matters such as our business policies and affairs and all other matters requiring shareholder approval, including the composition of the Board, adoption of any amendments to the Articles of Association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of the Promoters and the members of the Promoter Group. The interests of our Promoters and the members of the Promoter Group could conflict with the interests of our Company or the other Shareholders. We cannot assure you that the Promoters or members of the Promoter Group will act to resolve any such conflicts in the favor of our Company or any of the other Shareholders.

40. *Flair Kenya Limited, one of the Group Companies, has incurred losses, which may have an adverse effect on our reputation and business.*

Flair Kenya Limited, one of the Group Companies, has incurred losses in terms of its audited financial statements. The profit/(loss) after tax made by Flair Kenya Limited in the 15-month period ended March 31, 2015 and the financial years ended March 31, 2016 and March 31, 2017 is set forth below:

Name of the Group Company	Profit/(Loss) (in Shs millions)		
	15-month period ending March 31, 2015	Financial Year ended March 31, 2016	Financial Year ended March 31, 2017
Flair Kenya Limited	(54.96)	(38.67)	(24.25)

41. ***Some of the agreements entered into by us may not be adequately stamped or may not have been registered.***

While the failure to stamp a document does not affect the validity of the transaction embodied therein, it renders the document inadmissible in evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to ten times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Moreover, the failure to register an agreement may, in certain circumstances, render such documents inadmissible in evidence in India. We have not stamped or registered certain of our agreements, including the distribution agreement dated January 11, 2017 between the Subsidiary and Reynolds India and the agreements dated June 29, 2018 for the sale of intellectual property entered into by our Company with each of Flair Pens Limited, M/s. Flair Writing Aids and M/s. Flair Pen and Plastic Industries. We have not adequately stamped certain of our agreements, including the master product supply agreement dated March 1, 2017 between our Company and Reynolds India and certain leave and license agreements. We cannot assure you that such agreements, which are inadequately stamped or that have not been registered, can be enforced by us. In addition imposition of penalties by the authorities on us for inadequate stamping of such agreements may have a material adverse effect on our business and financial results.

42. ***We have commissioned an industry report from CRISIL Research which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us, the Directors, the BRLMs or the Promoter Group Selling Shareholders.***

We have commissioned CRISIL Research, a division of CRISIL Limited, to issue a report on the writing instruments industry in connection with the Offer. CRISIL has issued a report dated June 2018 and titled "*Assessment of Indian writing instruments industry*" (the "**Report**") which has been used for certain data included in this section, "*Our Business*", "*Summary of Business*", "*Summary of Industry*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*. Such data has not been independently verified by us, the BRLMs or the Promoter Group Selling Shareholders. We have commissioned the Report for the purposes of confirming our understanding of the Indian writing instruments industry in connection with the Offer. The Report highlights certain industry and market data relating to our Company and its competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the Report is not a recommendation to invest or disinvest in our Company or any entity covered in the Report. CRISIL has advised that while it has taken due care and caution in preparing the Report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of any material contained in or referred to in the Report and is not responsible for any errors or omissions in or for the results obtained from the use of or the decisions made based on, the Report.

43. ***We have certain contingent liabilities disclosed and not provided for as of March 31, 2018, which, if materialized, could have a material adverse effect on our business, financial condition and results of operations.***

Set forth below is a table from our Special Purpose Restated Consolidated Financial Information showing our contingent liabilities as of March 31, 2018.

	As at March 31, 2016 (in ₹ millions)	**As at March 31, 2017 (in ₹ millions)**	**As at March 31, 2018 (in ₹ millions)**
Disputed excise and service tax matters	0.69	1.21	1.21
Income tax matters	0.22	2.12	2.12
Bank guarantee outstanding	5.83	2.30	0.45

We have made no provision for such contingent liabilities, which may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future.

Also see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities*" on page 567.

44. *We have experienced negative cash flows in the past and we may have negative cash flows in the future.*

Set forth below is a table from our Special Purpose Restated Consolidated Financial Information showing our net cash flow from operating activities, net cash flow from/(used in) investing activities and net cash flow from/(used in) financing activities, including negative cash flows in certain periods as specified below:

	Financial Year 2016 (in ₹ millions)	Financial Year 2017 (in ₹ millions)	Financial Year 2018 (in ₹ millions)
Net cash flow from operating activities	456.20	636.12	352.82
Net cash flow from/(used in) investing activities	(165.28)	(270.36)	(443.51)
Net cash flow from/(used in) financing activities	(279.61)	(312.81)	36.94
Net increase/(decrease) in cash and cash equivalents	11.30	52.95	(53.75)
Opening Balance of cash and cash equivalents	4.04	15.35	68.30
Closing Balance of cash and cash equivalents	15.35	68.30	14.54

In the Financial Year 2018, we experienced a net decrease in c ash and cash equivalents of ₹53.75 million. This was primarily due to higher cash outflows resulting from investing activities. Any negative cash flows in the future could have a material adverse effect on our results of operations and financial condition.

Also see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Cash Flows*" on page 565.

45. *One of the Promoters, Mr. Vimalchand Jugraj Rathod, and one of the Group Companies, Flair Pens Limited, have availed of unsecured loans that may be recalled by lenders at any time.*

One of the Promoters, Mr. Vimalchand Jugraj Rathod, had an outstanding unsecured loan of ₹20 million that may be recalled at any time by the lender, i.e., Vimalchand Jugraj Rathod HUF, a member of the Promoter Group. One of the Group Companies, Flair Pens Limited, had an outstanding unsecured loan of ₹0.20 million, as of June 30, 2018, that may be recalled at any time by the lender, i.e., Mr. Mohit Khubilal Rathod, an Executive Director and a member of the Promoter Group. In the event that the lenders seek repayment of such loans, Mr. Vimalchand Jugraj Rathod and Flair Pens Limited, as applicable, may be required to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all.

46. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the writing instruments industry, and therefore, may not be comparable with financial information of similar nomenclature computed and presented by other companies, including in the writing instruments industry.*

Certain non-GAAP financial measures relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Also see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Non-GAAP Financial Measures*" and "*Our Business – Key Performance Indicators*" on pages 15 and 135, respectively. These non-GAAP financial measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the writing instruments industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies, including in the writing instruments industry.

External Risks

47. ***Political, economic or other factors that are beyond our control may have a material adverse effect on our business, operations, prospects or financial results.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of the Equity Shares are and will be dependent to a large extent on the health of the economies in which we operate.

Our products are sold in, among other countries, the United States, Yemen, Myanmar, Syria and Iran. Changes in the United States' social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing and development, including on account of the current political regime, could materially and adversely affect our business and financial results. Continuing political instability and conflict in Iran and Yemen could also materially and adversely affect our business and financial results.

All of our assets and employees are located in India, and we intend to continue to develop and expand our business in India. Economic growth in India is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, operations, prospects or financial results.

Trade deficits could also adversely affect our business. India's trade relationships with other countries and its trade deficit, driven to a major extent by global crude oil prices, may adversely affect Indian economic conditions. Crude oil prices have increased over the past year, and if trade deficits increase or are no longer manageable because of the rise in global crude oil prices or otherwise, the Indian economy, and therefore our business and our financial results may be materially and adversely impacted.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector. The Indian economy has grown in recent years, although it has experienced economic slowdowns in the past. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A change in the central government, with the Indian general elections scheduled to be conducted in 2019, or a change in the economic and deregulation policies could adversely affect economic conditions in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenue from operations, and decrease our operating margins.

48. ***We engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

We generate a portion of our revenue from operations from customers in countries subject to international sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or equivalent sanctions regimes administered by Her Majesty's Treasury, the European Union, the United Nations or other relevant sanctions authorities (collectively, "**International Sanctions**"). In addition, we have limited information about and control over the identity of our customers and there can be no assurance that our past or future customers have not been included or will not include persons or entities targeted by, or were not or will not be located in any country that is the subject of International Sanctions. There can be no assurance that our business will not be impacted by such International Sanctions in the future, particularly if there are changes to, or more stringent application of, the International Sanctions, or if we make changes to our operations or introduce new products or services which may also appeal to customers subject to or based in countries subject to such International Sanctions. In addition, as a result of our business activities or a change in the scope or application of International Sanctions, our counterparties, including our vendors and suppliers, or our other customers, that are required to comply with such International Sanctions, may seek to terminate or modify our contractual arrangements to impose additional conditions that may be adverse to our operations or business prospects, or may be precluded from entering into commercial transactions with us. Investors in the Equity Shares could incur reputational or other risks as a result of our business dealings with customers in or with persons that are the subject of International Sanctions. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in some of our business activities being subject to sanctions.

Future changes in International Sanctions may also require us to discontinue existing operations, or prevent us from doing business, in jurisdictions subject to such International Sanctions, which could have a material adverse effect on our business, operations, prospects or financial results, including as a result of disputes arising from the termination of our existing contractual arrangements.

49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may materially and adversely affect our business, operations, prospects and financial results.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may materially and adversely affect our business, operations, prospects or financial results, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national GST regime with effect from July 1, 2017 that combines multiple taxes and levies by the central and state governments into a unified tax structure.

The relevant provisions under the Income-tax Act, as amended, in relation to the General Anti-Avoidance Rules ("**GAAR**") are applicable from assessment year 2019 (Financial Year 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income-tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty provided the arrangement is regarded as an impermissible avoidance arrangement. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not materially and adversely affect our business, future financial performance and the trading price of the Equity Shares.

Further, the Finance Act, 2018 has introduced a number of amendments to the existing direct and indirect tax regime which includes the withdrawal of long term capital gains exemptions on equity shares, long term capital gains applicability in the hands of Foreign Portfolio Investors and applicability of dividend distribution tax for certain transactions with shareholders, among others.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. Any such changes or related uncertainties with respect to implementation or compliance costs may have a material adverse effect on our business and financial results. For details, see "*Regulations and Policies*" on page 147.

50. *Civil unrest, acts of violence, including terrorism or war involving India and other countries, could adversely affect the financial markets and our business.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have an adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. South Asia has also experienced instances of civil unrest and hostilities among neighboring countries from time to time, including between India and Pakistan, which may result in investor concerns and which could in turn adversely affect the price of the Equity Shares. There have also been incidents in and near India such as terrorist attacks and troop mobilizations along the border. Such military activity, terrorist attacks or other adverse social, economic and political events in India in the future could adversely affect the Indian economy.

51. ***Natural disasters, outbreaks of epidemics and other disruptions could adversely affect the Indian and other economies.***

Our operations, including our manufacturing plants, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of our manufacturing plants, distribution network, information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our manufacturing of products could adversely affect our reputation, our relationships with our customers, super-stockists, distributors and suppliers, our management's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities.

52. ***Any downgrading of India's debt rating by a domestic or international rating agency or risks of the Indian financial system could adversely affect the Indian economy and have a material adverse effect on our business, operations, prospects or financial results.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial institutions such as banks. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could materially and adversely affect our business, operations, prospects or financial results.

53. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us. A rapid decrease in reserves would also create risk of higher interest rates and a consequent slowdown in growth.***

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. India's foreign exchange reserves have declined recently and may have negatively affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease in the future. Further, a decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect our business and financial results and the market price of the Equity Shares.

54. ***Foreign investors may have difficulty enforcing foreign judgments against us or our management.***

Our Company is incorporated under the laws of India. All of the Directors and all the executive officers are residents of India and all our assets are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons in jurisdictions outside India, or to enforce against us or such parties judgments obtained in courts outside India based upon the liability provisions of foreign countries, including the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Instead, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure

Code provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty but does not include an arbitration award, even if such an award is enforceable as a decree or judgment.

The United States and Canada have not been declared by the Government to be a reciprocating territory for the purpose of Section 44A of the Civil Procedure Code. However, the United Kingdom, Singapore and Hong Kong, among others, have been declared by the Government to be reciprocating territories. A judgment of a court in the United States or another jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. It is also unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

55. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our business, operations, prospects and financial results.***

We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as required by SEBI ICDR Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

56. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business and financial results may arise between the date of submission of the Bid and Allotment. Our Company may complete Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

57. ***Under Indian law, foreign investors are subject to investment restrictions which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain conditions), if they comply with the valuation, reporting, pricing guidelines and other requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, Shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, under the FDI Policy, the Government of India has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies owned or controlled by foreign entities, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

58. ***Any future issuance by our Company of Equity Shares, convertible securities or other equity linked securities may dilute your shareholding, and any such issuance and/or future sales of such securities by our significant shareholders, including the Promoters, may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares, convertible securities or other equity-linked securities by our Company may lead to a dilution of the investors' shareholding in our Company. Any such issuance and/or sale of Equity Shares, convertible securities or other equity-linked securities of our Company in the public market after the completion of the Offer, including by the Promoters or other significant shareholders, or the perception that such primary or secondary sale could occur, may also adversely affect the trading price of the Equity Shares and could materially impair our future ability to raise capital through offerings of Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares. We cannot assure you that our Company will not issue additional Equity Shares or that the Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Also see "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company"* on page 82.

59. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. After the Offer, the price of the Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price.***

The Offer Price of the Equity Shares will be determined by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process. This price will be based on numerous factors, as described in "*Basis for Offer Price*" on page 101 and may not be indicative of the market price for the Equity Shares after the Offer. Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, may bear no relationship to the market price of the Equity Shares after the Offer and may decline below the Offer Price. The market price of the Equity Shares after the Offer may be subject to significant fluctuations in response to, among other factors, variations in our operating results, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. There can be no assurance that you will be able to resell the Equity Shares at or above the Offer Price.

60. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if STT is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Government of India. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by the Stock Exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

61. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including relating to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company compared to as shareholder of a corporation in another jurisdiction.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of at least three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

Prominent Notes

1. Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating up to ₹4,500 million comprising the Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,300 million by our Company and the Offer for Sale of up to [●] Equity Shares aggregating up to ₹1,200 million by the Promoter Group Selling Shareholders. The Offer will constitute [●]% of the fully-diluted post-Offer paid-up equity share capital of our Company.

   Our Company, in consultation with the BRLMs, may consider undertaking the Pre-IPO Placement at its discretion prior to registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

   For further details, see "*The Offer*" on page 72.

2. For details of the change in name of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus and the reasons for such change, see "*History and Certain Corporate Matters*" on page 150. There has been no change to the objects clause of the Memorandum of Association of our Company since incorporation.

3. As of March 31, 2018, our Company's net worth was ₹1,537.49 million as per the Restated Standalone Financial Information and ₹1,537.45 million as per the Restated Consolidated Financial Information. See "*Financial Information*" on page 183.

4. As of March 31, 2018, the NAV per Equity Share was ₹65.85 as per the Restated Standalone Financial Information and ₹65.85 as per the Restated Consolidated Financial Information. See "*Financial Information*" on page 183.

5. The average cost of acquisition per Equity Share to the Promoter Group Selling Shareholders as on the date of this Draft Red Herring Prospectus is disclosed below.

Name of the Promoters and other Promoter Group Selling Shareholder	Number of Equity Shares held on the date of this Draft Red Herring Prospectus	Average Cost of Acquisition per Equity Share (in ₹)*
Promoters		
Mr. Khubilal Jugraj Rathod	4,669,440	18.38
Mr. Vimalchand Jugraj Rathod	3,502,080	18.38
Other Promoter Group Selling Shareholders		
Mrs. Nirmala Khubilal Rathod	2,334,720	18.38
Mrs. Manjula Vimalchand Rathod	2,334,720	18.38
Mr. Rajesh Khubilal Rathod	2,334,720	18.38
Mr. Mohit Khubilal Rathod	2,334,720	18.38
Mr. Sumitkumar Vimalchand Rathod	2,334,720	18.38
Mrs. Sangita Rajesh Rathod	1,167,360	18.38
Mrs. Shalini Mohit Rathod	1,167,360	18.38
Mrs. Sonal Sumitkumar Rathod	1,167,360	18.38

** As certified by M/s. Jeswani and Rathore, Chartered Accountants, pursuant to their certificates dated September 24, 2018.*

For further details, see "*Capital Structure*" on page 82.

6. For details of interests of the Group Companies in our Company, see "*Financial Information*", "*Our Group Companies*" and "*Related Party Transactions*" on pages 183, 176 and 181, respectively.

7. For details of related party transactions entered into by our Company with the Subsidiary or Group Companies during the Financial Year immediately preceding the date of this Draft Red Herring Prospectus, the nature of transactions and the cumulative value of transactions, see "*Financial Information*" and "*Related Party Transactions*" on pages 183 and 181, respectively.

8. There have been no financing arrangements whereby the members of the Promoter Group, the Directors and their relatives (as defined under the Companies Act, 2013) have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

9. For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI. For details of the BRLMs and the Registrar to the Offer, see "*General Information*" on page 74.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from the CRISIL Report which has been commissioned by our Company in connection with the Offer. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The CRISIL Report is subject to the disclaimer specified in "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 16.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Industry Overview", "Our Business" and "Financial Information" on pages 108, 124 and 183, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" on page 18.

OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

GDP grew at 6.9% CAGR over the past six years

India has adopted a new base year (fiscal 2012) to calculate the GDP. Based on this, the GDP increased from Rs. 87 trillion in fiscal 2012 to Rs. 130 trillion in fiscal 2018, representing a 6.9% CAGR. As per the Central Statistics Office (CSO), GDP growth for India was 6.7% in fiscal 2018, driven by faster growth in the second half of the fiscal.

GDP growth for fiscal 2019 forecast at 7.5%

GDP growth has shown a sharp upturn in Q4 fiscal 2018. CRISIL Research expects the momentum to continue and lift growth to 7.5% in fiscal 2019 compared with 6.7% in fiscal 2018. That, however, would still be lower than the long-term trend of 7.6%. In addition, there is a downside risk to this number if oil prices sustain at the current levels. The growth revival in fiscal 2019 would be consumption-led, with mild support from investments. A normal monsoon in 2018, benign interest rates, return of pent-up demand, and implementation of house rent allowance (HRA) revisions at the state government level would support growth, together with the government's thrust on rural and infrastructure sectors. Quick resolution of GST-related glitches and faster trade growth, supported by cyclical recovery in the global economy, should also help lift India's exports. Recapitalisation of public sector banks will allow funding support from banks and support growth.

Urbanisation likely to cross 35% by 2020

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew at 1.8% CAGR during 2001-2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimates and projections, India (second to China) and China remain the two most populous countries of the world. The report further projects India's population to grow at 1.2% CAGR by 2030 (1.5 billion by 2030), making it the world's most populous country, surpassing China (1.4 billion in 2030). The share of urban population in relation to the total population has been consistently rising over the years and stood at ~31% in calendar year 2011. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 36% of the country's population to live in urban areas by 2020.

Books and stationery items form 22% share in general education expenditure

Students attending educational institutions incur expenditure in the form of course fees (including tuition and examination fees), purchase of books, stationery and uniforms, expenses on conveyance, private coaching, etc.

This information was documented - under the 71st round survey by the National Sample Survey Office - as 'Key indicators of social consumption in India-education, NSS 71st round, 2015'. According to the report, the lion's share in average expenditure was contributed by course fees for all types of education (46% for general and 73% for technical), followed by books and stationery. At an overall level (urban + rural), books and stationery items contribute 22% in general education expenditure and 10% in technical/ professional education (including vocational).

OVERVIEW OF THE INDIAN WRITING INSTRUMENTS INDUSTRY

Market Size for Writing Instruments in India

Indian writing instrument industry estimated at Rs. 56 billion in fiscal 2018

CRISIL Research has estimated the size of industry based on manufacturing realizations as well as at retail pricing. Accordingly, on the basis of manufacturing realizations, the Indian writing instrument industry is estimated at Rs. 56 billion (FY2018E). Of this, domestic writing instrument industry (at manufacturing realizations) is estimated at Rs. 44 billion (FY18E) with exports contributing the remaining share (Rs. 12 billion). Pen industry is estimated to contribute 70-75% of domestic industry (in value terms). The industry has grown at CAGR of 7% in last three years and is likely to sustain momentum between fiscals 2018 and 2021. The industry is estimated to reach Rs. 70 billion as of fiscal 2021 on account of annual growth of 7%. Growth in the industry will be driven by domestic market as export segment is estimated to remain stable. The domestic market (on the basis of manufacturer's realization) is poised to grow at CAGR of 10% between fiscals 2018 and 2021.

Within the Indian writing instrument industry, the growth of mass market products is driven by volume since an increase in price is restricted due to intense competition. However, leading players maintain balanced portfolios between mass market and high-value products as well as on the export business to generate better profitability. Brand creation and product differentiation plays a crucial role in high-value and premium products. While this increases the advertising and marketing cost of companies, the brand premium buoys profitability over the long term.

Taking into consideration the retail margins in the industry, the domestic market size (on Maximum Retail Price basis) is estimated at Rs. 68 billion (at an estimation of 50% distribution margin). The domestic demand (value terms) has grown at CAGR of 11% in last three years and is likely to sustain momentum between fiscals 2018 and 2021. The industry is estimated to reach Rs. 89 billion as of fiscal 2021 on account of annual growth of 10%.

Overall, share of branded players has expanded over last few years and, at present stands at 65-70% (domestic market). CRISIL Research believes that with emphasis on brand-building by leading players as well as implementation of goods and services tax (GST), the share will increase in coming years. Under GST, input tax credit has ensured wider coverage of tax payers in the supply chain. As supply from registered taxpayers is only allowed for input tax credit, businesses and stakeholders insist on registration of their suppliers and traders, leading to increase in share of organised participants.

Mass market segment is highly competitive

Mainly driven by students, the mass-market segment (pens up to Rs. 15) is highly competitive, with individual pens priced at Rs. 5, Rs. 10 and Rs. 15 (there are pens available at less than Rs. 5 as well). As the purchase behaviour is similar to that of small packaged fast-moving consumer goods, these price denominations play a crucial role in saleability. Players often reinvent new products to ensure variations are introduced in these price ranges. Also, many brands offer bundled packs of five pieces and above, helping them price units at odd multiples. For example, retailers may find it difficult to sell a single pen priced at Rs. 6, but a pack of five pens priced at Rs. 30 is a better proposition. While most companies concentrate on the mass market due to the sheer volume generated, high-value pens / premium pens are important from the profitability and branding perspective. Focus on premium brands help companies command better margin. In addition to the domestic market which continues to support the growth of the pen industry, the export business also makes this segment lucrative for leading players.

Growth Drivers for Writing Instruments Industry

Rising literacy levels

Government measures to improve literacy like introducing Right to Education Act (RTE) 2009, Sarva Siksha Abhiyan (SSA), and Mid-Day Meal Scheme, as well as increased spend on education by Central and state governments have resulted in share of literates rising to 74% in 2011 from 65% in 2001 – growth of 14% on-year. According to Census 2011, every person above age of seven years who is able to read and write with understanding in any language is said to be literate. Going forward, CRISIL Research expects literacy rates to improve further, and thereby boost the stationery industry.

Increasing spend by government on education

The central government, through various centrally sponsored schemes and core schemes, has continued its efforts to increase penetration of educational services, improve quality of programme delivery, and enhance infrastructure scenario. Ongoing schemes of government for school education include National Education Mission (covering Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, Teachers Training and Adult Education) and national programme of mid-day meal in schools. India's gross value added (GVA) in education services as a percentage of total GVA improved from 3.3% in fiscal 2012 to 3.9% in fiscal 2017.

For fiscal 2018-19, budgetary allocation on education (school education and higher education) has been increased by 6.7% to Rs. 850 billion (budgetary outlay- against actual expenditure of Rs. 797 billion in fiscal 2018). However, on account of inefficiencies in terms of both quality and quantity, as indicated by poor pupil-teacher ratio, high dropout rates, absenteeism as well as poor learning outcomes, India lags behind its global peers on several parameters. In recent times, few states have significantly increased budgetary allocation to the sector. Delhi government has earmarked Rs. 125 billion to education sector for fiscal 2019 which is 46% higher than the revised outlay for fiscal 2018 (Rs. 85 billion). Also, Karnataka government has proposed Rs. 260 billion to the sector for fiscal 2019 compared to the revised outlay of Rs. 198 billion (growth of 31% on y-o-y basis).

Increasing share of private schools

In primary and upper primary education, average spend per student in private schools (private unaided) is 5 to 7 times that in public schools and 1.2-1.5 times that in private aided schools, as per the National Sample Survey Organisation (NSSO) Survey 2014 report. Books and stationery spending form the second-highest expenditure item under general and technical educational course (course fee forms the largest share). With increasing share of private unaided schools in overall K12 enrolment, overall spending on education is likely to grow rapidly -- directly translating into better business potential for writing instrument industry as well.

High share of youth population in India

Age constitute the determining characteristic in definition of 'youth' by various agencies. United Nations defines youth as those in age group 15 to 24. Report by the Ministry of Statistics and Programme Implementation, Youth in India 2017 uses age group of 15 to 34 for defining youth. Higher share of youth population represents higher potential for educational institutes and in turn higher potential for stationery industry. Formal education emphasises use of pencils and note books for the age group of 5-10 years. Typically, pens, other writing instruments and technical instruments are introduced to the age group of 11 and above (generally in Class V and above).

Increasing focus of foreign players in Indian writing instrument industry

Over last few years, Indian stationery industry and writing instrument industry in particular has witnessed increasing focus of foreign players. This is evident from the fact that many foreign brands have entered Indian market through different business models. The trend is supportive for Indian players as they get access to new technology and in turn can leverage their brands in domestic and export businesses.

Increasing acceptance of private coaching segment

Lack of sufficient quality and / or infrastructure in government schools, low teacher-student ratio, competitive academic curriculum, and sharpening focus on higher education have led to increasing reliance on private coaching segment. According to NSSO survey 2014 report, share of students taking private coaching stands at more than 20% for primary education, more than 25% for upper primary education, and more than 35% for secondary and higher secondary education. This parallel education system, in most cases, is costly and leads to reasonable spend on stationery items. This trend is gradually catching up in tier II and tier III cities as well.

Key Factors that Make Organized Players Successful

Creating a brand to differentiate mass market products

The pens industry, which constitutes 70-75% of the writing instruments industry size, is moderately organised with a share of 65-70% in the domestic market. With leading players emphasising on brand building and GST being implemented, CRISIL Research believes the pens industry will garner a bigger share in coming years. Major players have been leveraging their vintage, developing innovative products, connecting with retailer network and upgrading technology to increase their market share in the industry. While most brands are present across price segments (mass market and high value), expansion within each segment has become crucial to tap demand at various price points. In fact, several companies have created multiple brands to position their products differently and address target audiences across the spectrum. Also, major branded players have leveraged product innovation and creative communication to differentiate their products from competition. The increasing availability of branded products in smaller cities and towns, and rural areas, has increased penetration of major players into these hitherto untapped markets. E.g. companies have differentiated their pens based on aspects such as ease of writing, volume of writing, design etc.

Leading companies have adopted different approaches for brand creation and unique positioning of their products through aggressive advertising and marketing initiatives. Celebrity endorsement was also seen in few cases. Many a times, companies adopt targeted sales activities which gives them better visibility and a direct connection with their end-users (mostly students). Based on the financial assessment of leading companies in the industry, CRISIL Research estimates that typically 7-9% of the industry’s revenue is spent on branding-related activities (which includes advertisements, marketing schemes and/or sales promotions).

Continued emphasis on units with low pricing

The mass market segment, mainly driven by students, is highly competitive with pens priced at Rs. 5, Rs. 10 and Rs. 15 per unit (there are pens available at less than Rs. 5 as well). These price denominations play a crucial role in saleability as the purchase behaviour in this segment is similar to that seen in small packaged FMCG products. Players often reinvent products to ensure that variations are introduced in these price ranges. Also, many brands offer bundled packs of five pieces or more, which helps in pricing units at odd multiples. For instance, retailers may find it difficult to sell a single pen priced at Rs. 6, but a pack of five pens priced at Rs. 30 is a better proposition. While most companies concentrate on the mass market due to the sheer volume generated by the sub-segment, high-value pens / premium pens are important from the profitability and branding perspective. In addition to the domestic market that continues to support the growth of the pens industry, the exports business also makes this segment lucrative for leading players.

Strong distribution footprint

The penetration of retail brands is highly dependent on the supply chain model adopted. While India’s fast growing e-commerce industry makes it easier for manufacturers to come online and showcase their products, buyers in India have not really shown a propensity to purchase low-value items (such as pens and pencils) online. Despite the growing share of modern retail formats, the writing instruments industry in India heavily relies on the traditional manufacturer-distributor-retailer model. Vintage, brand recognition, price position and exclusive selling rights (in some cases) play a crucial role in expanding footprint. Foreign brands have also leveraged the distribution network of existing brands in India.

Corporate gifting

Corporate gifting is a widely accepted concept of maintaining relationships with old as well as new clients, by making them feel special on certain occasions. Corporate gifts are also given to employees as a gesture of goodwill and as a reward for their hard work. Pens are one of the most preferred choices for corporate gifting across sectors. With the wide array of branded pens available in the market, corporates are spoilt for choice. Some of them even get their logos engraved on the pens. Demand for corporate gifts is witnessed in both service as well as manufacturing sector. From manufacturer's perspective, this segment is lucrative as branded premium products help in improving profitability.

Marketing freebies

Though not at a large scale, there have been instances where pens were distributed as a complement gift with purchase of FMCG product(s). This is on account of long shelf life and non-restricted usage of the product (pens) which appeals to the larger audience.

OVERVIEW OF CALCULATORS MARKET IN INDIA

In developing countries like India where there is a huge population and several industries are coming up, the opportunity for growth in the calculators market is huge. Moreover, in some educational courses such as engineering, CA, MBA, etc., calculators as an integral part of the student's study kit. So, there will always be a steady demand for calculators. Calculators are also vital for several competitive examinations. However, rapid developments in technology pose a threat to the growth of calculators as calculator applications are already embedded in devices such as mobile handsets, laptops, computers, and smart watches.

Of the total calculators market, a part of the industry's revenue comes from exports. On average, India exported calculators worth Rs. 289 million annually in the past (from fiscal 2015 to fiscal 2018). During this period, exports were highest in fiscal 2016 at Rs. 676 million, or roughly 67 million units in terms of quantity. Also, India imported calculators worth Rs. 1.6 bn annually over the past four years (average figure for FY15 to FY18), which is much higher compared to the exports from India. During this period, FY15 observed the highest imports worth Rs. 1.9 bn, which in quantity terms was around 2.5 bn units.

KEY PLAYERS IN WRITING INSTRUMENTS INDUSTRY

CRISIL Research, based on the assessment of writing instrument industry in India, has compiled profiles of few major companies in India. Information used in this section is sourced from company websites, regulatory filings, rating rationales, advertising material and / or product brochures.

Key players in the writing instruments industry in India - financial details for fiscal 2017

Company name	Net revenue from operations (Rs. million) FY17	Revenue growth (%) (FY17 over FY16)	Operating margin (%) FY17	Net margin (%) FY17	RoCE (%) FY17	RoE (%) FY17
Hindustan Pencils Private Ltd	8,442.8	4.6%	7.4%	0.5%	3.8%	8.3%
Kokuyo Camlin Ltd	6,402.8	4.2%	3.8%	0.2%	3.9%	0.1%
BIC Cello (India) Private Ltd	5,982.1	N.A.	-4.6%	-24.3%	N.A.	N.A.
G.M. Pens International Private Ltd	4,266.6	-12.1%	3.3%	-1.4%	-3.1%	-7.6%
Flair Writing Industries Limited	4,222.6	9.5%	21.1%	11.8%	31.1%	29.0%
DOMS Industries Private Limited	3,963.4	26.5%	13.4%	6.1%	N.A.	N.A.
Linc Pen & Plastics Ltd	3,609.1	4.9%	9.4%	4.8%	16.9%	15.7%
Luxor Writing Instruments Private Limited	3,181.0	3.9%	N.A.	1.0%	N.A.	N.A.
Hamilton Writing Instruments Private Limited	1,080.0	-6.1%	N.A.	2.8%	N.A.	N.A.
Lexi Private Ltd	524.6	19.7%	21.4%	8.1%	N.A.	N.A.
Today's Writing Instruments Ltd	284.8	-46.8%	6.8%	-23.8%	0.0%	0.0%
Add Pens Private Limited	184.2	4.0%	8.7%	-0.7%	1.6%	-1.1%

Note: Consolidated data for: Hindustan Pencils Private Ltd, Kokuyo Camlin Ltd, DOMS Industries Private Limited and Today's Writing Instruments Ltd; Standalone data for: BIC Cello (India) Private Ltd, G.M. Pens International Private Ltd, Flair Writing Industries Limited, Luxor Writing Instruments Private Limited, Hamilton Writing Instruments Private Limited, Lexi Private Ltd and Add Pens Private Limited; # # Past numbers are not comparable as the company witnessed change in promoters' shareholding in related companies during FY17; Margin calculations are based on total revenues

Source: Company reports, stock exchange filing, rating rationale and annual reports

In the company set mentioned above, Hindustan Pencils Private Ltd and Kokuyo Camlin Ltd are leading players in pencil industry in India. BIC Cello (India) Private Ltd, G.M. Pens International Private Ltd, Flair Writing Industries Limited, DOMS Industries Private Limited, Linc Pen & Plastics Ltd and Luxor Writing Instruments Private Limited are leading companies in pen industry in India. Within the pen segment (for the above set of companies), Flair Writing Industries Limited, Lexi Private Ltd and DOMS Industries Private Limited have better operating as well as net margins. Flair Writing Industries Limited is one of the leading companies in terms of return on capital employed as well as return on equity.

SUMMARY OF BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. All figures in this section are derived from our Special Purpose Restated Consolidated Financial Information, unless specified otherwise.

Investors should note that this is only a summary of our business in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Industry Overview", "Our Business" and "Financial Information" on pages 108, 124 and 183, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" on page 18.

The industry information contained in this section is derived from the report "Assessment of Indian writing instruments industry" dated June 2018 prepared by CRISIL and commissioned by our Company in connection with the Offer. Neither we, nor any other person connected with the Offer has independently verified such industry information.

Overview

We are a leading manufacturer of writing instruments in India with a focus on pens, which according to CRISIL contributes 70-75% of the domestic writing instruments industry in India in value terms. The Promoters of our Company, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have over four and three decades, respectively, of experience in the writing instruments industry. Our flagship brand "Flair" was introduced in 1976. As of June 30, 2018, our Company had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers, according to CRISIL.

Our products are sold under our principal brands "Flair", "Hauser" and "Pierre Cardin", as well as our other brands "Rudi Kellner" and "Landmark". We have been a manufacturer since March 2017 and the exclusive distributor since January 2017 of certain "Reynolds" branded pens in India. We own the exclusive rights to the "Pierre Cardin" trademark in India for class 16 products, including pens. We are a distributor of "ZIG" pens in India. We contract manufacture pen products on an OEM basis for various international companies. We also provide customized corporate gifting products to our corporate customers. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, and our "Pierre Cardin" brand emphasizes premium pen and stationery products.

We have an extensive product range, including pen products (ball pens, fountain pens, gel pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators, and we offered 658 different products as of June 30, 2018. Our products include the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), "Sunny Ball Pen" (4-in-1), "Angular Ball Pen" (which features an angular tip) and "Ezee-Click Ball Pen" (a low-viscosity retractable pen). We cater to a broad range of price points and consumers, including students, professionals and offices.

The Indian writing instruments industry (based on manufacturing realization) is estimated at ₹56 billion in the Financial Year 2018, of which the domestic writing instruments industry is estimated to contribute ₹44 billion and exports is estimated to contribute ₹12 billion, and is expected to grow to ₹70 billion by the Financial Year 2021 on account of annual growth of 7%, according to CRISIL. On a maximum retail price basis, the domestic writing instruments industry is estimated at ₹68 billion (assuming 50% distribution margins), according to CRISIL. We believe that our deep knowledge of the market arising from our manufacturing experience in the writing instruments industry, our market presence across price points and consumer segments, our strong sales and distribution network and our understanding of consumer needs and preferences position us well to benefit from the expected growth in the writing instruments industry in India.

We manufacture pens and other products from six manufacturing plants in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. Our plants (other than our plant in Naigaon where writing instruments are manually assembled) had a combined production capacity of 1,288.28

million pieces per annum as of June 30, 2018 and capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction. The construction of two additional factory buildings at our manufacturing plant in Valsad, Gujarat is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. The first phase of our plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018.

In India, our products reach consumers through a nationwide sales and distribution network, consisting of super-stockists, distributors, direct dealers, wholesalers and retailers, which helps us better understand consumer preferences and receive market feedback. In addition to our Company's distributor/dealer network, our Company had approximately 100 super-stockists in India (including our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company), as of June 30, 2018, which were supported by our sales and marketing employees. Besides traditional distribution channels, our products are also sold through modern retail outlets such as supermarkets, as well as e-commerce. As of June 30, 2018, we also had approximately 50 international distributors catering to a specific region or country and our products were sold in approximately 80 countries during the Financial Year 2018.

The Promoters of our Company – Mr. Khubilal Jugraj Rathod, Chairman of the Board and Mr. Vimalchand Jugraj Rathod, Managing Director – commenced involvement in the business of manufacturing writing instruments through their association with M/s. Wimco Pen Co ("**Wimco**"), a partnership firm that engaged in the business of manufacturing metal pens and other writing instruments. Our brand "Flair", which was originally established in 1976 by Wimco, has been owned and operated since 1986 by the Promoters through partnership firms that were predecessor entities to our Company. Accordingly, the Promoters have been instrumental in the growth of the "Flair" brand since its inception, as well as the origination or acquisition of all our other brands and OEM business. The manufacturing of plastic ball pens using plastic injection-moulding machines and gel pens emerged as key developments in the industry and were accordingly incorporated into our product range. We later also commenced manufacturing stationery and calculators.

For further details on the merger of predecessor entities into our Company with effect from April 1, 2017, see "*History and Certain Corporate Matters – Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets*" on page 153. Certain other entities that previously manufactured "Flair" and other brands of writing instruments, namely Flair Pens Limited, Stypen Manufacturing Company (India) Private Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod N Rathod, M/s. Royal Pen and Plastic Industries, have ceased the business of manufacturing writing instruments and have executed letters to our Company undertaking to not compete with us, and Flair Pens Limited and M/s. Flair Pen and Plastic Industries are licensors to our Company for the land and buildings in which certain of our manufacturing facilities and offices are located.

We have received the "Export Award" and the "Export Award (First") from the Plastics Export Promotion Council, a plastics industry body sponsored by the Ministry of Commerce & Industry, Government of India, in 2016 and 2017, respectively, which recognized our export business. For further details, see "*History and Certain Corporate Matters – Awards, Certifications and Recognitions*" on page 151.

For the Financial Years 2016, 2017 and 2018, our total income was ₹3,910.52 million, ₹4,264.39 million and ₹5,806.73 million, respectively and our profit after tax was ₹526.83 million, ₹502.42 million and ₹492.61 million, respectively. Our total income and profit after tax grew at a CAGR of 21.03% and 15.26%, respectively, between the Financial Years 2014 and 2018. Under our agreements with Reynolds Pens India Private Limited ("**Reynolds India**"), we manufacture certain "Reynolds" branded products for sale to Reynolds India and also purchase certain "Reynolds" branded products from Reynolds India through the Subsidiary for sales and distribution in our distribution network. In our Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales, and are consolidated. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our total income would have been ₹5,238.19 million in the Financial Year 2018 and would have grown at a CAGR of 17.95% between the Financial Years 2014 and 2018.

In the Financial Years 2016, 2017 and 2018, 59.36%, 63.64% and 78.58% of our revenue from operations was derived from sale of goods (domestic) (calculated as the aggregate of sale of goods (manufactured - domestic) and sale of goods (traded - domestic)) and 40.64%, 36.36% and 21.42% of our revenue from operations was derived from the sale of goods (exports) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 76.23% of our revenue from operations would have been derived from the sale of goods (domestic) and 23.77% of our revenue from operations would have been derived from the sale of goods (exports).

In the Financial Year 2018, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry constituted 39.42% and 33.22%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry would have constituted 36.11% and 34.11%, respectively, of our revenue from operations.

Competitive Strengths

We believe the following competitive strengths distinguish us from our peers and provide us with growth opportunities for our business:

Recognized brands for writing instruments across different consumer segments

Our flagship brand, "Flair" was launched in 1976 and, with the involvement of the Promoters throughout its history and a focus on quality writing instruments, has developed a reputation as a leading brand for pen products in India. During 2012-13, "Flair" was recognized as one of Asia's most promising brands by ibrands360. We also offer products under our other principal brands of "Hauser" and "Pierre Cardin", as well as other brands such as "Rudi Kellner" and "Landmark". According to CRISIL, brand creation and product differentiation are key for success in the premium segment, which consists of pens priced above ₹15, while price points and price denominations are crucial for success in the mass-market segment, which consists of pens priced up to ₹15, as purchaser behavior is similar to small packaged fast-moving consumer goods. Our brands "Flair" and "Hauser" offer mass-market as well as premium products, and "Pierre Cardin" focuses on the premium segment. In the Financial Year 2018, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry constituted 39.42% and 33.22%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry would have constituted 36.11% and 34.11%, respectively, of our revenue from operations.

We believe that our brands command credibility in the market and provide a competitive advantage in existing markets and to enter new markets, growing our product range, entering into distribution arrangements and connecting with consumers. Our emphasis on innovation and design enables us to introduce products such as the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), "Sunny Ball Pen" (4-in-1), "Angular Ball Pen" (which features an angular tip) and "Ezee-Click Ball Pen" (a low-viscosity retractable pen). Such efforts also enable us to promote sub-brands based on such products that further drive brand recognition and consumer loyalty. For details of the revenue contribution of our products in the mass-market and premium segments, see "*Our Business – Description of our Business*" below on page 131.

Set forth below is a table of our revenue earned in the Financial Year 2018 from sales of our pen and stationery products, by brand and OEM, including the average realization per unit:

Brand/OEM	Volume (units in millions)			Revenue (₹ in million)			Average Realization per Unit** (₹)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Flair	429.00	89.67	518.67	2,041.93	356.23	2,398.16	4.76	3.97	4.62
Hauser	103.43	39.56	142.99	486.16	159.10	645.26	4.70	4.02	4.51
Pierre Cardin	4.57	0.24	4.80	388.28	16.77	405.05	85.00	70.82	84.30
Rudi Kellner*	0.00	-	0.00	1.98	-	1.98	396.45	-	396.45
Reynolds	305.77	-	305.77	1,210.32	-	1,210.32	3.96	-	3.96
ZIG	0.33	-	0.33	17.77	-	17.77	54.30	-	54.30
OEM	0.95	185.83	186.78	26.74	607.44	634.19	28.13	3.27	3.40

Brand/OEM	Volume (units in millions)			Revenue (₹ in million)			Average Realization per Unit** (₹)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Total	**844.05**	**315.30**	**1,159.35**	**4,173.18**	**1,139.54**	**5,312.72**			

** Number of "Rudi Kellner" pens sold was 4,996 units.*
***Average realization per unit = Revenue/Volume*

Set forth below is a table of our revenue earned in the Financial Year 2018 from sales of our pen and stationery products (after excluding sales by our Company to Reynolds India from our revenue from operations), by brand and OEM, including the average realization per unit:

Brand/OEM	Volume (units in millions)			Revenue (₹ in million)			Average Realization per Unit** (₹)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Flair	429.00	89.67	518.67	2,041.93	356.23	2,398.16	4.76	3.97	4.62
Hauser	103.43	39.56	142.99	486.16	159.10	645.26	4.70	4.02	4.51
Pierre Cardin	4.57	0.24	4.80	388.28	16.77	405.05	85.00	70.82	84.30
Rudi Kellner*	0.00	-	0.00	1.98	-	1.98	396.45	-	396.45
Reynolds	149.84	-	149.84	671.80	-	671.80	4.48	-	4.48
ZIG	0.33	-	0.33	17.77	-	17.77	54.30	-	54.30
OEM	0.95	185.83	186.78	26.74	607.44	634.19	28.13	3.27	3.40
Total	**688.12**	**315.30**	**1,003.41**	**3,634.67**	**1,139.54**	**4,774.21**			

** Number of "Rudi Kellner" pens sold was 4,996 units.*
***Average realization per unit = Revenue/Volume*

Wide range of writing instruments across price points

We have an extensive product range, including pen products (ball pens, fountain pens, gel pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators, and we offered 658 different products as of June 30, 2018, as set forth below:

Brand/Other	Number of Pen Products, Stationery Products and Calculators (as of June 30, 2018)
Flair	114
Hauser	61
Pierre Cardin	398
Reynolds	13
Rudi Kellner	26
Zig	5
Calculators	24
Export	17
Total	**658**

We focus on providing quality products to consumers, including students, professionals and offices. We offer products at prices ranging between ₹5 and ₹3,000. According to CRISIL, expansion within each price segment is crucial to tap demand at various price points. Our goal is to have a pen for every need for consumers in our target segments. In the Financial Year 2018, 39.42%, 16.40% and 16.82% of our sale of goods (domestic) were derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 36.11%, 15.66% and 18.45% of our sale of goods (domestic) would have been derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively. According to CRISIL, writing instruments offered in bundled packs of five pieces or more offer retailers the benefits of multiple-unit pricing, which creates a better value proposition for mass-market consumers. We seek to sell our writing instruments in bundled packs that aid our sales effort. In the Financial Year 2018, we launched approximately 50 products across various price points.

Wide sales and distribution network in India and presence in targeted markets abroad

Our multi-tiered and nationwide domestic sales and distribution network enables our products to reach a wide range of consumers and help to ensure effective market penetration. As of June 30, 2018, our Company had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers, according to CRISIL. As of June 30, 2018, we had approximately 100 super-stockists in India (including Flair Sporty), supported by our sales and marketing employees, and a retail presence in approximately 2,400 towns/villages in India.

In India, we designate third-party super-stockists (generally on an exclusive basis for particular brands) and distributors for a particular area and we seek to build long-term relationships with them. We also conduct distribution through our Company's Flair Sporty division, which is the super-stockist for the Mumbai region, which provides us insight into distribution, builds confidence among our distribution network partners through our direct involvement with them in distribution and helps us develop a distribution strategy that we can replicate in other regions. In addition to the third-party distribution network, we have sales and marketing employees for particular brands who function as the link between wholesalers and retailers on the one hand and super-stockists and distributors on the other, by marketing our products and facilitating orders which are then processed by super-stockists and distributors. We employed approximately 800 sales and marketing employees as of June 30, 2018. We seek to regularly interact with super-stockists and distributors for insight into consumer preferences and market feedback. Besides traditional distribution, our products are also sold through modern trade channels such as supermarkets and hypermarkets, as well as e-commerce.

For the export of our branded products, primarily "Flair", "Hauser" and "Pierre Cardin" writing instruments, we typically appoint a distributor for a particular brand in each country or region. As of June 30, 2018, we had relationships with approximately 50 distributors for the distribution and sale of our products abroad. In the Financial Year 2018, we sold our products in approximately 80 countries. We also have sales and marketing employees, as of June 30, 2018, to aid our exports. We export branded products, primarily, "Flair", "Hauser", "Pierre Cardin" and "Landmark" writing instruments.

Preferred partner for international brands in the writing instruments industry

We have established relationships with international companies for which we manufacture and distribute or are a contract manufacturer. We believe that well-known international companies choose to enter into arrangements with us based on our reputation, manufacturing capabilities and sales and distribution network. In turn, we are able to capitalize on the market for established brands of such companies and drive our growth through increased sales and revenue.

We have been manufacturers and exclusive distributors of certain pens under the "Reynolds" brand in India since March 2017 and January 2017, respectively. In the Financial Year 2018, the distribution of products under the "Reynolds" brand by the Subsidiary contributed ₹682.72 million to our revenue from sale of goods (domestic). In the Financial Year 2018, we sold 305.77 million units of "Reynolds" branded products and the average realization per unit was ₹3.96. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, we would have sold 149.84 million units of "Reynolds" branded products and the average realization per unit would have been ₹4.48. We are a distributor of "ZIG" pens in India. We have also entered into OEM arrangements with various international companies for contract manufacturing and exporting writing instruments.

Large capacity and quality manufacturing capabilities

As of June 30, 2018, we had six manufacturing plants located in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. These plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces per annum as of June 30, 2018, and capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. We are constructing an additional plant in Valsad, Gujarat, which is part-operational and partly under construction. The construction of two additional factory buildings at our manufacturing plant in Valsad, Gujarat, for which the Net Proceeds of the Fresh Issue are proposed to be utilized, is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. For details in relation to utilization of the Net Proceeds, see *"Objects of the Offer"* on page 92. Upon completion, the first phase of our plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimal utilization level as of March 31, 2021, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Except our plant in Naigaon, Maharashtra, our other fully-operational manufacturing plants are versatile in that any of our products can be manufactured at any of our plants. Our manufacturing plants are located in proximity to key transportation hubs which helps to make transportation of raw material and finished goods efficient and cost-effective – four of our manufacturing plants in Daman and Naigaon are located in proximity to the major Indian port in Nhava Sheva and our units in Dehradun are located in proximity to the inland container depot in Moradabad.

We seek to integrate technology into our processes at key stages of design, manufacturing and distribution to increase efficiency and ensure quality in a cost-effective manner. We endeavor to control our manufacturing processes through increasing backward integration such as manufacturing pen tips, which we outsourced earlier and reduce dependence on external suppliers. Our manufacturing plants are also equipped to customize manufacturing and products for our OEM and corporate customers. We endeavor to maintain quality standards and good manufacturing practices. Our six fully-operational manufacturing plants are ISO 9001:2015 certified and ISO 14001:2015 certified. We seek to maintain product quality through control and monitoring of the various stages of our manufacturing process. We believe our global OEM customers choose us in part for our quality of manufacturing and service.

Experienced Promoters and senior management team

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have over 40 years and over 30 years of experience, respectively, in the writing instruments industry and have been instrumental in the growth of our "Flair" brand as well as in the origination or acquisition of all our other brands and our OEM business. Mr. Khubilal Jugraj Rathod, Chairman of the Board, has received the Lifetime Achievement Award (2010) from the Governor of Uttarakhand. Mr. Vimalchand Jugraj Rathod, Managing Director, has been the chairperson of the Plastics Export Promotion Council between 2003 and 2005 and is currently the chairperson of the Pens and Stationery Association of India, and is a fellow member of the Institute of Chartered Accountants of India.

Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumitkumar Vimalchand Rathod, Executive Directors, have over 25 years, over 15 years and over 10 years of experience, respectively, in the writing instruments industry and are responsible for international sales and marketing, domestic sales and marketing and business development, respectively, in our Company. For details of the Directors and Key Management Personnel, see "*Our Management*" on page 156.

Our Strategy

Increase emphasis on premium segment

We intend to focus on increasing the sales of our premium products, particularly products which are priced between ₹20 and ₹50, which achieve better margins. We believe that the reputation of our flagship "Flair" brand, which commenced as a brand for metal pens, and its acceptance by consumers and our distribution network, has permitted us to expand to premium products such as fountain pens, "Flair Writo-Meter Ball Pen", "Tech-5 Liquid Ink Pen" and "Trimax Fluid Ink Pen" pens under our various brands. In addition, we intend to increase emphasis on our existing premium segment products that we offer such as "Pierre Cardin" products, including to improve the shelf visibility of our products and the positioning of our brands with consumers. In relation to "Pierre Cardin", we have taken initiatives such as a dedicated sales and marketing team and marketing efforts including change in packaging and display stands. We launched 38 premium pen and stationery products in the Financial Year 2018 and intend to launch 63 premium pen and stationery products in the Financial Years 2019 and 2020.

We also intend to expand our corporate gifting business comprising higher-margin products customized according to the requirements of our corporate customers. According to CRISIL, pens are a preferred choice for corporate gifting and both manufacturing and service sectors witness demand for corporate gifts. To enhance our corporate gifting business, we have recently installed laser engraving and multi-colour printing machines at our Daman Unit-IV manufacturing plant.

Continue to be a leading manufacturer of writing instruments, increase production capacity and enhance capacity utilization

We aim to continue to be a leading manufacturer of writing instruments in India in terms of quantity and sales. Our manufacturing plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces per annum, as of June 30, 2018, and a capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction. The construction of two additional buildings in this plant is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. Upon completion, the first phase of this plant comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. We intend to use a portion of the Net Proceeds for construction of factory buildings and related facilities at our plant in Valsad, Gujarat. Also see "*Objects of the Offer*" on page 92.

We also intend to improve our capacity utilization and to actively manage our operating costs through the introduction of automatic and semi-automatic assembly and packing machines, and upgrade our existing machinery and purchase new machinery with modern technology to achieve better productivity and minimize our wastage. Our gross profit margin ratio increased to 43.77% in the Financial Year 2018 from 42.32% in the Financial Year 2014. Our gross profit margin ratio (after excluding sales by our Company to Reynolds India from our revenue from operations) has increased to 48.57% in the Financial Year 2018 from 42.32% in the Financial Year 2014. We seek to increase production volumes pursuant to higher capacity utilization without a corresponding increase in fixed costs in order to improve our margins.

Strategically expand exports

We intend to leverage our position as an award-winning exporter of writing instruments from India to increase penetration in existing markets abroad by expanding our distribution network and to enter new markets. We seek to expand the market for our products particularly in Africa, Central America and South America. We are also considering expanding in the European market and propose to appoint direct retailers in Europe. We also plan to increase export sales by adding our "Hauser" brand of writing instruments through relationships with distributors to our existing arrangements, which are primarily focused on "Flair" products. We also intend to increase exports of our branded products as compared with our OEM products.

Deepen our sales and distribution network

We intend to expand our existing sales and distribution network in India, by entering into arrangements with more super-stockists and distributors and continuing to nurture existing relationships in order to create new distribution channels to reach under-served areas and smaller towns. We also intend to increase our interaction with our super-stockists, distributors, direct dealers, wholesalers and retailers, including through our sales and marketing employees and the use of information technology platforms. For example, we recently commenced a pilot project of a software application for our sales and marketing employees, which features, tracking of secondary sales, generation of management information system reports in connection with such sales, daily coverage by our sales and marketing employees, list of active and non-active distributors and direct online ordering of products. We intend to continue to incentivize super-stockists and distributors through periodic and festival sales schemes and revenue targets and product-specific schemes (through discounts and gift hampers). According to CRISIL, modern retail occupies a growing share of the retail market for writing instruments in India. Accordingly, we intend to increase our sales through modern retail, including hypermarkets, supermarkets and e-commerce by increasing our range of products offered, entering into distribution arrangements and strengthening the sales and marketing team. We also intend to recruit more sales and marketing employees to enhance our sales, marketing and brand-building activities.

Diversification of our product range

We intend to expand our product offering and competitive advantage by diversifying our product range, primarily through the introduction of art materials and stationery products. Expanding into the stationery products market would also provide access to a wider customer base which would include students in younger age groups. According to CRISIL, government measures to improve literacy such as the introduction of the Right of Children to Free and Compulsory Education Act, 2009 and Sarva Shiksha Abhiyan and the increasing share of private unaided schools in overall school enrolment are likely to increase governmental and private spending on education, respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information and the Special Purpose Restated Financial Information. We have prepared the Special Purpose Restated Financial Information to illustrate our financial position as at March 31, 2014, 2015, 2016, 2017 and 2018 and our financial performance for the Financial Years 2014, 2015, 2016, 2017 and 2018, as it would have been, had each of the Erstwhile Partnership Firms been converted into the relevant Transferor Company and merged with our Company, in each case, with effect from April 1, 2013. The summary financial information presented below should be read in conjunction with "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 183 and 525, respectively.

Restated Consolidated Statement of Assets and Liabilities

(₹ in millions)

	Particulars	As at March 31,	
		2018	2017
			Proforma Ind AS
	ASSETS		
	Non-Current Assets		
a)	Property, Plant and Equipment	1,405.96	838.03
b)	Capital Work In Progress	83.10	20.79
c)	Intangible Assets	32.57	24.12
d)	Financial Assets		
	i) Loans	1.77	0.09
	ii) Other Financial Assets	13.48	9.71
e)	Deferred Tax Assets (Net)	39.31	3.59
f)	Other Non-Current Assets	244.99	214.12
	Total Non-Current Assets	**1,821.18**	**1,110.44**
	Current Assets		
a)	Inventories	912.05	377.38
b)	Financial Assets		
	i) Trade Receivables	1,188.28	302.67
	ii) Cash and Cash Equivalents	14.54	58.49
	iii) Loans	8.86	9.10
	iv) Other Financial Assets	2.50	0.87
c)	Other Current Assets	223.13	63.59
	Total Current Assets	**2,349.36**	**812.09**
	Total Assets	**4,170.55**	**1,922.54**
	EQUITY AND LIABILITIES		
	Equity		
a)	Equity Share Capital	2.18	2.00
b)	Equity Share Suspense	27.00	-
c)	Other Equity	1,508.26	195.76
	Total Equity	**1,537.45**	**197.76**
	Liabilities		
	Non-Current Liabilities		
a)	Financial Liabilities		
	i) Borrowings	983.67	40.00
	ii) Other Financial Liabilities	56.68	-
b)	Provisions	25.34	12.70
c)	Government Grant	4.78	1.71
	Total Non-Current Liabilities	**1,070.48**	**54.42**
	Current Liabilities		
a)	Financial Liabilities		
	i) Borrowings	749.18	1,137.23
	ii) Trade Payables	612.64	276.78
	iii) Other Financial Liabilities	91.99	72.70
b)	Government Grant	0.83	0.30
c)	Other Current Liabilities	70.68	81.15
d)	Provisions	34.89	21.12
e)	Current Tax Liabilities (Net)	2.41	81.09
	Total Current Liabilities	**1,562.62**	**1,670.36**
	Total Liabilities	**2,633.10**	**1,724.78**
	Total Equity And Liabilities	**4,170.55**	**1,922.54**

Restated Consolidated Statement of Profit and Loss

(₹ in millions)

Particulars	**For the Year Ended March 31, 2018**	**For the period August 12, 2016 to March 31,2017**
		Proforma Ind AS
INCOME		
Revenue from Operations	5,735.97	1,503.50
Other Income	68.20	230.07
Total Income (A)	5,804.17	1,733.57
EXPENSES		
Cost of Material Consumed	2,430.20	804.68
Purchase of Stock-in-Trade	898.42	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	(111.16)	(55.75)
Excise Duty on Sales	7.93	22.46
Employee Benefits Expense	790.91	252.97
Finance Costs	172.21	61.52
Depreciation/Amortisation Expense	152.80	45.34
Other Expenses	771.88	226.43
Total Expenses (B)	5,113.18	1,357.66
Profit Before Tax (C = A-B)	690.99	375.90
Tax Expense		
Current Tax	168.93	105.90
Less: Amt-Mat Credit Entitlement	-	37.65
Net Current Tax	168.93	68.25
Deferred Tax	30.54	60.89
Tax Adjustments for earlier years	(8.48)	0.72
Total Tax Expense (D)	190.99	129.86
Profit for the Year (E = C-D)	500.00	246.04
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Re-measurements of Defined Benefit Plans	(14.59)	0.89
Income Tax relating to items that will not be reclassified to Statement of Profit And Loss	4.25	(0.31)
Other Comprehensive Income for the Year (Net of Tax) (F)	(10.34)	0.58
Total Comprehensive Income for the Year (G = E+F)	489.66	246.62
Earnings Per Share in Rs.		
Basic Earnings Per Equity Share of INR 10/- each	23.11	13.43
Diluted Earnings Per Equity Share of INR 10/- each	23.11	13.43

Restated Consolidated Statement of Cash Flows

(₹ in millions)

S. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017
			Proforma Ind AS
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxes	**690.99**	**375.90**
	Adjusted for:		
	Depreciation and Amortisation Expense	152.80	45.34
	(Profit)/Loss on sale of Fixed Assets	1.60	0.03
	Interest Paid	172.21	61.57
	Effect of change in method of depreciation	-	(228.73)
	Provision for GST Receivables	(6.73)	-
	Deferred Income -Government Grant	(0.88)	(0.37)
	Interest income	(1.83)	(0.49)
	Operating Profit before Working Capital Changes	**1,008.16**	**253.25**
	Adjusted for:		
	Trade Receivables	(128.43)	52.89
	Inventories	(163.83)	(134.32)
	Other Assets	34.73	(25.29)
	Trade Payable	(76.68)	(14.10)
	Other Liabilities and Provisions	25.52	103.14
	Cash Generated from Operating Activities	**699.48**	**235.57**
	Taxes Paid (Net)	(244.92)	(58.13)
	Net Cash Flow from Operating Activities	**454.56**	**177.43**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(531.70)	(208.40)
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.58	0.07
	Interest received	1.83	0.49
	Net Cash from/(used in) Investing Activities	**(512.30)**	**(207.84)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of equity share capital	400.11	-
	Proceeds/ (repayment) from non-current borrowings (net)	(144.77)	7.42
	Proceeds/ (repayment) from current borrowings (net)	(82.67)	135.40
	Interest paid	(172.21)	(61.57)
	Net Cash from/(used in) Financing Activities	**0.46**	**81.25**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(57.28)**	**50.85**
	Opening Balance of Cash and Cash Equivalents	58.49	7.64
	Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation	13.33	-
	Net Opening Balance of Cash and Cash Equivalents	71.82	7.64
	Closing Balance of Cash and Cash Equivalents	**14.54**	**58.49**
	Components of Cash and Cash Equivalents		
	Cash on Hand	1.92	0.51
	Balances with Scheduled Banks		
	- in Current Accounts	6.58	4.21
	- in Cash Credit	5.98	53.77
	- in EEFC Account	0.06	-
	Total Cash and Cash Equivalents	**14.54**	**58.49**

Scheme of Amalgamation/Arrangement is not considered in the above Cash Flow Statement, being a non-cash transaction.

Note :

1. The above Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".
2. Figures in brackets represent out flow of Cash and Cash Equivalents.
3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

Restated Standalone Statement of Assets and Liabilities

(₹ in millions)

	Particulars	As at March 31,	
		2018	**2017**
			Proforma Ind AS
	ASSETS		
	Non-Current Assets		
a)	Property, Plant and Equipment	1,405.84	838.03
b)	Capital Work In Progress	83.10	20.65
c)	Intangible Assets	32.57	24.12
d)	Financial Assets		
	i) Investments	1.00	1.00
	ii) Loans	1.77	0.09
	iii) Other Financial Assets	13.45	9.68
e)	Deferred Tax Assets (Net)	38.96	3.04
f)	Other Non-Current Assets	244.99	214.12
	Total Non-Current Assets	**1,821.69**	**1,110.73**
	Current Assets		
a)	Inventories	880.69	377.38
b)	Financial Assets		
	i) Trade Receivables	1,150.38	302.67
	ii) Cash And Cash Equivalents	11.74	57.66
	iii) Loans	8.82	9.10
	iv) Other Financial Assets	2.35	0.87
c)	Other Current Assets	221.51	63.58
	Total Current Assets	**2,275.49**	**811.26**
	Total Assets	**4,097.18**	**1,921.99**
	EQUITY AND LIABILITIES		
	Equity		
a)	Equity Share Capital	2.18	2.00
b)	Equity Share Suspense	27.00	-
c)	Other Equity	1,508.31	196.80
	Total Equity	**1,537.49**	**198.80**
	Liabilities		
	Non-Current Liabilities		
a)	Financial Liabilities		
	i) Borrowings	983.67	40.00
	ii) Other Financial Liabilities	56.68	-
b)	Provisions	25.34	12.70
c)	Government Grant	4.78	1.71
	Total Non-Current Liabilities	**1,070.48**	**54.42**
	Current Liabilities		
a)	Financial Liabilities		
	i) Borrowings	749.18	1,137.21
	ii) Trade Payables	551.34	276.64
	iii) Other Financial Liabilities	85.45	71.46
b)	Government Grant	0.83	0.30
c)	Other Current Liabilities	66.86	80.95
d)	Provisions	33.38	21.12
e)	Current Tax Liabilities (Net)	2.17	81.09
	Total Current Liabilities	**1,489.21**	**1,668.77**
	Total Liabilities	**2,559.69**	**1,723.18**
	Total Equity and Liabilities	**4,097.18**	**1,921.99**

Restated Standalone Statement of Profit and Loss

(₹ in millions)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017
		Proforma Ind AS
INCOME		
Revenue from Operations	5,053.24	1,503.50
Other Income	68.20	230.07
Total Income (A)	**5,121.44**	**1,733.57**
EXPENSES		
Cost of Material Consumed	2,430.20	804.68
Purchase of Stock-in-Trade	262.68	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	(79.80)	(55.75)
Excise Duty on Sales	7.93	22.46
Employee Benefits Expense	741.61	252.97
Finance Costs	172.19	61.52
Depreciation/Amortisation Expense	152.75	45.34
Other Expenses	744.42	224.84
Total Expenses (B)	**4,431.97**	**1,356.07**
Profit Before Tax (C=A-B)	**689.47**	**377.50**
Tax Expense		
Current Tax	168.61	105.90
Less: Amt-Mat Credit Entitlement	-	37.65
Net Current Tax	168.61	68.25
Deferred Tax	30.34	61.44
Tax Adjustments for earlier years	(8.48)	0.72
Total Tax Expense (D)	**190.46**	**130.41**
Profit for the Year (E=C-D)	**499.00**	**247.08**
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Re-measurements of Defined Benefit Plans	(14.59)	0.89
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	4.25	(0.31)
Other Comprehensive Income for the Year (Net of Tax) (F)	**(10.34)**	**0.58**
Total Comprehensive Income for the Year (G=E+F)	488.66	247.66
Earnings Per Share In Rs.		
Basic Earnings Per Equity Share of INR 10 each/-	23.06	13.48
Diluted Earnings Per Equity Share of INR 10 each/-	23.06	13.48

Restated Standalone Statement of Cash Flows

(₹ in millions)

S. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017
			Proforma Ind AS
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxes	**689.47**	**377.50**
	Adjusted for:		
	Depreciation and Amortisation Expense	152.75	45.34
	(Profit)/Loss on sale of Fixed Assets	1.60	0.03
	Interest Paid	172.19	61.57
	Effect of change in Method of Depreciation	-	(228.73)
	Provision for GST Receivables	(6.73)	-
	Deferred Income -Government Grant	(0.88)	(0.37)
	Interest Income	(1.82)	(0.49)
	Operating Profit before Working Capital Changes	**1,006.57**	**254.85**
	Adjusted for:		
	Trade Receivables	(86.33)	52.89
	Inventories	(132.47)	(134.32)
	Other Assets	36.49	(25.25)
	Trade Payable	(142.37)	(14.24)
	Other Liabilities and Provisions	15.40	101.70
	Cash Generated from Operating Activities	**697.29**	**235.63**
	Taxes Paid (Net)	(244.83)	(58.13)
	Net Cash Flow from Operating Activities	**452.46**	**177.49**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(531.67)	(208.26)
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.58	0.07
	Investments in Subsidiaries	-	(1.00)
	Interest received	1.82	0.49
	Net Cash from/(used in) Investing Activities	**(512.27)**	**(208.70)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Issuance of Equity Share Capital	400.11	-
	Proceeds/ (repayment) from Non-Current Borrowings (net)	(144.77)	7.42
	Proceeds/ (repayment) from Current Borrowings (net)	(82.60)	135.38
	Interest paid	(172.19)	(61.57)
	Net Cash from/(used in) Financing Activities	**0.55**	**81.23**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(59.26)**	**50.02**
	Opening Balance of Cash and Cash Equivalents	57.66	7.64
	Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation	13.33	-
	Net Opening Balance of Cash and Cash Equivalents	71.00	7.64
	Closing Balance of Cash and Cash Equivalents	**11.74**	**57.66**
	Components of Cash and Cash Equivalents		
	Cash on Hand	1.92	0.51
	Balances with scheduled banks		
	- in Current Accounts	3.78	3.39
	- in Cash Credit	5.98	53.77
	- in EEFC Account	0.06	-
	Total Cash and Cash Equivalents	**11.74**	**57.66**

Scheme of Amalgamation/Arrangement is not considered in the above Cash Flow Statement, being a non-cash transaction.

Notes:

1. The above Restated Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows".
2. Figures in brackets represent out flow of Cash and Cash Equivalents
3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

Special Purpose Restated Consolidated Statement of Assets and Liabilities

(₹ in millions)

	Particulars	As at March 31,				
		2018	**2017**	**2016**	**2015**	**2014**
	ASSETS					
	Non-Current Assets					
a)	Property, Plant and Equipment	1,405.70	1,156.91	1,094.88	904.37	686.49
b)	Capital Work In Progress	83.10	20.79	-	124.48	100.68
c)	Intangible Assets	32.57	33.98	11.16	10.65	2.81
d)	Financial Assets					
	i) Loans	1.77	1.45	4.29	4.89	3.48
	ii) Other Financial Assets	13.48	20.27	21.44	20.00	19.20
e)	Deferred Tax Assets (Net)	103.00	161.18	76.62	50.16	28.03
f)	Other Non-Current Assets	244.99	271.75	121.97	78.88	42.97
	Total Non-Current Assets	**1,884.62**	**1,666.33**	**1,330.37**	**1,193.42**	**883.66**
	Current Assets					
a)	Inventories	912.05	754.76	625.32	516.40	345.30
b)	Financial Assets					
	i) Investment	-	-	-	-	10.00
	ii) Trade Receivables	1,188.19	861.71	789.11	693.22	573.92
	iii) Cash and Cash Equivalents	14.54	68.30	15.35	4.04	9.14
	iv) Bank Balance Other than (iii) above	-	0.13	0.14	0.58	-
	v) Loans	175.83	31.62	9.04	3.34	5.07
	vi) Other Financial Assets	2.50	5.26	3.15	4.52	4.38
c)	Other Current Assets	223.13	152.68	136.49	132.59	97.67
	Total Current Assets	**2,516.25**	**1,874.47**	**1,578.60**	**1,354.69**	**1,045.47**
	Total Assets	**4,400.86**	**3,540.80**	**2,908.97**	**2,548.11**	**1,929.13**
	EQUITY AND LIABILITIES					
	Equity					
a)	Equity Share Capital	29.18	29.00	29.00	29.00	28.30
b)	Other Equity	2,590.52	1,705.26	1,195.75	668.56	278.30
	Total Equity	**2,619.70**	**1,734.26**	**1,224.75**	**697.56**	**306.60**
	Liabilities					
	Non-Current Liabilities					
a)	Financial Liabilities					
	i) Borrowings	355.93	40.00	54.51	2.29	3.29
	ii) Other Financial Liabilities	56.68	0.45	0.45	0.30	0.80
b)	Provisions	25.34	16.00	20.55	16.69	9.97
c)	Government Grant	4.78	5.61	6.49	3.94	-
	Total Non-Current Liabilities	**442.74**	**62.06**	**82.00**	**23.22**	**14.06**
	Current Liabilities					
a)	Financial Liabilities					
	i) Borrowings	525.06	887.70	1,105.30	1,327.34	1,225.19
	ii) Trade Payables	612.64	510.27	359.80	364.02	287.67
	iii) Other Financial Liabilities	91.99	94.87	54.71	41.94	32.00
b)	Government Grant	0.83	0.88	0.93	0.77	-
c)	Other Current Liabilities	70.60	94.31	33.70	42.75	19.41
d)	Provisions	34.89	32.08	22.25	18.46	13.58
e)	Current Tax Liabilities (Net)	2.41	124.38	25.55	32.04	30.63
	Total Current Liabilities	**1,338.42**	**1,744.48**	**1,602.22**	**1,827.33**	**1,608.47**
	Total Liabilities	**1,781.16**	**1,806.54**	**1,684.22**	**1,850.55**	**1,622.53**
	Total Equity And Liabilities	**4,400.86**	**3,540.80**	**2,908.97**	**2,548.11**	**1,929.13**

Special Purpose Restated Consolidated Statement of Profit and Loss

(₹ in millions)

Particulars	**For the Year Ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
INCOME					
Revenue from Operations	5,744.65	4,222.59	3,854.73	3,398.34	2,694.97
Other Income	62.08	41.80	55.79	37.89	11.02
Total Income (A)	**5,806.73**	**4,264.39**	**3,910.52**	**3,436.23**	**2,705.99**
EXPENSES					
Cost of Material Consumed	2,433.52	1,671.12	1,426.11	1,494.25	1,110.59
Purchase of Stock-in-Trade	893.65	482.51	641.25	522.49	454.39
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	(104.64)	(60.36)	(65.60)	(144.27)	(28.74)
Excise Duty on Sales	7.92	32.79	26.49	20.03	18.30
Employee Benefits Expense	790.34	511.28	398.44	337.76	286.33
Finance Costs	172.21	94.59	111.17	107.04	97.20
Depreciation/Amortisation Expense	152.54	119.19	103.76	82.46	59.38
Other Expenses	769.93	727.36	571.67	474.21	389.25
Total Expenses (B)	**5,115.47**	**3,578.48**	**3,213.29**	**2,893.97**	**2,386.72**
Profit Before Tax (C=A-B)	691.27	685.90	697.23	542.26	319.27
Tax Expense					
Current Tax	168.93	272.25	206.56	151.59	95.37
Less: Amt-Mat Credit Entitlement	-	51.74	26.85	15.61	37.97
Net Current Tax	168.93	220.50	179.71	135.98	57.40
Deferred Tax	29.72	(37.02)	(9.30)	(5.39)	(17.23)
Total Tax Expenses (D)	198.65	183.49	170.41	130.59	40.17
Profit for the Year (E = C-D)	**492.61**	**502.42**	**526.83**	**411.67**	**279.10**
Other Comprehensive Income					
Items that will not be reclassified to Profit or loss					
Remeasurements of Defined Benefit Plans	(10.61)	10.85	0.55	(5.78)	(1.21)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	3.33	(3.75)	(0.19)	2.01	0.41
Other Comprehensive Income for the Year (Net of Tax) (F)	**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**
Total Comprehensive Income for the Year (G = E+F)	485.33	509.51	527.19	407.90	278.30
Earnings Per Share In Rs.					
Basic Earnings Per Equity Share of INR 10 /- each.	21.11	21.54	22.58	17.65	12.00
Diluted Earnings Per Equity Share of INR 10/- each.	21.11	21.54	22.58	17.65	12.00

Special Purpose Restated Consolidated Statement of Cash Flows

(₹ in millions)

S. No.	Particulars	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit Before Taxes	**691.27**	**685.90**	**697.23**	**542.26**	**319.27**
	Adjusted for:					
	Depreciation and Amortisation Expense	152.54	119.19	103.76	82.46	59.38
	(Profit)/Loss on sale of Fixed Assets	0.97	0.03	2.02	0.35	0.11
	(Profit)/Loss on sale of Investments					
	Interest Paid	172.21	94.59	111.17	107.04	97.20
	Loss of Assets/Inventory due to by fire	-	16.04	-	1.57	-
	Provision for GST Receivables	(6.73)	-	-	-	-
	Deferred Income - Government Grant	(0.88)	(0.93)	(0.77)	(0.31)	-
	Interest Income	(1.83)	(2.28)	(2.22)	(4.05)	(5.69)
	Operating Profit Before Working Capital changes	**1,007.54**	**912.55**	**911.20**	**729.31**	**470.26**
	Adjusted for:					
	Trade Receivables	(330.77)	(72.61)	(95.89)	(119.30)	(99.19)
	Inventories	(157.29)	(129.45)	(108.91)	(171.11)	(75.43)
	Other Assets	(38.11)	(168.79)	(54.48)	(72.32)	(45.44)
	Trade Payable	106.86	150.49	(4.22)	76.35	92.32
	Other Liabilities and Provisions	30.99	116.88	12.06	38.60	20.63
	Cash Generated from Operating Activities	**619.23**	**809.08**	**659.75**	**481.54**	**363.15**
	Taxes Paid (Net)	(266.41)	(172.96)	(203.55)	(139.97)	(70.18)
	Net Cash Flow from Operating Activities	**352.82**	**636.12**	**456.20**	**341.57**	**292.98**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property, Plant and Equipment and Intangible Assets	(467.55)	(277.37)	(304.79)	(359.87)	(227.76)
	Government Grant received during the year	-	-	3.47	5.03	-
	Proceeds from Sale of Property, Plant and Equipment	17.48	0.77	131.08	0.57	1.17
	Disposal of Investments	-	-	-	10.00	-
	Movement in Bank Deposits	4.77	3.97	2.73	0.31	1.11
	Net Cash Flow for Other Financial Assets	(0.05)	-	-	-	-
	Interest received	1.83	2.28	2.22	4.05	5.69
	Net Cash from/(used in) Investing Activities	**(443.51)**	**(270.36)**	**(165.28)**	**(339.91)**	**(219.80)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from Issuance of Equity Share Capital	400.11	-	-	0.70	0.30
	Proceeds/ (repayment) from Non-Current Borrowings (Net)	315.93	(14.51)	52.23	(1.01)	3.29
	Proceeds/ (repayment) from Current Borrowings (Net)	(506.89)	(203.70)	(220.66)	100.59	27.20
	Interest paid	(172.21)	(94.59)	(111.17)	(107.04)	(97.20)
	Net Cash from/(used in) Financing Activities	**36.94**	**(312.81)**	**(279.61)**	**(6.76)**	**(66.41)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(53.75)**	**52.95**	**11.30**	**(5.09)**	**6.77**
	Opening Balance of Cash and Cash Equivalents	68.30	15.35	4.04	9.14	2.37
	Closing Balance of Cash and Cash Equivalents	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**
	Components of Cash and Cash Equivalents					
	Cash on Hand	1.92	2.36	1.47	1.51	1.37
	Balances with Scheduled Banks					
	- in Current Accounts	6.58	11.37	13.40	1.95	0.95
	- in Cash Credit	5.98	53.98	-	-	6.05
	- in EEFC Accounts	0.06	0.31	0.02	0.03	0.02
	- in deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
	Total Cash and Cash Equivalents	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**

Notes:

1. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".
2. Figures in brackets represent out flow of Cash and Cash Equivalents
3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Consolidated Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure IV.

Special Purpose Restated Standalone Statement of Assets and Liabilities

(₹ in millions)

	Particulars	**As at March 31,**				
		2018	**2017**	**2016**	**2015**	**2014**
	ASSETS					
	Non-Current Assets					
a)	Property, Plant and Equipment	1,405.74	1,156.91	1,094.88	904.37	686.49
b)	Capital Work In Progress	83.10	20.65	-	124.48	100.68
c)	Intangible Assets	32.42	33.98	11.16	10.65	2.81
d)	Financial Assets					
	i) Investments	1.00	1.00	-	-	-
	ii) Loans	1.77	1.45	4.29	4.89	3.48
	iii) Other Financial Assets	13.45	20.24	21.44	20.00	19.20
e)	Deferred Tax Assets (Net)	102.65	160.62	76.62	50.16	28.03
f)	Other Non-Current Assets	244.99	271.75	121.97	78.88	42.97
	Total Non-Current Assets	**1,885.12**	**1,666.61**	**1,330.37**	**1,193.42**	**883.66**
	Current Assets					
a)	Inventories	880.69	754.76	625.32	516.40	345.30
b)	Financial Assets					
	i) Investment	-	-	-	-	10.00
	ii) Trade Receivables	1,150.38	861.71	789.11	693.22	573.92
	iii) Cash and Cash Equivalents	11.74	67.47	15.35	4.04	9.14
	iv) Bank Balance Other Than (iii) Above	-	0.13	0.14	0.58	-
	v) Loans	175.79	31.62	9.04	3.34	5.07
	vi) Other Financial Assets	2.35	5.26	3.15	4.52	4.38
c)	Other Current Assets	221.51	152.68	136.49	132.59	97.67
	Total Current Assets	**2,442.46**	**1,873.64**	**1,578.60**	**1,354.69**	**1,045.47**
	Total Assets	**4,327.58**	**3,540.25**	**2,908.97**	**2,548.11**	**1,929.13**
	EQUITY AND LIABILITIES					
	Equity					
a)	Equity Share Capital	29.18	29.00	29.00	29.00	28.30
b)	Other Equity	2,590.56	1,706.30	1,195.75	668.56	278.30
	Total Equity	**2,619.75**	**1,735.30**	**1,224.75**	**697.56**	**306.60**
	Liabilities					
	Non-Current Liabilities					
a)	Financial Liabilities					
	i) Borrowings	355.93	40.00	54.51	2.29	3.29
	ii) Other Financial Liabilities	56.68	0.45	0.45	0.30	0.80
b)	Provisions	25.34	16.00	20.55	16.69	9.97
c)	Government Grant	4.78	5.61	6.49	3.94	-
	Total Non-Current Liabilities	**442.74**	**62.06**	**82.00**	**23.22**	**14.06**
	Current Liabilities					
a)	Financial Liabilities					
	i) Borrowings	525.06	887.68	1,105.30	1,327.34	1,225.19
	ii) Trade Payables	551.34	510.16	359.80	364.02	287.67
	iii) Other Financial Liabilities	85.45	93.61	54.71	41.94	32.00
b)	Government Grant	0.83	0.88	0.93	0.77	-
c)	Other Current Liabilities	66.86	94.11	33.70	42.75	19.41
d)	Provisions	33.38	32.08	22.25	18.46	13.58
e)	Current Tax Liabilities (Net)	2.17	124.38	25.55	32.04	30.63
	Total Current Liabilities	**1,265.09**	**1,742.89**	**1,602.22**	**1,827.33**	**1,608.47**
	Total Liabilities	**1,707.83**	**1,804.95**	**1,684.22**	**1,850.55**	**1,622.53**
	Total Equity And Liabilities	**4,327.58**	**3,540.25**	**2,908.97**	**2,548.11**	**1,929.13**

Special Purpose Restated Standalone Statement of Profit and Loss

(₹ in millions)

Particulars	For the Year Ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
INCOME					
Revenue from Operations	5,061.93	4,222.59	3,854.73	3,398.34	2,694.97
Other Income	62.08	41.80	55.79	37.89	11.02
Total Income (A)	**5,124.00**	**4,264.38**	**3,910.52**	**3,436.23**	**2,705.99**
EXPENSES					
Cost of Material Consumed	2,428.77	1,671.12	1,426.11	1,494.25	1,110.59
Purchase of Stock-in-Trade	262.68	482.51	641.25	522.49	454.39
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	(73.29)	(60.36)	(65.60)	(144.27)	(28.74)
Excise Duty on Sales	7.92	32.79	26.49	20.03	18.30
Employee Benefits Expense	741.04	511.28	398.44	337.76	286.33
Finance Costs	172.19	94.59	111.17	107.04	97.20
Depreciation/Amortisation Expense	152.49	119.19	103.76	82.46	59.38
Other Expenses	742.47	725.76	571.67	474.21	389.25
Total Expenses (B)	**4,434.26**	**3,576.89**	**3,213.29**	**2,893.97**	**2,386.72**
Profit Before Tax (C= A-B)	**689.74**	**687.50**	**697.23**	**542.26**	**319.27**
Tax Expense					
Current Tax	168.61	272.25	206.56	151.59	95.37
Less: Amt-Mat Credit Entitlement	-	51.74	26.85	15.61	37.97
Net Current Tax	168.61	220.50	179.71	135.98	57.40
Deferred Tax	29.52	(36.47)	(9.30)	(5.39)	(17.23)
Total Tax Expense (D)	198.13	184.04	170.41	130.59	40.17
Profit for the Year (E = C-D)	**491.62**	**503.46**	**526.83**	**411.67**	**279.10**
Other Comprehensive Income					
Items that will not be reclassified to Profit or Loss					
Re-measurements of Defined Benefit Plans	(10.61)	10.85	0.55	(5.78)	(1.21)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	3.33	(3.75)	(0.19)	2.01	0.41
Other Comprehensive Income for the Year (Net of Tax) (F)	**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**
Total Comprehensive Income for the Year (G = E+F)	**484.34**	**510.55**	**527.19**	**407.90**	**278.30**
Earnings Per Share in Rs.					
Basic Earnings Per Equity Share of INR 10/- each	21.07	21.58	22.58	17.65	12.00
Diluted Earnings Per Equity Share of INR 10/- each	21.07	21.58	22.58	17.65	12.00

Special Purpose Restated Standalone Statement of Cash Flows

(₹ in millions)

S. No.	Particulars	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit Before Taxes	**689.74**	**687.50**	**697.23**	**542.26**	**319.27**
	Adjusted for:					
	Depreciation and amortisation expenses	152.49	119.19	103.76	82.46	59.38
	(Profit)/Loss on sale of fixed assets	0.97	0.03	2.02	0.35	0.11
	Interest Paid	172.19	94.59	111.17	107.04	97.20
	Loss of Assets/Inventory due to by fire		16.04	-	1.57	-
	Provision for GST Receivables	(6.73)	-	-	-	-
	Deferred Income -Government Grant	(0.88)	(0.93)	(0.77)	(0.31)	-
	Interest income	(1.82)	(2.27)	(2.22)	(4.05)	(5.69)
	Operating Profit before Working Capital Changes	**1,005.95**	**914.15**	**911.20**	**729.31**	**470.26**
	Adjusted for:					
	Trade Receivables	(288.66)	(72.61)	(95.89)	(119.30)	(99.19)
	Inventories	(125.93)	(129.45)	(108.91)	(171.11)	(75.43)
	Other Assets	(36.35)	(168.75)	(54.48)	(72.32)	(45.44)
	Trade Payable	41.18	150.36	(4.22)	76.35	92.32
	Other Liabilities and Provisions	20.87	115.44	12.06	38.60	20.63
	Cash Generated from Operating Activities	**617.05**	**809.14**	**659.75**	**481.54**	**363.15**
	Taxes Paid (Net)	(266.33)	(172.96)	(203.55)	(139.97)	(70.18)
	Net Cash Flow from Operating Activities	**350.72**	**636.18**	**456.20**	**341.57**	**292.98**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property, Plant and Equipment and Intangible Assets	(467.51)	(277.24)	(304.79)	(359.87)	(227.76)
	Government grant received during the year	-	-	3.47	5.03	-
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.48	0.77	131.08	0.57	1.17
	Investments in Subsidiaries	-	(1.00)	-	-	-
	Disposal of Investments	-	-	-	10.00	-
	Movement in bank deposits	4.77	3.97	2.73	0.31	1.11
	Interest received	1.82	2.27	2.22	4.05	5.69
	Net Cash from/(used in) Investing Activities	**(443.44)**	**(271.23)**	**(165.28)**	**(339.91)**	**(219.80)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from issuance of equity share capital	400.11	-	-	0.70	0.30
	Proceeds/ (repayment) from non-current borrowings (net)	315.93	(14.51)	52.23	(1.01)	3.29
	Proceeds/ (repayment) from current borrowings (net)	(506.87)	(203.72)	(220.66)	100.59	27.20
	Interest paid	(172.19)	(94.59)	(111.17)	(107.04)	(97.20)
	Net Cash from/(used in) Financing Activities	**36.98**	**(312.82)**	**(279.61)**	**(6.76)**	**(66.41)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(55.73)**	**52.12**	**11.30**	**(5.09)**	**6.77**
	Opening Balance of Cash and Cash Equivalents	67.47	15.35	4.04	9.14	2.37
	Closing Balance of Cash and Cash Equivalents	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**
	Components of Cash and Cash Equivalents					
	Cash on Hand	1.92	2.36	1.47	1.51	1.37
	Balances with scheduled banks					
	- in Current Accounts	3.78	10.55	13.40	1.95	0.95
	- in Cash Credit	5.98	53.98	-	-	6.05
	- in EEFC Account	0.06	0.31	0.02	0.03	0.02
	- in deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
	Total Cash and Cash Equivalents	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**

Notes:

1. The above Special Purpose Restated Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".
2. Figures in brackets represent out flow of Cash and cash equivalents
3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Standalone Financial Information appearing in Annexure VI, and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

THE OFFER

The details of the Offer are disclosed below.

Offer of Equity Shares[(1)(2)(3)]	Up to [●] Equity Shares aggregating up to ₹4,500 million
Of which	
Fresh Issue[(1)(2)]	Up to [●] Equity Shares aggregating up to ₹3,300 million
Offer for Sale[(3)]	Up to [●] Equity Shares aggregating up to ₹1,200 million
The Offer consists of:	
(A) QIB Portion[(4)(5)]	Not more than [●] Equity Shares
Of which:	
Anchor Investor Portion[(4)]	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Available for allocation only to Mutual Funds (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(B) Non-Institutional Portion[(5)]	Not less than [●] Equity Shares
(C) Retail Portion[(5)]	Not less than [●] Equity Shares
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	23,347,200 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds by our Company	See "*Objects of the Offer*" on page 92. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Fresh Issue has been authorized by a resolution dated August 16, 2018 passed by the Board and a special resolution dated August 24, 2018 passed by the Shareholders.

(2) Our Company, in consultation with the BRLMs, may consider undertaking the Pre-IPO Placement at its discretion prior to registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(3) The Promoter Group Selling Shareholders have consented to include the Equity Shares offered by them in the Offer for Sale, aggregating up to ₹1,200 million, pursuant to their respective letters as indicated in the table below:

S. No.	***Name of the Promoter Group Selling Shareholder***	***Date of consent letter***	***OFS Portion (in up to Rupee millions)***
1.	*Mr. Khubilal Jugraj Rathod*	*August 24, 2018*	*240*
2.	*Mr. Vimalchand Jugraj Rathod*	*August 24, 2018*	*180*
3.	*Mrs. Nirmala Khubilal Rathod*	*August 24, 2018*	*120*
4.	*Mrs. Manjula Vimalchand Rathod*	*August 24, 2018*	*120*
5.	*Mr. Rajesh Khubilal Rathod*	*August 24, 2018*	*120*
6.	*Mr. Mohit Khubilal Rathod*	*August 24, 2018*	*120*
7.	*Mr. Sumitkumar Vimalchand Rathod*	*August 24, 2018*	*120*
8.	*Mrs. Sangita Rajesh Rathod*	*August 24, 2018*	*60*
9.	*Mrs. Shalini Mohit Rathod*	*August 24, 2018*	*60*
10.	*Mrs. Sonal Sumitkumar Rathod*	*August 24, 2018*	*60*

Each of the Promoter Group Selling Shareholders has confirmed that their respective Offered Shares have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI or have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus or have been acquired pursuant to the Scheme, in lieu of business and invested capital which had been in existence for a period of more than one year prior to such approval, and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations.

.

(4) Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of undersubscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 600.

(5) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. In case of undersubscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. For further details, see "Offer Procedure" on page 600.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price. Allocation to Retail Individual Investors shall be not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 597, 592 and 600, respectively.

GENERAL INFORMATION

Our Company was originally formed and registered as a partnership firm under the Indian Partnership Act, 1932 under the name of 'M/s Flair Writing Instruments' with firm registration number BA-12035, pursuant to a deed of partnership dated January 6, 1986 (the partnership business was deemed to have commenced from January 1, 1986), as amended and supplemented from time to time. Pursuant to the conversion of M/s Flair Writing Instruments under the provisions of Chapter XXI of the Companies Act, 2013, our Company was incorporated as a private limited company on August 12, 2016 at Mumbai, Maharashtra, India as 'Flair Writing Industries Private Limited'. Our Company was then converted into a public limited company and the name of our Company was changed to 'Flair Writing Industries Limited'. A fresh certificate of incorporation dated May 30, 2018 was issued by the RoC. For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 150.

For details on the business of our Company, see "*Our Business*" on page 124.

Registered Office of our Company

The address of the Registered Office of our Company is as follows:

Flair Writing Industries Limited
63 B/C, Government Industrial Estate
Charkop, Kandivali West
Mumbai 400 067
Maharashtra, India
Tel: +91 22 4203 0405
Fax: +91 22 2868 9318
E-mail: investors@flairpens.com
Website: www.flairworld.in
Corporate Identity Number: U74999MH2016PLC284727
Registration Number: 284727

Address of the RoC

Our Company is registered with the RoC, situated at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.

Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors comprises the following:

S. No.	Name	Designation	DIN	Address
1.	Mr. Khubilal Jugraj Rathod	Chairman	00122867	101, 401/3, Joy Solitaire Building Friends C.H.S.L., N.S. Road No. 5 JVPD, Vile Parle (W) Mumbai 400 056 Maharashtra, India
2.	Mr. Vimalchand Jugraj Rathod	Managing Director	00123007	Plot No. 51, Flat No. - 601 Nutan Laxmi C.H.S. Abhay Building 9th Road, JVPD, Vile Parle West Mumbai 400 056 Maharashtra, India
3.	Mr. Rajesh Khubilal Rathod	Executive Director	00122907	101/401, Joy Solitaire Building Friends C.H.S., Plot No. 3 JVPD Scheme, Vile Parle West Mumbai 400 056 Maharashtra, India
4.	Mr. Mohit Khubilal Rathod	Executive Director	00122951	401, Friends C.H.S. Limited Road No. 5, JVPD Scheme Vile Parle West

S. No.	Name	Designation	DIN	Address
				Mumbai 400 056 Maharashtra, India
5.	Mr. Sumitkumar Vimalchand Rathod	Executive Director	02987687	Nootan Laxmi CHS Abhay Building Flat No. 601, 6th Floor 9th Road, JVPD Scheme Mumbai 400 056 Maharashtra, India
6.	Mr. Bishan Singh Rawat	Independent and Non-executive Director	08139018	3, Balbir Road Dehradun 248 001 Uttarakhand, India
7.	Mr. Punit Saxena	Independent and Non-executive Director	01057161	Flat No. 42 Building No. 17, MHB Colony Bandra Reclamation Bandra West Mumbai 400 050 Maharashtra, India
8.	Mr. Rajneesh Bhandari	Independent and Non-executive Director	00094089	S-271, Mahaveer Nagar Tonk Road Jaipur 302 018 Rajasthan, India
9.	Mr. Ratanchand Jivraj Oswal	Independent and Non-executive Director	00425184	83/84, 8th Floor, Solitaire Central Avenue Road Santacruz (West) Mumbai 400 054 Maharashtra, India
10.	Mrs. Sangeeta Sethi	Independent and Non-executive Director	08116959	1004, Tower 2 Raheja Tipco Heights Rani Sati Marg Off Western Express Highway Malad East Mumbai 400 097 Maharashtra, India

For further details of the Board, see "*Our Management*" on page 156.

Company Secretary and Compliance Officer

Mr. Vishal Chanda is the Company Secretary and the Compliance Officer of our Company. His details are as follows:

Vishal Chanda
63 B/C, Government Industrial Estate
Charkop, Kandivali West
Mumbai 400 067
Maharashtra, India
Tel: +91 22 4203 0428
Fax: +91 22 2868 9318
E-mail: investors@flairpens.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of

Equity Shares applied for, date of submission of the Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned above.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House, C-2
Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
E-mail: fwil.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance E-mail: complaints@axiscap.in
Contact person: Simran Gadh/ Sagar Jatakiya
SEBI Registration No.: INM000012029

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: flair.ipo@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
Contact person: Yashraj Shetty / Tanya Rizvi
SEBI Registration No.: INM0000010650

Inter se Allocation of Responsibilities between the BRLMs

The table below sets forth the *inter se* allocation of responsibilities for various activities between the BRLMs.

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Axis Capital, Edelweiss	Axis Capital
2.	Due diligence of our Company including its operations/management/business plans/legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, Syndicate and Underwriting Agreements and RoC filing	Axis Capital, Edelweiss	Axis Capital
3.	Drafting and approval of all statutory advertisements	Axis Capital, Edelweiss	Axis Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures.	Axis Capital, Edelweiss	Edelweiss
5.	Appointment of Registrar to the Offer, printers, advertising agency (including coordinating all agreements to be entered with the Registrar to the Offer and Advertising Agency) including filing of media compliance report with SEBI	Axis Capital, Edelweiss	Edelweiss
6.	Appointment of Escrow Collection Banks, Share escrow agent and Monitoring Agency (including coordinating all agreements to be entered with such parties)	Axis Capital, Edelweiss	Edelweiss
7.	Preparation of road show presentation and FAQs for the road show team	Axis Capital, Edelweiss	Axis Capital
8.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	Axis Capital, Edelweiss	Axis Capital
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	Axis Capital, Edelweiss	Edelweiss
10.	Conduct non-institutional marketing of the Offer	Axis Capital,	Axis Capital

S. No.	Activity	Responsibility	Co-ordinator
		Edelweiss	
11.	Conduct retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Axis Capital, Edelweiss	Edelweiss
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, deposit of 1% security deposit	Axis Capital, Edelweiss	Axis Capital
13.	Managing the book and finalization of pricing in consultation with the Company and selling shareholders	Axis Capital, Edelweiss	Axis Capital
14.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf of Selling Shareholders and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	Axis Capital, Edelweiss	Edelweiss

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

S&R Associates
One Indiabulls Centre, 1403 Tower 2B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000
Fax: +91 22 4302 8001

Legal Advisers to the Underwriters as to Indian Law

Trilegal
Peninsula Business Park
17th Floor, Tower B
Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4079 1000
Fax: +91 22 4079 1098

Special International Legal Counsel to the BRLMs

Duane Morris & Selvam LLP
16 Collyer Quay, Floor 17
Singapore 049318
Tel: +65 6311 0030
Fax: +65 6311 0058

Statutory Auditors of our Company

M/s. Jeswani & Rathore, Chartered Accountants
408/C, Niranjan
99, Marine Drive
Mumbai 400 002
Maharashtra, India
Tel: + 91 22 2281 6968; +91 22 2283 4451; +91 22 4006 6968
Fax: +91 22 2281 9435
E-mail: jeswani_rathore@vsnl.net
Firm Registration No.: 104202W
Peer Review No.: 007874

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: flairwriting.ipo@linkintime.co.in
Investor grievance e-mail: flairwriting.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Bankers to our Company

Citibank N.A.
First International Financial Centre (FIFC), 9th Floor
Plot No. C-54, C-55, G-Block
Bandra Kurla Complex (BKC)
Bandra East, Mumbai 400 051
Maharashtra, India
Tel: +91 22 6175 6116
Fax: +91 22 2653 2108
E-mail: rakesh.kothari@citi.com
Website: www.online.citibank.co.in/globalcommercialbank.htm
Contact person: Rakesh Kothari

SCSBs

The list of banks that have been notified by the SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time. For details of the branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the abovementioned link.

Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

In terms of Regulation 16 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for the Fresh Issue prior to the registering the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus.

Appraising Agency

The objects of the Offer for which the Net Proceeds will be utilized have not been appraised by any agency.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors, namely, M/s. Jeswani & Rathore, Chartered Accountants to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their reports on the Restated Consolidated Financial Information, the Restated Standalone Financial Information, the Special Purpose Restated Consolidated Financial Information and the Special Purpose Restated Standalone Financial Information, each dated August 27, 2018, and the statement of tax benefits dated September 24, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent from C.D. Mehta and Associates, Chartered Engineers, to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated August 27, 2018 in connection with our manufacturing plants and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, to include his name as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated August 25, 2018 in connection with the objects of the Offer and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

Book Building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. QIBs and Non-Institutional Investors are permitted to make upward revisions in their Bids. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, allocation to the Anchor Investors will be on a discretionary basis. Each Bidder by submitting a Bid in the Offer will be deemed to have acknowledged the abovementioned restrictions and the terms of the Offer. For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 592, 597 and 600, respectively.

The Book Building Process and the Bidding Process under the SEBI ICDR Regulations are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid. Investors should note that the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation – Illustration of the Book Building and Price Discovery Process*" on page 632.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Promoter Group Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters in relation to the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below.

(This portion has been intentionally left blank and will be completed before the Prospectus is filed with the RoC)

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment disclosed in the table above.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions or purchasers for the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Red Herring Prospectus, is disclosed below.

(in ₹, except share data)

		Aggregate Value at Face Value	Aggregate Value at Offer Price
A.	**AUTHORIZED SHARE CAPITAL**		
	30,000,000 Equity Shares of face value of ₹10 each	300,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	23,347,200 Equity Shares of face value of ₹10 each	233,472,000	
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Fresh Issue of up to [●] Equity Shares(1)	[●]	Up to 3,300 million
	Offer for Sale of up to [●] Equity Shares(2)	[●]	Up to 1,200 million
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	195,636,000	
	After the Offer(3)	[●]	

(1) The Fresh Issue has been authorized by a resolution dated August 16, 2018 passed by the Board and a special resolution dated August 24, 2018 passed by the Shareholders.
Our Company, in consultation with the BRLMs, may undertake the Pre-IPO Placement of up to 700,000 Equity Shares aggregating up to ₹500 million at its discretion prior to registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(2) For details of the consents/authorizations provided by the Promoter Group Selling Shareholders for their respective portions of the Offered Shares, see "The Offer" on page 72.

(3) To be included upon determination of the Offer Price.

For details in relation to the changes in the authorized share capital of our Company since incorporation, see "*History and Certain Corporate Matters – Amendments to the Memorandum of Association*" on page 151.

Notes to Capital Structure

1. **Share Capital History of our Company**

(a) The history of the equity share capital of our Company is disclosed below.

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
August 18, 2016	200,000	10	10	Other than cash (pursuant to the conversion of the capital account of the partnership firm, M/s. Flair Writing Instruments)	Subscription to the Memorandum of Association(1)	200,000	2,000,000
Equity Shares issued in the preceding one year							
November 30, 2017	18,400	10	21,745	Cash	Rights issue(2)	218,400	2,184,000

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
May 26, 2018	2,700,000	10	10	Other than cash	Allotment of Equity Shares pursuant to the Scheme(3)	2,918,400	29,184,000
August 16, 2018	20,428,800	10	-	Other than cash	Bonus issue in the ratio of 7:1(4)	23,347,200	233,472,000

(1) Our Company was incorporated on August 12, 2016 pursuant to the conversion of M/s Flair Writing Instruments, a partnership firm. In lieu of the capital existing in such partnership firm, 200,000 Equity Shares were allotted to the erstwhile partners of the firm in the following manner: Mr. Khubilal Jugraj Rathod (40,000 Equity Shares), Mr. Vimalchand Jugraj Rathod (30,000 Equity Shares), Mrs. Nirmala Khubilal Rathod (20,000 Equity Shares), Mrs. Manjula Vimalchand Rathod (20,000 Equity Shares), Mr. Rajesh Khubilal Rathod (20,000 Equity Shares), Mr. Mohit Khubilal Rathod (20,000 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (20,000 Equity Shares), Mrs. Sangita Rajesh Rathod (10,000 Equity Shares), Mrs. Shalini Mohit Rathod (10,000 Equity Shares) and Mrs. Sonal Sumitkumar Rathod (10,000 Equity Shares). For further details, see "History and Certain Corporate Matters – Brief History of our Company" on page 150.

(2) Allotment of 18,400 Equity Shares in the following manner: Mr. Khubilal Jugraj Rathod (3,680 Equity Shares), Mr. Vimalchand Jugraj Rathod (2,760 Equity Shares), Mrs. Nirmala Khubilal Rathod (1,840 Equity Shares), Mrs. Manjula Vimalchand Rathod (1,840 Equity Shares), Mr. Rajesh Khubilal Rathod (1,840 Equity Shares), Mr. Mohit Khubilal Rathod (1,840 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (1,840 Equity Shares), Mrs. Sangita Rajesh Rathod (920 Equity Shares), Mrs. Shalini Mohit Rathod (920 Equity Shares), and Mrs. Sonal Sumitkumar Rathod (920 Equity Shares).

(3) Allotment of 2,700,000 Equity Shares in the following manner: Mr. Khubilal Jugraj Rathod (540,000 Equity Shares), Mr. Vimalchand Jugraj Rathod (405,000 Equity Shares), Mrs. Nirmala Khubilal Rathod (270,000 Equity Shares), Mrs. Manjula Vimalchand Rathod (270,000 Equity Shares), Mr. Rajesh Khubilal Rathod (270,000 Equity Shares), Mr. Mohit Khubilal Rathod (270,000 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (270,000 Equity Shares), Mrs. Sangita Rajesh Rathod (135,000 Equity Shares), Mrs. Shalini Mohit Rathod (135,000 Equity Shares) and Mrs. Sonal Sumitkumar Rathod (135,000 Equity Shares). For further details on the Scheme, see "History and Certain Corporate Matters" on page 150.

(4) Allotment of 20,428,800 Equity Shares pursuant to a bonus issue in the ratio of seven Equity Shares for every one Equity Shares authorized by a resolution passed by the Shareholders dated August 14, 2018 with the record date as August 9, 2018 in the following manner: Mr. Khubilal Jugraj Rathod (4,085,760 Equity Shares), Mr. Vimalchand Jugraj Rathod (3,064,320 Equity Shares), Mrs. Nirmala Khubilal Rathod (2,042,880 Equity Shares), Mrs. Manjula Vimalchand Rathod (2,042,880 Equity Shares), Mr. Rajesh Khubilal Rathod (2,042,880 Equity Shares), Mr. Mohit Khubilal Rathod (2,042,880 Equity Shares), Mr. Sumitkumar Vimalchand Rathod (2,042,880 Equity Shares), Mrs. Sangita Rajesh Rathod (1,021,440 Equity Shares), Mrs. Shalini Mohit Rathod (1,021,440 Equity Shares), and Mrs. Sonal Sumitkumar Rathod (1,021,440 Equity Shares)by capitalization of the retained earnings and the securities premium account of our Company.

2. **Issue of Equity Shares for consideration other than cash or out of revaluation reserves**

Except as stated below, no Equity Shares have been issued by our Company for consideration other than cash or out of revaluation reserves on the date of this Draft Red Herring Prospectus.

(a) Our Company has not issued any Equity Shares out of revaluation reserves since incorporation.

(b) Our Company has issued Equity Shares for consideration other than cash as disclosed in the following table:

Date of allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Benefits accrued to our Company
August 18, 2016	200,000	10	10	Subscription to the Memorandum of Association(1)	Incorporation
May 26, 2018	2,700,000	10	10	Allotment of Equity Shares pursuant to the Scheme(1)	Consideration for transfer and vesting of the entire undertakings of the Transferor Companies in our Company
August 16, 2018	20,428,800	10	-	Bonus issue in the ratio of 7:1 by capitalizing the retained	-

Date of allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Benefits accrued to our Company
				earnings and the securities premium account(1)	

(1) For details, including names of allottees, see "- Share Capital History of our Company" above on page 82 and "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 151.

3. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding**

As on the date of this Draft Red Herring Prospectus, the Promoters hold 8,171,520 Equity Shares, constituting 35.00% of the issued, subscribed and paid-up share capital of our Company.

(a) *Capital Build-up of our Promoters' Shareholding in our Company*

Date of Allotment /Transfer	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition/ Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
Mr. Khubilal Jugraj Rathod							
August 18, 2016	40,000	10	10	Other than cash (pursuant to the conversion of the capital account of the partnership firm, M/s. Flair Writing Instruments)	Subscription to Memorandum of Association	0.17	[●]
November 30, 2017	3,680	10	21,745	Cash	Rights issue	0.02	[●]
May 26, 2018	540,000	10	10	Other than cash	Allotment of Equity Shares pursuant to the Scheme	2.31	[●]
August 16, 2018	4,085,760	10	-	Other than cash (undertaken through the capitalization of the retained earnings and the securities premium account)	Bonus issue	17.5	[●]
SUB TOTAL (A)					**4,669,440**	20.00	[●]
Mr. Vimalchand Jugraj Rathod							
August 18, 2016	30,000	10	10	Other than cash (pursuant to the conversion of the capital account of the partnership firm, M/s. Flair Writing Instruments)	Subscription to Memorandum of Association	0.13	[●]
November 30, 2017	2,760	10	21,745	Cash	Rights issue	0.01	[●]
May 26, 2018	405,000	10	10	Other than cash	Allotment of Equity Shares	1.74	[●]

Date of Allotment /Transfer	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition/ Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
					pursuant to the Scheme		
August 16, 2018	3,064,320	10	-	Other than cash (undertaken through the capitalization of the retained earnings and the securities premium account)	Bonus issue	13.13	[●]
SUB TOTAL (B)					**3,502,080**	15.00	[●]
TOTAL (A) + (B)					**8,171,520**	35.00	[●]

All the Equity Shares held by the Promoters were fully paid-up on the respective dates of acquisition/allotment of such Equity Shares. None of the Equity Shares held by the Promoters are pledged.

(b) *Details of Promoters' Contribution Locked-in for Three Years*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully-diluted post-Offer share capital of our Company held by the Promoters shall be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) the Equity Shares offered towards minimum Promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, except where such Equity Shares were acquired by the Promoters pursuant to the Scheme, or (b) resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of minimum promoters' contribution;

(ii) the Equity Shares offered towards minimum Promoters' contribution have not been acquired by the Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price, except where such Equity Shares were acquired by the Promoters pursuant to the Scheme in lieu of business and invested capital that had been in existence for a period of more than one year prior to the approval of the Scheme;

(iii) the Equity Shares offered towards minimum Promoters' contribution have not been allotted during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price, against funds brought in by the Promoters during such period, except where such Equity Shares were allotted to the Promoters pursuant to the Scheme or pursuant to a bonus issue; and

(iv) the Equity Shares offered towards minimum Promoters' contribution are not pledged with any creditor.

All Equity Shares held by the Promoters and members of the Promoter Group are in dematerialized form as on the date of this Draft Red Herring Prospectus.

The details of the Equity Shares held by the Promoters locked-in as minimum Promoters' contribution are given below*:

Name of the Promoter	**Number of Equity Shares Locked-in**	**Date of Acquisition of Equity Shares**	**Nature of Transaction**	**Face Value (₹)**	**Acquisition Price per Equity Share (₹)**	**Percentage of pre-Offer Equity Share Capital (%)**	**Percentage of post-Offer expanded Equity Share Capital (%)**	**Date up to which the Equity Shares are subject to lock-in**
Mr. Khubilal Jugraj Rathod	[●]	[●]	[●]	10	[●]	[●]	[●]	For a period of three years from the date of Allotment
Mr. Vimalchand Jugraj Rathod	[●]	[●]	[●]	10	[●]	[●]	[●]	
TOTAL	[●]					[●]	[●]	

To be completed at Prospectus stage.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as promoters under the SEBI ICDR Regulations.

(c) *Details of Share Capital Locked-in for one year*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Offer except the Equity Shares transferred pursuant to the Offer for Sale and Equity Shares held by any other Shareholders that are exempt from such lock-in under the SEBI ICDR Regulations.

(d) *Other Requirements in Respect of Lock-in*

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares locked-in for one year held by the Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that the pledge of Equity Shares is one of the terms of sanction of the loan and the Equity Shares locked-in for three years held by the Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that the loan has been granted for the purpose of financing one or more objects of the Offer and pledge of Equity Shares is one of the terms of sanction of the loan.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among the Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by Shareholders other than the Promoters, which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

4. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of Fully Paid-up Equity Shares Held (IV)	Number of Partly Paid-up Equity Shares Held (V)	Number of Shares Underlying Depository Receipts (VI)	Total Number of Equity Shares Held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of Total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in Each Class of Securities (IX)				Number of Shares Underlying Outstanding Convertible Securities (including Warrants) (X)	Shareholding, as a % Assuming Full Conversion of Convertible Securities (as a Percentage of Diluted Share Capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of Shares Pledged or Otherwise Encumbered* (XIII)		Number of Equity Shares held in Dematerialized Form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total share s held (b)	
								Class (Equity)	Class, e.g. others	Total								
(A)	Promoter and Promoter Group	10	23,347,200	-	-	23,347,200	100	23,347,200	-	23,347,200	100	-	-	-		-		23,347,200
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**10**	**23,347,200**	**-**	**-**	**23,347,200**	**100**	**23,347,200**	**-**	**23,347,200**	**100**	**-**	**-**	**-**		**-**		**23,347,200**

Our Company will file its shareholding pattern in the form prescribed under Regulation 31 of the SEBI Listing Regulations one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the respective websites of the Stock Exchanges before the commencement of trading of the Equity Shares.

5. **Details of the Shareholding of the Promoters and members of the Promoter Group**

Details of the shareholding of the Promoters and members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus are set forth below:

Name of the Shareholder	Number of Pre-Offer Equity Shares	Percentage of Pre-Offer capital (%)	Percentage of Post-Offer Capital (%)
Promoters			
Mr. Khubilal Jugraj Rathod	4,669,440	20.0	[●]
Mr. Vimalchand Jugraj Rathod	3,502,080	15.0	[●]
Total holding of Promoters (A)	**8,171,520**	**35.0**	**[●]**
Promoter Group			
Mrs. Nirmala Khubilal Rathod	2,334,720	10.0	[●]
Mrs. Manjula Vimalchand Rathod	2,334,720	10.0	[●]
Mr. Rajesh Khubilal Rathod	2,334,720	10.0	[●]
Mr. Mohit Khubilal Rathod	2,334,720	10.0	[●]
Mr. Sumitkumar Vimalchand Rathod	2,334,720	10.0	[●]
Mrs. Sangita Rajesh Rathod	1,167,360	5.0	[●]
Mrs. Shalini Mohit Rathod	1,167,360	5.0	[●]
Mrs. Sonal Sumitkumar Rathod	1,167,360	5.0	[●]
Total holding of the Promoter Group (other than Promoters) (B)	**15,175,680**	**65.0**	[●]
Total holding of Promoters and Promoter Group (A+B)	**23,347,200**	**100.0**	[●]

6. **Details of the Shareholding of the Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus**

Other than the Executive Directors, the Key Management Personnel do not hold any Equity Shares in our Company. The shareholding of the Directors as on the date of filing of this Draft Red Herring Prospectus is set forth below:

Name	Number of Pre-Offer Equity Shares	Percentage of Pre-Offer Capital (%)
Directors		
Mr. Khubilal Jugraj Rathod	4,669,440	20.0
Mr. Vimalchand Jugraj Rathod	3,502,080	15.0
Mr. Rajesh Khubilal Rathod	2,334,720	10.0
Mr. Mohit Khubilal Rathod	2,334,720	10.0
Mr. Sumitkumar Vimalchand Rathod	2,334,720	10.0
Total Holding of Directors	**15,175,680**	**65.0**

7. There are no securities of our Company that have been purchased or sold by the Promoters, members of the Promoter Group, the Directors and/or the immediate relatives of the Directors within the six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

8. **Equity Shares Held by the 10 Largest Shareholders**

(a) On the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Pre-Offer Equity Share Capital (%)
1.	Mr. Khubilal Jugraj Rathod	4,669,440	20.0
2.	Mr. Vimalchand Jugraj Rathod	3,502,080	15.0
3.	Mrs. Nirmala Khubilal Rathod	2,334,720	10.0
4.	Mrs. Manjula Vimalchand Rathod	2,334,720	10.0
5.	Mr. Rajesh Khubilal Rathod	2,334,720	10.0
6.	Mr. Mohit Khubilal Rathod	2,334,720	10.0
7.	Mr. Sumitkumar Vimalchand Rathod	2,334,720	10.0

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Pre-Offer Equity Share Capital (%)
8.	Mrs. Sangita Rajesh Rathod	1,167,360	5.0
9.	Mrs. Shalini Mohit Rathod	1,167,360	5.0
10.	Mrs. Sonal Sumitkumar Rathod	1,167,360	5.0
TOTAL		**23,347,200**	**100.0**

(b) 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share Capital (%)
1.	Mr. Khubilal Jugraj Rathod	4,669,440	20.0
2.	Mr. Vimalchand Jugraj Rathod	3,502,080	15.0
3.	Mrs. Nirmala Khubilal Rathod	2,334,720	10.0
4.	Mrs. Manjula Vimalchand Rathod	2,334,720	10.0
5.	Mr. Rajesh Khubilal Rathod	2,334,720	10.0
6.	Mr. Mohit Khubilal Rathod	2,334,720	10.0
7.	Mr. Sumitkumar Vimalchand Rathod	2,334,720	10.0
8.	Mrs. Sangita Rajesh Rathod	1,167,360	5.0
9.	Mrs. Shalini Mohit Rathod	1,167,360	5.0
10.	Mrs. Sonal Sumitkumar Rathod	1,167,360	5.0
TOTAL		**23,347,200**	**100.0**

(c) Two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of then existing pre-Offer Equity Share Capital (%)
1.	Mr. Khubilal Jugraj Rathod	40,000	20.0
2.	Mr. Vimalchand Jugraj Rathod	30,000	15.0
3.	Mrs. Nirmala Khubilal Rathod	20,000	10.0
4.	Mrs. Manjula Vimalchand Rathod	20,000	10.0
5.	Mr. Rajesh Khubilal Rathod	20,000	10.0
6.	Mr. Mohit Khubilal Rathod	20,000	10.0
7.	Mr. Sumitkumar Vimalchand Rathod	20,000	10.0
8.	Mrs. Sangita Rajesh Rathod	10,000	5.0
9.	Mrs. Shalini Mohit Rathod	10,000	5.0
10.	Mrs. Sonal Sumitkumar Rathod	10,000	5.0
TOTAL		**200,000**	**100.0**

9. Our Company does not have any employee stock option scheme as of the date of this Draft Red Herring Prospectus.

10. Our Company, the Directors, the Promoter Group Selling Shareholders and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares to be Allotted pursuant to the Offer.

11. Except for the allotments disclosed in "– *Share Capital History of our Company*" above on page 82 to the Promoters and certain members of the Promoter Group pursuant to a rights issue, the Scheme and a bonus issue, our Company has not issued any Equity Shares during the year immediately preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price.

12. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives (as defined under the Companies Act, 2013) for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

13. Our Company has in the past allotted Equity Shares pursuant to a scheme of arrangement approved under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. For details, see "– *Share Capital History of Our Company*" above and "*History and Certain Corporate Matters*" on pages 82 and 150, respectively.

14. Neither the BRLMs nor any associates (determined as per the definition of "associate company" under Section 2(6) of the Companies Act, 2013) of the BRLMs hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

15. Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.

16. Other than the Pre-IPO Placement, there will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

17. As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares.

18. Except for the Fresh Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly, Equity Shares) on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placement.

19. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

20. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

21. Oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. Our Company shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

24. No person connected with the Offer, including but not limited to the BRLMs, the Syndicate Members, our Company, the Promoter Group Selling Shareholders (including the Promoters), the other members of the Promoter Group, the Directors, the Group Companies or the Subsidiary shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except as permitted under applicable law.

25. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Offer and will be

subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

26. As on the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 10.

27. The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of the Offered Shares offered by the Promoter Group Selling Shareholders in the Offer for Sale.

28. Our Company shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transaction.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue by our Company and the Offer for Sale by the Promoter Group Selling Shareholders.

Offer for Sale

The Promoter Group Selling Shareholders will be entitled to the proceeds of the Offer for Sale of their respective Offered Shares, net of their share of the Offer-related expenses. Our Company will not receive any proceeds from the Offer for Sale.

Fresh Issue

Our Company proposes to utilize the Net Proceeds raised through the Fresh Issue for the following objects:

1. purchase of machinery;
2. constructing new factory buildings and related facilities at our manufacturing plant in Valsad, Gujarat;
3. funding working capital requirements;
4. repayment/pre-payment of debt; and
5. general corporate purposes.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among others, the enhancement of the brand recognition of our Company.

The details of the Net Proceeds are set forth below:

S. No.	Description	Amount (₹ in million)
1.	Gross proceeds from the Fresh Issue*	up to 3,300.00
2.	(Less) Offer-related expenses(1)(2)	[●]
3.	Net Proceeds(2)	[●]

* *Includes proceeds, if any, received pursuant to the Pre-IPO Placement, if undertaken by our Company. Upon the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards any of the objects of the Offer as set out in this section.*

(1) *Other than the listing fees which shall be paid by the Company, all other costs, fees and expenses with respect to the Offer shall be shared among our Company and the Promoter Group Selling Shareholders as mutually agreed and in proportion to the number of Equity Shares issued under the Fresh Issue and transferred under the Offer for Sale, respectively, in accordance with applicable law.*

(2) *To be finalized upon determination of Offer Price.*

The main objects and objects in furtherance of the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Fresh Issue.

Requirement of Funds, Utilization of Net Proceeds and Means of Finance

The proposed utilization of the Net Proceeds is set forth below:

S. No.	Objects	Total Estimated Costs (₹ in million)
1.	Purchase of machinery	1,328.81
2.	Constructing new factory buildings and related facilities at our manufacturing plant in Valsad, Gujarat	695.07
3.	Funding working capital requirements	404.92
4.	Repayment/pre-payment of debt	150.00
5.	General corporate purposes*	[●]
	Total	[●]

** To be finalized upon determination of the Offer Price. The amount shall not exceed 25% of the gross proceeds from the Fresh Issue.*

We propose to meet the entire fund requirement from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals, as required under the SEBI ICDR Regulations.

The fund deployment described in this section is based on the estimates of our Company's management (including based on quotations received from vendors, suppliers and other third parties, which are subject to change in the future) and has not been appraised by any bank or financial institution or any other independent agency. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of various factors such as our financial conditions, business and strategy as well as interest rate fluctuations, finance charges and other external factors, which may not be within the control of our Company's management. In view of the competitive and dynamic nature of the industry in which we operate and on account of new plans that we may pursue and any modification in the developments and initiatives that we are currently pursuing or may pursue in the future, we may have to revise our planned allocation of funds from time to time. This may entail rescheduling the proposed utilization of the Net Proceeds and increasing or decreasing the allocation of funds for a particular purpose from its planned allocation at the discretion of our Company's management, subject to compliance with applicable law. See "*Risk Factors – Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilizing the Net Proceeds. There is no assurance that the Objects of the Offer will be achieved within the timeframe expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.*" on page 34.

In the event of any increase in the actual utilization of funds earmarked for the abovementioned objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding existing objects, if required, and for general corporate purposes. Our Company's management, in accordance with the policies of the Board and subject to compliance with applicable law, will have flexibility in utilizing any surplus amounts, if any.

Appraising Entity

The fund requirements for the objects of the Offer have not been appraised by any bank or financial institution or other independent agency.

Schedule of Utilization and Deployment of the Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule as set forth below:

S. No.	Particulars	Total Estimated Cost	Amount Proposed to be utilized from the Net Proceeds (₹ in million)	Estimated Utilization of the Net Proceeds (₹ in million)**	
				Financial Year 2019	Financial Year 2020
1.	Purchase of machinery	1,328.81	1,328.81	480.41	848.40
2.	Constructing new factory buildings and related facilities at our manufacturing plant in Valsad, Gujarat	695.07	695.07	247.53	447.54
3.	Funding working capital requirements	404.92	404.92	404.92	-
4.	Repayment/pre-payment of debt	150.00	150.00	150.00	-
5.	General corporate purposes*	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

**To be finalized upon determination of the Offer Price. The amount shall not exceed 25% of the gross proceeds from the Fresh Issue.*
*** In the event that we are unable to utilize the entire amount that we have currently estimated for use from the Net Proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial year.*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Fresh Issue.

Details of the Objects of the Fresh Issue

1. Purchase of Machinery

Our Company intends to purchase machinery for its business. For details, see "*Our Business – Manufacturing*" and *"Our Business – Our Strategy – Continue to be a leading manufacturer of writing instruments, increase production capacity and enhance capacity utilization"* on pages 138 and 130, respectively. Our Company will require various machines such as moulds, injection moulding machines, extruder plants, barcode labelling machines, centrifugal machines, automatic vacuum centrifugal machines, manual and automatic pad printing machines, refill assembly machines, rotary transfer machines (tip manufacturing), wire straightening and shearing machines, automatic orientation heat transfer machines, packing machines, UV plant and automatic and semi-automatic assembly machines.

The details of certain machinery are given below:

- injection moulding machines are used for processing and converting plastic granules into plastic moulded parts of pens;
- extruder machines are used for extruding refill tubes from plastic granules;
- barcode and labelling machines are used for affixing barcode stickers/ labels on pens and on packing material;
- centrifugal machines and vacuum centrifugal machines are used for regularizing the flow and level of ink in the refills and removing air bubbles, if any, in the refills;
- manual pad printing machines are used for customizing and branding pen parts manually. Automatic pad printing machines are used for customizing and branding pen parts through automation;
- refill assembly machines are automated machines for producing various refills through processes such as tip attachment and ink filling. Automatic and semi-automatic machines are used for assembly of pens in finished form;
- rotary transfer machines are high-grade, precision machines used for the manufacture of tips;
- wire straightening machines and shearing machines are used for blank cutting;
- heat transfer machines are used for the foiling on pens;
- packing machines are used for packing of pens in primary packaging; and
- UV plant is used for the UV process on the metal and plastic parts of pens.

Our Company proposes to utilize ₹1,328.81 million from the Net Proceeds for the purchase of such machinery. The break-down of the estimated costs is disclosed below:

S. No.	Description of the Machinery	Total Cost (₹ in million)*
1.	Moulds	283.09(1)
2.	Injection moulding machines	357.96(2)
3.	Extruder plants	14.87(3)
4.	Barcode labelling machines	8.08(4)
5.	Centrifugal machines	28.27(5)
6.	Pad printing machines	28.07(6)
7.	Assembly machines	182.3(7)
8.	Rotary transfer machine (tip manufacturing)	253.33(8)
9.	Wire straightening and shearing machine	17.89(9)
10.	Automatic orientation heat transfer machines	16.03(10)
11.	Packing machines	82.19(11)
12.	UV plant	56.73(12)
	Total	**1,328.81**

**Based on an assumed exchange rate of 1USD=₹69.50 and 1 CHF=₹70.00, unless otherwise specified. Inclusive of applicable taxes, customs duties, applicable cess and transportation/freight costs, unless otherwise specified. In this respect, our Company has received (i) quotations from M/s. Maratha Roadlines, Mumbai, Maharashtra dated June 13, 2018 and June 26, 2018 for transportation within India; (ii) quotations from Pacific Blue Cargo Private Limited, Mumbai, Maharashtra dated June 20, 2018 and June 21, 2018 for freight; and (iii) quotations from M/s. Express Cargo Movers, Mumbai, Maharashtra dated June 13, 2018 for clearance of goods through customs, dock and air cargo.*

(1) *Suppliers are: Wenzhou Foreign Trade Industrial Product Co Ltd, Wenzhou, China (pro forma invoices dated June 12, 2018 and July 30, 2018); Wenzhou First Choice Imp & Exp Co., Ltd., Wenzhou, China (proforma invoices dated October 6, 2017 and November 30, 2017); Poonghan Creator Co., Gyeonggi-Do, Korea (pro forma invoices dated June 12, 2018 and July 30, 2018); Ningbo Kingmold Machinery Co., Ltd., Ningbo, China (pro forma invoices dated June 13, 2018, June 19, 2018 and July 30, 2018); Qingdao Strong International Trade Co., Limited, Qingdao, China (pro forma invoices dated June 11, 2018, June 14, 2018 and July 30, 2018); O-Star*

Global International Co., Ltd., Gyeonggi-do, Republic of Korea (pro forma invoice dated June 19, 2018); S & J Co., Ltd. (pro forma invoices dated June 27, 2018).

(2) *Supplier is: Toshiba Machine (Chennai) Private Limited, Chennai, Tamil Nadu (pro forma invoices (in ₹) dated May 14, 2018, June 15, 2018 and July 20, 2018)*

(3) *Supplier is: M/s. H.P. Plastic Machinery, Mumbai, Maharashtra (pro forma invoices (in ₹) dated June 14, 2018)*

(4) *Supplier is: ORT International Trading Co., Limited, Shantou, China (pro forma invoices dated August 6, 2018)*

(5) *Supplier is: Qingdao Strong International Trade Co Limited, Qingdao, China (sales contracts dated June 19, 2018); Strong International Co., Limited, Qingdao, China (sales contracts dated June 19, 2018).*

(6) *Supplier is: ORT International Trading Co., Limited, Shantou, China (pro forma invoices dated June 12, 2018)*

(7) *Supplier is: Shenzhen Gereke Machinery Co. Ltd., Shenzhen, China (pro forma invoices dated June 15, 2018, June 19, 2018 and June 20, 2018); ORT International Trading Co., Limited, Shantou, China (pro forma invoices dated June 12, 2018 and June 19, 2018)*

(8) *Supplier is: Mikron SA Agno, Switzerland (budgetary proposal dated June 18, 2018)*

(9) *Supplier is: Mikron SA Agno, Switzerland (budgetary proposal dated June 18, 2018)*

(10) *Supplier is: ORT International Trading Co., Limited, Shantou, China (pro forma invoices dated June 12, 2018)*

(11) *Supplier is: ORT International Trading Co., Limited, Shantou, China (pro forma invoices dated June 12, 2018)*

(12) *Supplier is: Zhejiang Uvline Machinery Co. Ltd., Zhejiang, China (quotations dated June 27, 2018)*

All quotations received from the abovementioned suppliers are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the abovementioned suppliers which have provided quotations and there can be no assurance that the abovementioned suppliers would be engaged to eventually supply the machinery or that the abovementioned machinery would be purchased at the abovementioned costs. The quantity of machinery to be purchased is based on the estimates of our Company's management. We will purchase such machinery from non-resident suppliers in foreign currencies. We face foreign exchange risk in respect of such purchases and as indicated above, have assumed an exchange rate for the purposes of presentation. For details, see *"Risk Factors – We face foreign exchange risks that could materially and adversely affect our business, operations, prospects or financial results"* on page 33.

Our Company shall have the flexibility to deploy such machinery at any of our existing and future units, according to our business requirements based on the estimates of our Company's management.

As on the date of this Draft Red Herring Prospectus, our Company has not placed orders for machinery of value of ₹1,196.86 million constituting approximately 88.08% of the value of the total machinery to be purchased from the Net Proceeds. For details, see "*Risk Factors – We have not placed orders for machinery of value of ₹1,196.86 million constituting approximately 88.08% of the value of the total machinery to be purchased from the Net Proceeds*" on page 34. No second-hand machinery is proposed to be purchased from the Net Proceeds.

The Promoters, the Directors and the Group Companies have no interest in the proposed procurement stated above.

2. Constructing New Factory Buildings and Related Facilities at our Manufacturing Plant in Valsad, Gujarat

Our Company proposes to utilize ₹695.07 million from the Net Proceeds for funding of capital expenditure to be incurred by our Company, for the purpose of construction of certain factory buildings and related facilities, (including completing electrical installations), at our manufacturing plant in Valsad, Gujarat. For details, see "*Our Business – Our Strategy – Continue to be a leading manufacturer of writing instruments, increase production capacity and enhance capacity utilization*" on page 130.

The break-down of the estimated costs to be incurred by our Company for such capital expenditure is disclosed below:

S. No.	Particulars	Amount (₹ in million)
1.	Construction of factory buildings and related facilities	589.65
2.	Electrical installations	105.42
	Total	**695.07**

Pursuant to a certificate dated August 25, 2018, Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, has certified the abovementioned amounts.

a) ***Construction of Factory Buildings and Related Facilities***

We currently propose to construct factory buildings in our manufacturing plant in Valsad, Gujarat on land leased to our Company by Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, the Promoters and Directors, pursuant to a lease deed dated October 16, 2017, which is valid for a period of 25 years and which may be renewed for an additional period of 25 years. No part of the Net Proceeds will be utilized towards acquisition of any land or towards payment of rent to the Promoters.

The buildings proposed to be constructed using the Net Proceeds comprise approximately 313,000 sq. ft., including two factory buildings, administration building, dormitory, raw material godown, tool building, metalizing plant and ink storage room. A detailed break-down of the estimated construction cost is disclosed below:

S. No.	Particulars	Total Cost (₹ in million)
1.	Building II	156.8(1)
2.	Building III	156.8(1)
3.	Administration building	37.5(1)
4.	Dormitory	25.5(1)
5.	Raw Material Godown	30 (1)
6.	Tool Building	18.2(1)
7.	Metalizing Plant	22.5(1)
8.	Ink Storage Room	7.2(1)
9.	Miscellaneous construction	120(1)
10.	Consulting and supervision charges	15.15(2)
	Total	**589.65**

**Exclusive of applicable taxes*
(1) Based on quotation dated June 27, 2018 from Sheel Procon Private Limited
(2) Based on quotation dated June 28, 2018 from M/s. Krishna Consultancy, Vapi, Gujarat

Pursuant to a certificate dated August 25, 2018, Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, has certified the abovementioned costs for construction at our Company's manufacturing plant in Valsad, Gujarat.

b) ***Electrical Installations***

Our Company proposes to utilize ₹105.42 million from the Net Proceeds for electrical installations at our new factory buildings at our manufacturing plant in Valsad, Gujarat. Such installations include cable laying, electrical junction box and electrical fixtures. The break-down of such estimated costs is disclosed below:

S. No.	Particulars	Total Cost (₹ in million)
1.	Electrical installations for Building II	34.19
2.	Electrical installations for Building III	34.19
3.	Electrical installations for Administration Building	11.05
4.	Electrical installations for Dormitory	3.82
5.	Electrical installations for Raw Material Godown	2.97
6.	Electrical installations for Tool Building	8.19
7.	Electrical installations for Metalizing Plant	9.03
8.	Electrical installations for Ink Storage Room	1.98
	Total	**105.42**

**Inclusive of applicable taxes. Based on separate quotations, each dated July 15, 2018, from M/s. Moonlight, Tarapur, Maharashtra*

Pursuant to a certificate dated August 25, 2018, Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, has certified the abovementioned costs for electrical installations at our Company's manufacturing plant in Valsad, Gujarat.

All quotations received from the abovementioned vendors, civil engineers and contractors are valid as on the date of this Draft Red Herring Prospectus. Our Company has not entered into any definitive agreements with any of the abovementioned vendors/contractors and there can be no assurance that the abovementioned vendors/contractors would be engaged to eventually supply the material or provide such services or that the abovementioned material or services would be purchased at the abovementioned costs.

Proposed Schedule of Implementation

The proposed schedule of implementation of the above capital expenditure to be incurred at our manufacturing plant in Valsad, Gujarat is disclosed below:

S. No.	Event	Expected Date	
		Building II	**Building III**
1.	Completion of construction of the buildings	February 2019	December 2019
2.	Completion of electrical installations	February 2019	December 2019
3.	Commencement of trial production	February 2019	December 2019
4.	Commencement of commercial production	February 2019*	January 2020*

**Though commercial production is expected to commence as indicated, the units shall reach optimum production only in four to six months from such commencement of commercial production.*

Pursuant to a certificate dated August 25, 2018, Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, has certified the abovementioned proposed schedule of implementation.

The Promoters, the Directors and the Group Companies have no interest in the abovementioned capital expenditure to be incurred by our Company.

3. Funding Working Capital Requirements

Our Company funds the majority of its working capital requirements in the ordinary course of business from internal accruals and financing from banks. As of September 5, 2018, our Company's working capital facilities consisted of up to ₹785.00 million, on a standalone basis. For further details of the working capital facilities currently availed by our Company, see "*Financial Indebtedness*" and "*Financial Information"* on pages 522 and 183, respectively.

Our Company requires additional working capital for our working capital gap. Our Company proposes to utilize ₹404.92 million from the Net Proceeds towards working capital requirements for meeting our future business requirements.

Basis of Estimation of Working Capital Requirement and Estimated Working Capital Requirements

The details of our Company's working capital requirements for the period from August 12, 2016 to March 31, 2017 and Financial Year 2018 and funding of the same and the estimated working capital requirements for Financial Year 2019, based on our audited standalone financial statements, are as set out in the table below.

(₹ in million)

S. No.	Particulars	Holding levels (days) (non-annualized)	Period from August 12, 2016 to March 31, 2017	Holding levels (days)	Financial Year 2018	Holding levels (days)	Financial Year 2019
					(Audited)		*(Estimated)*
I.	**Current Assets**						
1.	Inventories						
	Raw materials	54	178.53	52	373.28	53	461.19
	Work-in-progress	41	134.61	45	320.17	46	395.57
	Finished goods	19	64.24	26	187.24	27	231.34
2.	Debtors	49	318.15	84	1,153.72	94	1,567.12
3.	Cash and bank balances	9	57.66	1	11.74	1	14.69
4.	Loans and advances	1	9.10	1	8.82	0	7.50
5.	Other current assets	8	51.69	16	223.48	13	217.92
	Total current assets (A)	**-**	**813.98**	**-**	**2,278.45**	**-**	**2,895.33**
II.	**Current Liabilities**						
1.	Creditors	84	276.64	77	551.34	81	704.08
2.	Other current liabilities	45	243.27	18	207.90	20	267.13
	Total current	**-**	**519.91**	**-**	**759.24**	**-**	**971.21**

S. No.	Particulars	Holding levels (days) (non-annualized)	Period from August 12, 2016 to March 31, 2017	Holding levels (days)	Financial Year 2018	Holding levels (days)	Financial Year 2019
	liabilities (B)						
III.	**Total working Capital Requirements (A – B)**	**-**	**294.07**	**-**	**1,519.21**	**-**	**1,924.12**
IV.	**Funding pattern**						
1.	Working capital facilities from banks and financial institutions	-	93.44	-	467.75	-	0.00
2.	Internal Accruals	-	200.63	-	1,051.46	-	1,519.20
3.	Part of the Net Proceeds to be utilized	-	-	-	-	-	**404.92**

Justification for Holding Period Levels

Inventories	Raw material days are computed from the audited standalone financial statements. Our Company has assumed the holding level for raw materials as 53 days and the holding level for finished goods as 27 days. Work-in-progress days are computed from audited standalone financial statements. Our Company has assumed the holding level for work-in-progress as 46 days of cost of material consumed, purchase of stock-in-trade and changes in inventory of finished goods, semi-finished goods and stock-in-trade for the Financial Year 2019.
Debtors	Receivable days are computed from the audited standalone financial statements. Our Company has assumed the holding level for trade receivable as 94 days of revenue from operations for the Financial Year 2019.
Loans and advances	Loans and advances days are computed from the audited standalone financial statements. Our Company has assumed the holding level for loans and advances as zero days of revenue from operations for the Financial Year 2019.
Other current assets	Other current assets days are computed from the audited standalone financial statements. Our Company has assumed the holding level for other current assets as 13 days of revenue from operations for the Financial Year 2019.
Creditors	Payable days are expected to grow in line with expected business growth. Holding levels for trade payables is computed from the audited standalone financial statements. Our Company has assumed the holding level for trade payables as 81 days of cost of material consumed, purchase of stock-in-trade and changes in inventory of finished goods, semi-finished goods and stock-in-trade for the Financial Year 2019.
Other current liabilities	Other current liabilities are computed from the audited standalone financial statements and are expected to decrease due to improved liquidity. Our Company has assumed the holding level for other current liabilities as 20 days of total expenses excluding depreciation/amortisation costs and finance costs for the Financial Year 2019.

Pursuant to a certificate dated September 24, 2018, M/s. Jeswani & Rathore, Chartered Accountants and the Auditors have certified the working capital requirements of our Company.

4. Repayment/Pre-payment of Debt

Our Company has entered into various financing arrangements with Citibank, N.A. We intend to utilize up to ₹150.00 million from the Net Proceeds towards repayment/pre-payment of our outstanding term loan as identified below. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us from our internal accruals.

Lender	Nature of Borrowing	Amount Sanctioned (₹ in million)	Amount outstanding as of September 5, 2018 (₹ in million)	Purpose	Term	Rate of Interest
Citibank, N.A.	Term Loan	250.00	153.00	Capital expenditure	5 years	Floating rate (linked to Treasury Bill), i.e., 11.0% per annum, as of September 5, 2018
Total		**250.00**	**153.00**			

Pursuant to a certificate dated September 24, 2018, M/s. Jeswani & Rathore, Chartered Accountants and the Auditors, have certified that the above loan was utilized for the purposes for which it was sanctioned.

For further details on the terms and conditions of the above financing arrangement, see "*Financial Indebtedness*" on page 522.

Our Company will approach Citibank, N.A. after completion of the Offer for repayment/pre-payment of certain of the above loan. In the event that we choose to prepay the abovementioned term loan, we may be required to pay an additional prepayment premium. We believe that such repayment or prepayment will help in reducing our outstanding indebtedness and debt servicing costs, which in turn will assist in maintaining a favourable debt-equity ratio in the near future. In addition, we believe that our leverage capacity will improve to raise further funds in the future for purposes of potential business expansion opportunities.

In addition to the loan mentioned above, our Company may, from time to time, enter into further financing arrangements and draw down funds under such financing arrangements. We may utilize the Net Proceeds towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness that may be incurred by us, details of which shall be provided in the Red Herring Prospectus.

5. **General Corporate Purposes**

Our Company proposes to deploy an amount of up to ₹[●] million from the Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds, include without limitation, strengthening marketing capabilities and brand-building exercises, strategic initiatives, partnerships and joint ventures, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly constituted committee thereof, from time to time, subject to compliance with the applicable provisions of the Companies Act, 2013.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by the Board from time to time, will have flexibility to deploy the Net Proceeds towards the stated objects. Pending utilization of the Net Proceeds for the purposes described above, our Company will invest the Net Proceeds only in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by the Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer-related Expenses

The total Offer-related expenses are estimated to be approximately ₹[●] million. The Offer-related expenses consist of, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to the legal counsel, fees payable to the Registrar to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, which shall be paid by our Company, all other costs, fees and expenses with respect to the Offer shall be shared among our Company and the Promoter Group Selling Shareholders, as mutually agreed and in proportion to the number of Equity Shares issued under the Fresh Issue and transferred under the Offer for

Sale, respectively, in accordance with applicable law, upon completion of the Offer. Upon completion of the Offer, the Promoter Group Selling Shareholders shall reimburse our Company for the expenses incurred by our Company, if any, in relation to the Offer for Sale.

The break-down of the estimated Offer expenses is disclosed below.

Activity	Amount(1) (₹ in million)	As a % of Total Estimated Offer-related Expenses(1)	As a % of Offer size(1)
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission and processing/uploading charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Commission and processing fees for SCSBs	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees, book building software and other regulatory fees; iii. Printing and stationery expenses; iv. Advertising and marketing expenses for the Offer; v. Fees payable to legal counsel and other advisors to the Offer; and vi. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalized at the time of filing the Prospectus with the RoC and upon finalization of the Offer Price and other details.

(2) Details of selling commission and processing fees will be finalized prior to registering the Red Herring Prospectus.

Monitoring Utilization of Funds

Our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to the registration of the Red Herring Prospectus with the RoC in accordance with the SEBI ICDR Regulations. The Monitoring Agency shall submit its report to our Company in the manner and in format specified under the SEBI ICDR Regulations. Our Company shall comply with the requirements in this respect under the SEBI ICDR Regulations and the SEBI Listing Regulations.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorized to do so by way of a special resolution of the Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published as required under the Companies Act, 2013. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects of the Fresh Issue, at a price and in such manner as may be prescribed by the SEBI in Chapter VI-A of the SEBI ICDR Regulations and the Companies Act, 2013. Also see "*Risk Factors - Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilizing the Net Proceeds. There is no assurance that the Objects of the Offer will be achieved within the timeframe expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution*." on page 34.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to the Promoters, the Directors, the Key Management Personnel or the Group Companies. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with the Promoters, the Directors, the Key Management Personnel or the Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.

Qualitative Factors

We believe we have the following principal competitive strengths:

1. Recognized brands for writing instruments across different consumer segments
2. Wide range of writing instruments across price points
3. Wide sales and distribution network in India and presence in targeted markets abroad
4. Preferred partner for international brands in the writing instruments industry
5. Large capacity and quality manufacturing capabilities
6. Experienced Promoters and senior management team

For further details regarding the qualitative factors which form the basis for computing the Offer Price, see "*Our Business*" and "*Risk Factors*" on pages 124 and 18, respectively.

Quantitative Factors

Information presented in this section is derived from our Restated Consolidated Financial Information and our Restated Standalone Financial Information. See "*Financial Information*" on page 183.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. **Basic and Diluted Earnings per Share** ("**EPS**"), **as adjusted for changes in capital**

According to our Restated Standalone Financial Information:

Year/ period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	23.06	23.06	2
March 31, 2017	13.48	13.48	1
Weighted Average	19.87	19.87	

According to our Restated Consolidated Financial Information:

Year/ period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	23.11	23.11	2
March 31, 2017	13.43	13.43	1
Weighted Average	19.88	19.88	

Notes:

1. *The EPS calculations have been done in accordance with Ind AS and after taking in account the impact of the dilutive effect of the bonus issue on August 16, 2018.*
2. *The face value of each Equity Share is ₹10.*
3. *Basic Earnings per share (₹) = Restated net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the year.*
4. *Diluted Earnings per share (₹) = Restated profit for the year/Weighted average number of diluted potential equity shares outstanding during the year.*
5. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*
6. *Information has been included only for the last two Financial Years since our Company was incorporated in Financial Year 2017.*

2. Price/Earning Ratio ("P/E") in relation to the Offer Price of ₹[●] per Equity Share

Particulars	Standalone	Consolidated
P/E ratio based on Basic EPS for the Financial Year 2018 at the Floor Price	[●]	[●]
P/E ratio based on Diluted EPS for the Financial Year 2018 at the Floor Price	[●]	[●]
P/E ratio based on Basic EPS for the Financial Year 2018 at the Cap Price	[●]	[●]
P/E ratio based on Diluted EPS for the Financial Year 2018 at the Cap Price	[●]	[●]

Industry P/E Ratio

Year ended	P/E
Highest	118.57
Lowest	79.18
Average	98.88

Note: The industry high and low has been considered from the industry peer set provided in this section. The industry composite has been calculated as the arithmetic average P/E Ratio of the industry peer set disclosed in this section. For details, see "– Comparison of Accounting Ratios with Listed Industry Peers" on page 103.

3. Average Return on Net Worth ("RoNW"), as adjusted for changes in capital

According to our Restated Standalone Financial Information:

Year/ period ended	RONW (%)	Weight
March 31, 2018	35.01	2
March 31, 2017	139.90	1
Weighted Average	69.97	

According to our Restated Consolidated Financial Information:

Year/ period ended	RONW (%)	Weight
March 31, 2018	35.07	2
March 31, 2017	140.11	1
Weighted Average	70.08	

RoNW (%)=	Restated net profit after tax and adjustments, available for equity shareholders
	Restated net worth at the end of the year

Notes:

1. *Net worth includes Equity share capital + Other equity (including Securities premium, Other Comprehensive income and Retained earnings).*
2. *Information has been included only for the last two Financial Years since our Company was incorporated in Financial Year 2017.*

4. Minimum Return on Increased Net Worth after the Offer needed to maintain pre-Offer EPS for the Financial Year 2018

Particulars	Standalone (%)		Consolidated (%)	
	Pre-Issue Basic EPS	Pre-Issue Diluted EPS	Pre-Issue Basic EPS	Pre-Issue Diluted EPS
At the Floor Price	[●]	[●]	[●]	[●]
At the Cap Price	[●]	[●]	[●]	[●]

5. Net Asset Value per Equity Share

According to our Restated Financial Information:

Net Asset Value per Equity Share	Standalone (₹)	Consolidated (₹)
As on March 31, 2018	65.85	65.85
After the Offer	[●]	[●]

Net Asset Value per Equity Share	Standalone (₹)	Consolidated (₹)
Offer Price	[●]	[●]

Net asset value is defined as restated net worth at the end of the year/Number of equity shares outstanding at the end of the year, and after taking in account the impact of the dilutive effect of the bonus issue on August 16, 2018.

6. Comparison of Accounting Ratios with Listed Industry Peers

Our Company is a leading manufacturer of writing instruments in India with a focus on pens. None of the listed companies in India have a business profile and operations comparable to ours; however, there are listed companies in India in the broader stationery industry and are disclosed below:

Name of the Peer	For the Financial Year 2018						
	Face Value (in ₹)	Total Income (in ₹ million)	Profit after Tax (in ₹ million)	Basic Earnings per share (₹ per equity share)	P/E	RoNW (%)	Net Asset Value per Share (₹ per equity share)
Linc Pen & Plastics Limited	10	3,330.54	78.41	5.30	79.18	6.49	81.68
Kokuyo Camlin Limited	1	6,413.43	98.07	0.98	118.57	4.12	23.76

Notes:

1. *Above information is based on standalone financials of Linc Pen & Plastics Limited and consolidated financials of Kokuyo Camlin Limited as per IND AS as of and for the Financial Year 2018.*
2. *Total income, profit after tax and basic earnings per share as reported by respective companies. Profit after tax after effecting for share of minority interest as reported.*
3. *P/E ratio has been computed as the ratio of the closing price as on March 28, 2018 on NSE and basic earnings per share for the Financial Year 2018.*
4. *NAV is computed as the closing net worth divided by the outstanding number of fully paid-up equity shares as on March 31, 2018. Net worth has been computed as sum of share capital and other equity (as reported).*
5. *RoNW (%) has been computed as profit after tax divided by the net worth for the Financial Year 2018.*

The Offer Price of ₹[●] has been determined by the Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand from investors for the Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Bidders should read the above information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 18, 124, 525 and 183, respectively. The trading price of the Equity Shares could decline due to factors as described in "*Risk Factors*" on page 18 and you may lose all, or part, of your investment.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors
Flair Writing Industries Limited
63 B/C,
Government Industrial Estate,
Charkop, Kandivali (West),
Mumbai - 400 067,
Maharashtra, India

Dear Sirs

Sub: Statement of possible Special tax benefit ('the Statement') available to Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited) and its shareholders prepared to comply with the requirements under Schedule VIII Part A- Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI ICDR Regulations").

We hereby report that the enclosed Statement prepared by Flair Writing Industries Limited ("Company") states the possible special tax benefits available to the Company and to its shareholders under the Income Tax Act, 1961 and Income Tax Rules, 1962 including amendments made by Finance Act 2018 (together "the Tax Laws"), presently in force in India. These benefits are dependent on the Company and/ or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/ or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which to the extent applicable, is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to its shareholders and do not cover any general tax benefits available. Further, the benefits discussed in the enclosed Statement are not exhaustive and any benefits available under any other laws within or outside India have not been examined and covered by this statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We have conducted our engagement in accordance with the Guidance Note on Reports or Certificates for Special Purpose and the Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), both issued by the Institute of Chartered Accountants of India. This Guidance Note and Standard requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1 –Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement.

The enclosed Statement may be relied upon by the BRLMs and the legal counsels in relation to the Offer and is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offering by the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent except as stated herein

We also consent to the references to us as “Experts” under section 26 of the Companies Act to the extent to the certification provided hereunder and included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other documents in connection with the Offer.

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

K L Rathore
Partner
(M. No. 012807)

Place: Mumbai
Date: September 24, 2018

Encl: Annexure

Annexure to the Statement of Possible Special Tax Benefits available to the Company and its shareholders under the Income Tax Act, 1961 ("the Act") and other direct tax laws presently in force in India.

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Act, in force in India (i.e. applicable for the Financial Year 2018-19 relevant to the Assessment Year 2019-20). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill

I Special tax benefits available to the Company:

1) Section 80-IC of the Act

A company is entitled to claim a deduction of 100% of profits and gains derived by an undertaking for five assessment years, and thereafter a deduction of 30% of such profits and gains each year for a subsequent period of five assessment years in the following scenarios:

a) Where the undertaking has begun or begins to manufacture or produce any article or thing:

i. not being an article or thing specified in the Thirteenth Schedule to the Act, or
ii. being an article or thing specified in the Fourteenth Schedule to the Act, or
iii. commences any operation specified in the Fourteenth Schedule to the Act; or

b) the company has begun or begins to manufacture or produce any article or thing not being an article or thing specified in the Thirteenth Schedule to the Act and undertakes substantial expansion in the state of Uttarakhand or Himachal Pradesh during the period of 7 January 2003 to 1 April 2012;

The deduction is available subject to fulfilment of conditions prescribed under the said Section.

The Company has set up two undertakings at Selaqui, Dehradun in the state of Uttarakhand. These units are eligible for deduction under Section 80-IC of the Act. The Company has been claiming deduction under section 80-IC in respect of each of these undertakings effective FY 2009-10 for one unit and FY 2011-12 for the other unit. Therefore, FY 2018-19 and FY 2020-21 are the last years in which the Company is eligible to claim deduction under the said section for each of the respective unit

However, the profits of these undertakings would not be available for deduction while computing the book profits of the Company under section 115JB of the Act viz. Minimum Alternate Tax ("MAT") provisions. Under the MAT provisions tax is payable at the rate of 18.5% (plus applicable surcharge, health and education cess) on book profits in a situation where tax liability under the normal provisions of the Act are lower than book profits as computed under section 115JB.

2) Depreciation under section 32 of the Act

Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

Additional Depreciation

The Company is availing the benefit of additional deduction @ 20% of the actual cost of investment in Plant and Machinery acquired.

3) Deduction Under section 80JJAA

The Company can avail deduction under section 80JJAA of Act in respect of employment of new employee (who have been employed for a minimum period of 240 days during the year) @ 30% of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

II Special tax benefits available to the Shareholders:

There are no special tax benefits available to the shareholders with regards to the investment made in the shares of the Company.

Notes:

1) The above Statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis

2) The aforesaid statement of tax benefits does not include any general tax benefits available to the Company or any potential tax benefits which may be available to the Company, or its shareholders in future on fulfilment of certain conditions.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

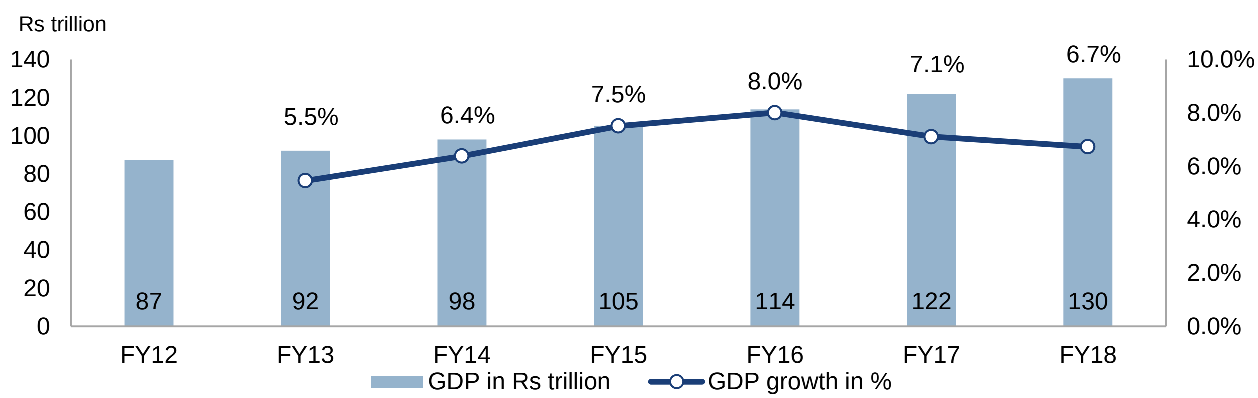
*The information contained in this section has been derived from the report "Assessment of Indian writing instruments industry" dated June 2018 (the "**CRISIL Report**"), prepared by CRISIL Research and commissioned by our Company in connection with the Offer. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. CRISIL has provided a disclaimer for inclusion in this Draft Red Herring Prospectus. For further details, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 16. See also, "Risk Factors – "We have commissioned an industry report from CRISIL Research which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us, the Directors, the BRLMs or the Promoter Group Selling Shareholders" on page 38. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

GDP grew at 6.9% CAGR over the past six years

India has adopted a new base year (fiscal 2012) to calculate the GDP. Based on this, the GDP increased from Rs. 87 trillion in fiscal 2012 to Rs. 130 trillion in fiscal 2018, representing a 6.9% CAGR. As per the Central Statistics Office (CSO), GDP growth for India was 6.7% in fiscal 2018, driven by faster growth in the second half of the fiscal.

Real GDP growth in India (new GDP series)



Source: Central Statistics Office (CSO), CRISIL Research

GDP growth for fiscal 2019 forecast at 7.5%

GDP growth has shown a sharp upturn in Q4 fiscal 2018. CRISIL Research expects the momentum to continue and lift growth to 7.5% in fiscal 2019 compared with 6.7% in fiscal 2018. That, however, would still be lower than the long-term trend of 7.6%. In addition, there is a downside risk to this number if oil prices sustain at the current levels. The growth revival in fiscal 2019 would be consumption-led, with mild support from investments. A normal monsoon in 2018, benign interest rates, return of pent-up demand, and implementation of house rent allowance (HRA) revisions at the state government level would support growth, together with the government's thrust on rural and infrastructure sectors. Quick resolution of GST-related glitches and faster trade growth, supported by cyclical recovery in the global economy, should also help lift India's exports. Recapitalisation of public sector banks will allow funding support from banks and support growth.

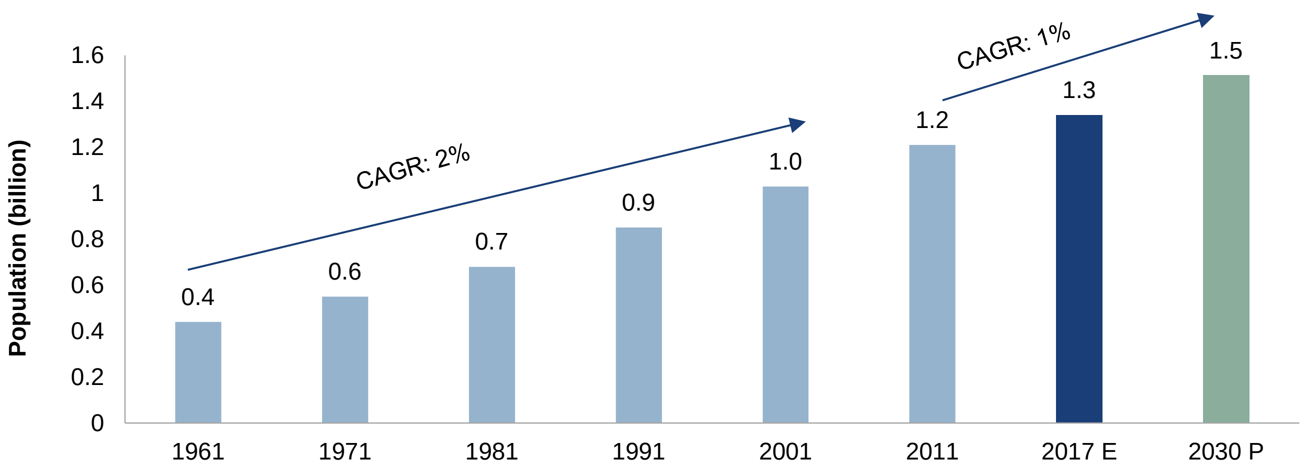
The surge in oil prices, along with improved domestic consumption demand, will buoy import growth. CRISIL Research expects oil prices to average $70 per barrel in 2018, compared with $54 per barrel the previous year. This could raise crude oil import bill by 26% on-year to Rs. 6.5 lakh crore. While the global environment will remain favourable for export growth, persisting domestic hurdles, particularly those related to glitches in GST implementation, can pose downside risks. The imperative to address issues being faced by exporters is even more pressing as the current momentum in global GDP and trade growth is not expected to last beyond two years.

The International Monetary Fund expects global GDP growth to increase from 3.8% in 2017 to 3.9% in 2018 and remain at that level in 2019. However, a, rise in trade protectionism from major economies can weaken the trade intensity of global growth, impacting India's export growth. Foreign capital inflows, which till the previous fiscal were sufficient to finance the current account deficit, could reduce due to tighter global financial conditions. Major central banks of advanced economies will gradually withdraw their extremely accommodative policies as they recover further. The US Federal Reserve has already started withdrawal of its quantitative easing programme and raised the policy rate once in 2018. S&P Global expects three more rate hikes by the Fed this year.

Population growth trend

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew at 1.8% CAGR during 2001-2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimates and projections, India (second to China) and China remain the two most populous countries of the world. The report further projects India's population to grow at 1.2% CAGR by 2030 (1.5 billion by 2030), making it the world's most populous country, surpassing China (1.4 billion in 2030).

India's population growth

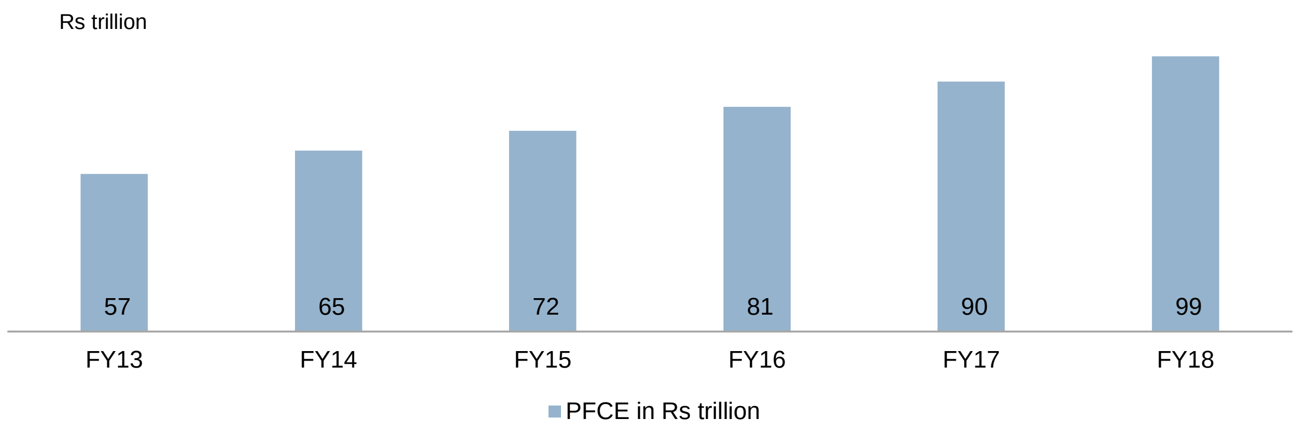


Note: Figures stated are for calendar year. E: Estimated; P: Projected
Source: World Population Prospects: The 2017 Revision, United Nations, CRISIL Research

Urbanisation likely to cross 35% by 2020

The share of urban population in relation to the total population has been consistently rising over the years and stood at ~31% in calendar year 2011. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 36% of the country's population to live in urban areas by 2020.

Private final consumption expenditure



Source: CSO, CRISIL Research

At constant (fiscal 2012) prices, the PFCE is estimated at Rs. 73 trillion in fiscal 2018 as against Rs. 68 in fiscal 2017.

Review of per capita income growth in India

The per capita income at current prices during fiscal 2018 is estimated to have attained a level of Rs. 112,835 as compared to the estimates for fiscal 2017 of Rs. 103,870 indicating an increase of 8.6%.

Past trend in per capita GDP and NNI

Item	Growth at constant prices (%)			
	FY14	FY15	FY16	FY17
Per capita GDP	5.2%	5.8%	6.6%	5.8%
Per capita NNI	4.8%	5.8%	6.6%	5.9%

Note: NNI: Net national income
Source: CSO, CRISIL Research

Books and stationery items form 22% share in general education expenditure

Students attending educational institutions incur expenditure in the form of course fees (including tuition and examination fees), purchase of books, stationery and uniforms, expenses on conveyance, private coaching, etc. This information was documented - under the 71st round survey by the National Sample Survey Office - as ‘Key indicators of social consumption in India-education, NSS 71st round, 2015’. According to the report, the lion’s share in average expenditure was contributed by course fees for all types of education (46% for general and 73% for technical), followed by books and stationery. At an overall level (urban + rural), books and stationery items contribute 22% in general education expenditure and 10% in technical/ professional education (including vocational).

Major components of expenditure and their share (%) in total expenditure:

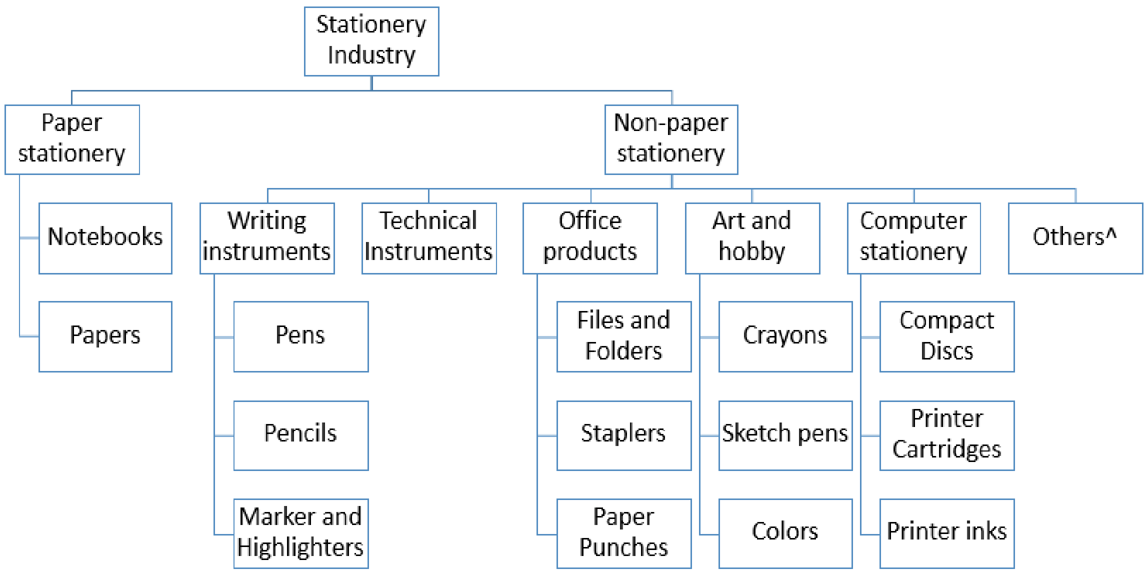
Component of expenditure	General education			Technical/professional education (including vocational)		
	Urban	Rural	Urban +Rural	Urban	Rural	Urban +Rural
Course fee	51%	41%	46%	74%	70%	73%
Books, stationery etc.	**18%**	**27%**	**22%**	**10%**	**11%**	**10%**
Transport	11%	12%	11%	6%	6%	6%
Private coaching	17%	14%	15%	3%	2%	3%
Other expenditure	4%	6%	6%	7%	10%	8%
Total	100%	100%	100%	100%	100%	100%
Average expenditure per course			₹6,788			₹57,094

Source: Key indicators of social consumption in India-education, NSS 71st round, 2015

OVERVIEW OF THE INDIAN WRITING INSTRUMENTS INDUSTRY

Stationery industry comprises wide variety of products and can broadly be classified into paper and non-paper-based products. Stakeholders also classify the industry based on its applications such as school and office stationery. Share of organised and unorganised players varies widely for each product segment.

Overall stationery market



Note: ^Other includes general stationery items such as scissor, adhesives, eraser, sharpeners and calculators. Above classification is broad-based and can be re-designed / re-classified, based on user groups, product types, etc.
Source: Industry, CRISIL Research

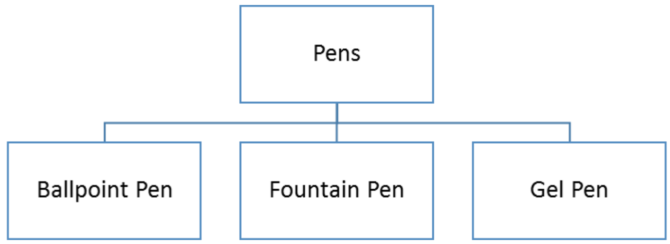
Writing instrument industry dominates non-paper-based stationery industry and mainly comprises pens, pencils, markers and highlighters. Within the writing instrument industry, pen forms a major share and is driven largely by volumes. Pens can further be categorised into ball pens, gel pens, fountain pens, etc. Apart from pens, writing instrument industry includes pencils (traditional pencils and mechanical pencils), markers and highlighters.

The writing instrument industry in India has witnessed consistent growth in the past thanks to product innovation, design modifications, and brand build-up by leading players. From demand perspective, the trend was supported fundamentally by increasing focus on education, growth in enrolment of students, increasing acceptance of parallel education system (such as coaching classes), continued demand from office goers, etc.

Pens: Broadly, the pen industry can be classified into two major sub-segments, based on product price point. Typically, pens priced up to Rs. 15, are referred as mass market products and pens priced above Rs. 15 are further classified as high-value pens / premium pens. Mainly driven by students, mass market segment is highly competitive with individual pens priced at either Rs. 5, Rs. 10 or Rs. 15 (there are pens available at less than Rs. 5 as well). As the purchase behaviour is similar to small packaged FMCG products, these price denominations play a crucial role in saleability.

Players often reinvent new products to ensure that variations are introduced in these price ranges. Also, many brands offer bundled packs of five pieces and above, which helps them in pricing units at odd multiples. For example, retailers may find it difficult to sell single unit of a pen priced at Rs. 6. But a pack of five pens priced at Rs. 30 is a better proposition.

Broad classification of pens



Source: Industry, CRISIL Research

While most companies concentrate on mass market due to sheer volume generated by the sub-segment, high value pens / premium pens are important from profitability and branding perspectives. In addition to the domestic market, which continues to support the growth of pen industry, exports also make this segment lucrative for leading players.

Qualitative overview: Pen industry

Mass market pens

- Driven by volumes
- Price points are crucial
- Difficult to increase prices
- Brand recall is moderate due to impulsive buying in most cases
- Focus group: Students, Corporate supplies
- Essential to have deep retail penetration

High value pens / premium pens

- Driven by volumes and prices
- Premium is built on product branding
- Brand leverage is high
- Focus group: Professionals, Corporates gifting

Source: Industry, CRISIL Research

Qualitative overview: Key users

Students

- Driven by volumes
- Price points are crucial

Corporates

- Driven by volumes for day to day use (Corporate supplies)
- Driven by prices for corporate gifting

Others like artists, professionals etc.

- Driven by volumes
- Driven by the product mix

Source: Industry, CRISIL Research

<u>Pencil</u>: Undoubtedly, pencil is the first writing instrument that gets introduced to kids in the early years of academics and continues to be a core writing instrument till Class V (after which pens are introduced to students for writing). Despite many innovations in the product (such as different mechanical pencils), wooden pencils continue to dominate the market in India. Today, pencil manufactures offer range of products based on different graphite grading scales and end-user applications. Pencils are not only used by students but are also preferred by architects and artists. Mechanical pencil, however, has seen growth mainly in urban regions, and forms a minor share of overall pencil industry.

Markers and highlighters: Markers and highlighters come in different colours and have specific usage. Permanent markers, typically used over glass or metal surfaces, are used to retain writings for fairly long time. On the other hand, whiteboard markers use erasable ink and are used for temporary writing on specific surfaces. Highlighters, as the name suggests, are used to highlight existing write-ups. These products find applications in academic sessions as well as in corporate processes.

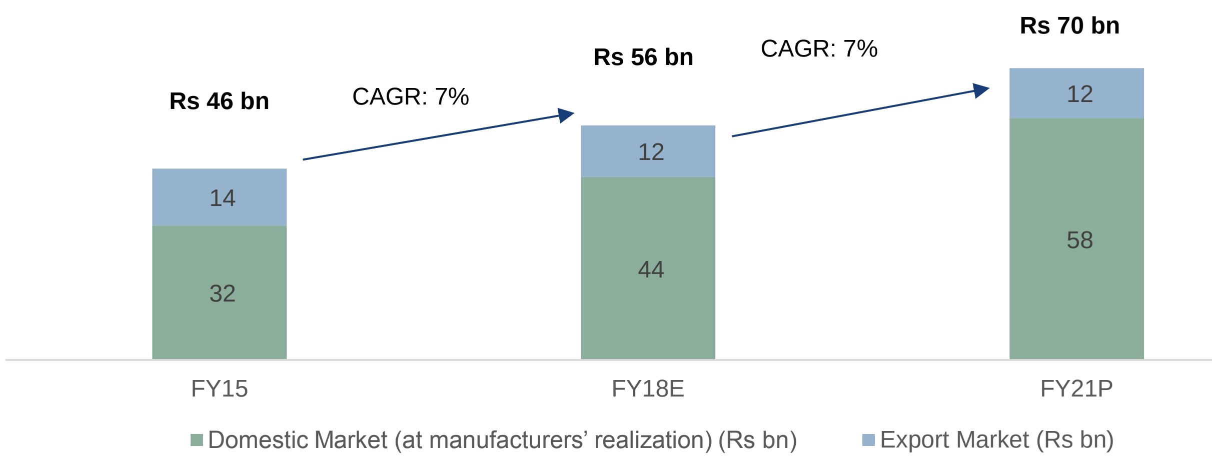
Market Size for Writing Instruments in India

Indian writing instrument industry estimated at Rs. 56 billion in fiscal 2018

CRISIL Research has estimated the size of industry based on manufacturing realizations as well as at retail pricing. Accordingly, on the basis of manufacturing realizations, the Indian writing instrument industry is estimated at Rs. 56 billion (FY2018E). Of this, domestic writing instrument industry (at manufacturing realizations) is estimated at Rs. 44 billion (FY18E) with exports contributing the remaining share (Rs. 12 billion). Pen industry is estimated to contribute 70-75% of domestic industry (in value terms). The industry has grown at CAGR of 7% in last three years and is likely to sustain momentum between fiscals 2018 and 2021. The industry is estimated to reach Rs. 70 billion as of fiscal 2021 on account of annual growth of 7%. Growth in the industry will be driven by domestic market as export segment is estimated to remain stable. The domestic market (on the basis of manufacturer's realization) is poised to grow at CAGR of 10% between fiscals 2018 and 2021.

Within the Indian writing instrument industry, the growth of mass market products is driven by volume since an increase in price is restricted due to intense competition. However, leading players maintain balanced portfolios between mass market and high-value products as well as on the export business to generate better profitability. Brand creation and product differentiation plays a crucial role in high-value and premium products. While this increases the advertising and marketing cost of companies, the brand premium buoys profitability over the long term.

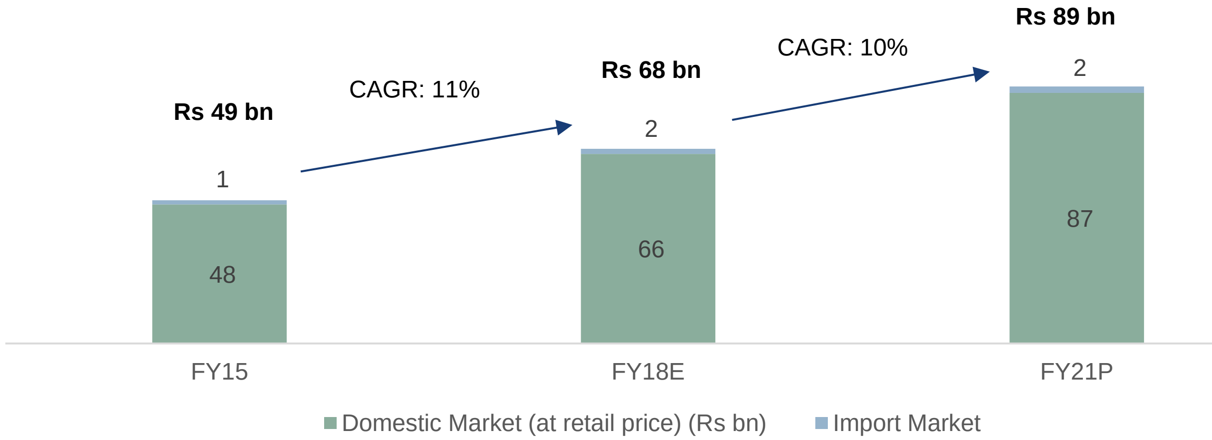
Market size of writing instrument industry (on the basis of domestic manufacturers' realization)



Note: E- Estimated; P- Projected
Source: Industry, Company reports, export-import trade data, CRISIL Research

Taking into consideration the retail margins in the industry, the domestic market size (on Maximum Retail Price basis) is estimated at Rs. 68 billion (at an estimation of 50% distribution margin). The domestic demand (value terms) has grown at CAGR of 11% in last three years and is likely to sustain momentum between fiscals 2018 and 2021. The industry is estimated to reach Rs. 89 billion as of fiscal 2021 on account of annual growth of 10%.

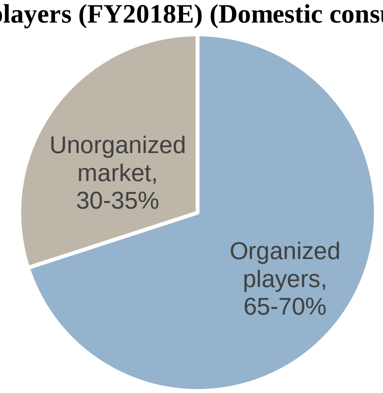
Market size of domestic writing instrument industry (on the basis of retail pricing)



Note: E- Estimated; P- Projected
Source: Industry, Company reports, export-import trade data, CRISIL Research

Overall, share of branded players has expanded over last few years and, at present stands at 65-70% (domestic market). CRISIL Research believes that with emphasis on brand-building by leading players as well as implementation of goods and services tax (GST), the share will increase in coming years. Under GST, input tax credit has ensured wider coverage of tax payers in the supply chain. As supply from registered taxpayers is only allowed for input tax credit, businesses and stakeholders insist on registration of their suppliers and traders, leading to increase in share of organised participants.

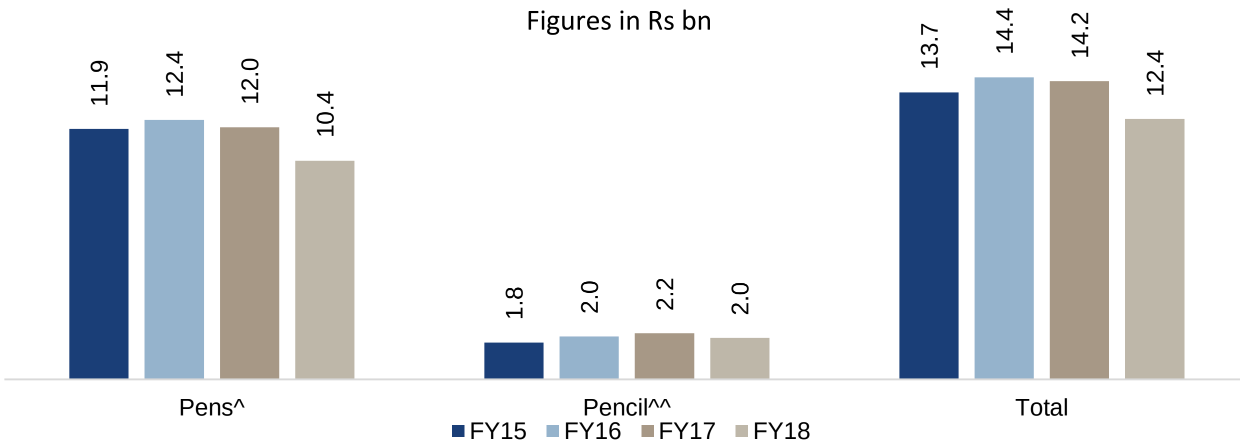
Share of organised players (FY2018E) (Domestic consumption market)



Note: E- Estimated; P- Projected
Source: Industry, Company reports, CRISIL Research

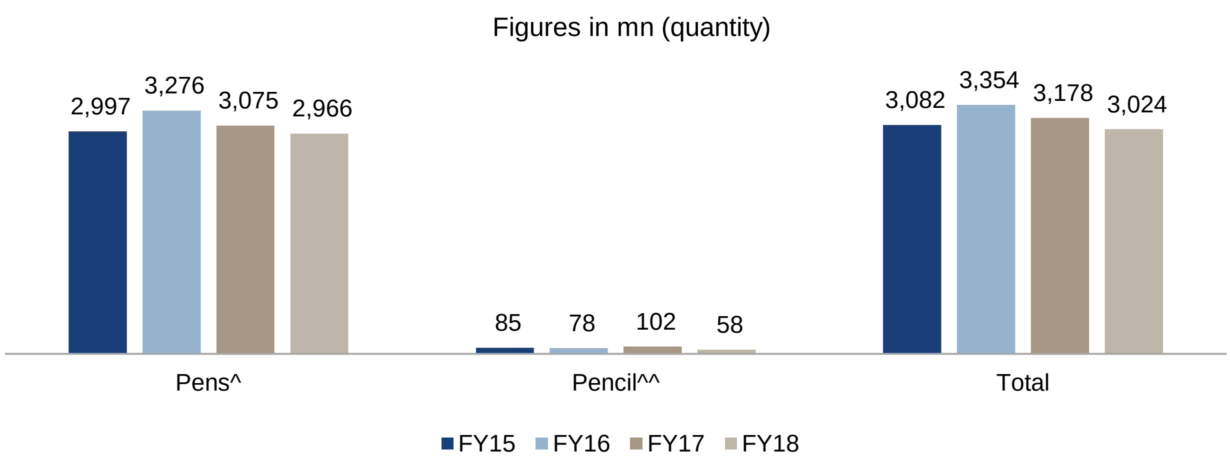
On an average, India has exported pens and pencils worth Rs. 14 billion per year (average figure for fiscals 2015 to 2018). Of these (exports), pens contribute close to 85% in value terms.

Export of pens and pencils from India (in value terms)



Note: Data compiled based on six-digit series of HS (harmonised commodity description and coding system) codes: for pens, HS codes used are 960810,960820 and 960830; for pencils, 960840 and 960910.
Source: Department of Commerce

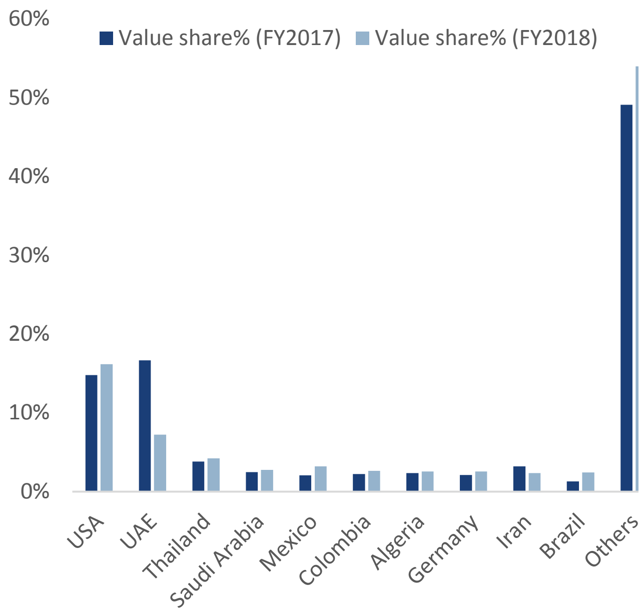
Export of pens and pencils from India (Quantity)



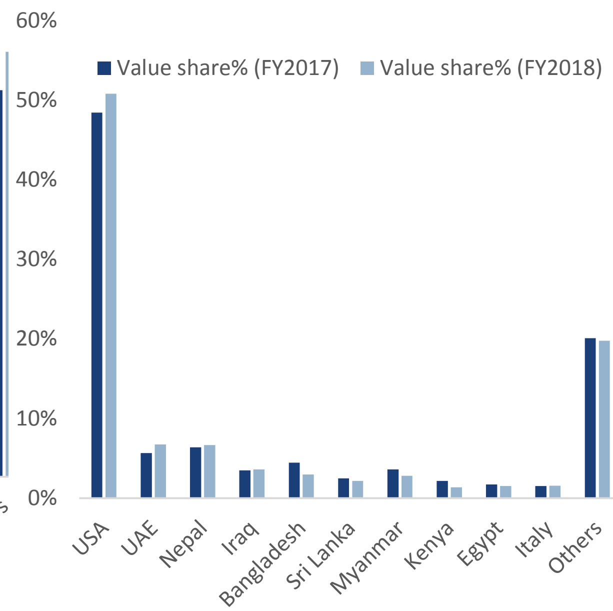
Note: Data compiled based on six-digit series of HS codes: for pens, HS codes used are 960810,960820 and 960830; for pencils, 960840 and 960910.
Source: Department of Commerce

In terms of exports from India, USA leads in both pens and pencils (volume as well as value terms) followed by UAE. Apart from these two regions, while Thailand, Saudi Arabia and Mexico account for high share of pens' export from India, Nepal, Iraq and Bangladesh account for high share of exports of pencils from India.

Export of pens from India (Country-wise)



Export of pencils from India (Country-wise)



Note: Data compiled based on six-digit series of HS codes: for pens: HS codes used are 960810,960820 and 960830; for pencils, 960840 and 960910.

Source: Department of Commerce

Also, India imports pens and pencils worth Rs 1.6 billion every year (average figure for fiscals 2015 to 2018). Of this (imports), pens contribute close to 80% in value terms and are mainly imported from China, Germany and Japan.

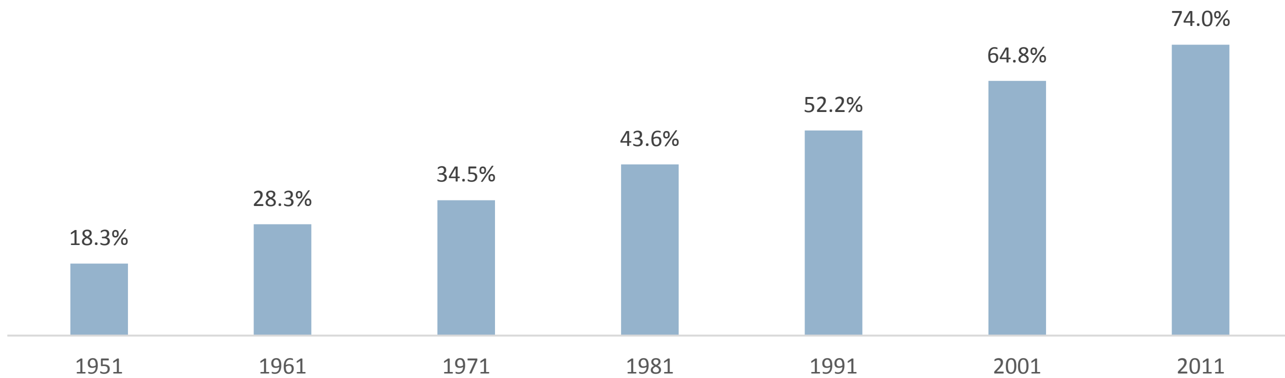
Growth Drivers for Writing Instruments Industry

- Rising literacy levels
- Increasing spend by Government on education
- Increasing share of private schools
- Corporate usage, services, and gifting
- High share of youth population in India
- Increasing focus of foreign players in Indian writing instrument industry
- Increasing acceptance of private coaching segment

Rising literacy levels

Government measures to improve literacy like introducing Right to Education Act (RTE) 2009, Sarva Siksha Abhiyan (SSA), and Mid-Day Meal Scheme, as well as increased spend on education by Central and state governments have resulted in share of literates rising to 74% in 2011 from 65% in 2001 – growth of 14% on-year. According to Census 2011, every person above age of seven years who is able to read and write with understanding in any language is said to be literate. Going forward, CRISIL Research expects literacy rates to improve further, and thereby boost the stationery industry.

Growth in literacy in India



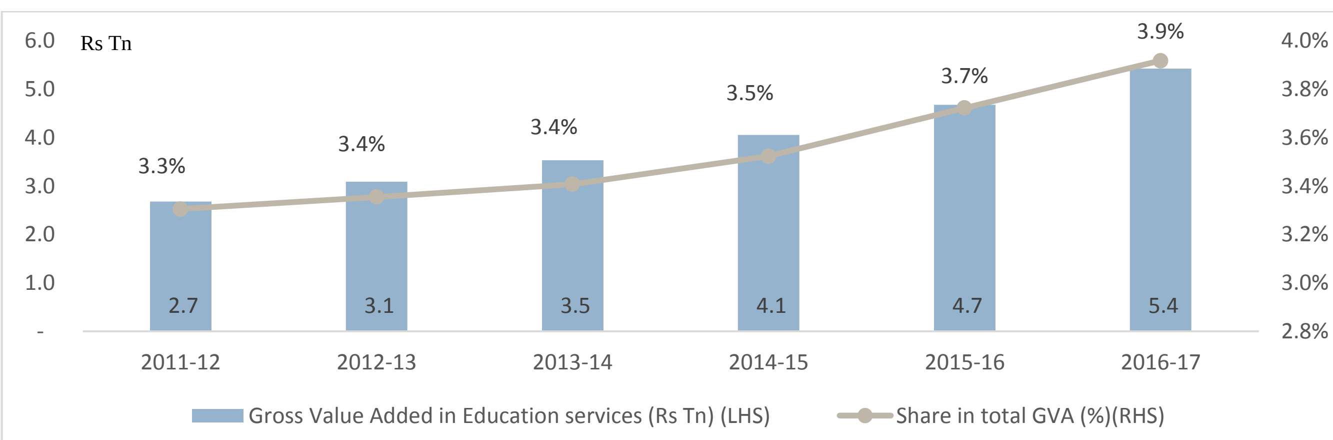
Note: According to Indian Census, literacy rate is computed for population of age 7 and above
Source: Census documents

Increasing spend by government on education

The central government, through various centrally sponsored schemes and core schemes, has continued its efforts to increase penetration of educational services, improve quality of programme delivery, and enhance infrastructure scenario. Ongoing schemes of government for school education include National Education Mission (covering Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, Teachers Training and Adult Education) and national programme of mid-day meal in schools. India's gross value added (GVA) in education services as a percentage of total GVA improved from 3.3% in fiscal 2012 to 3.9% in fiscal 2017.

For fiscal 2018-19, budgetary allocation on education (school education and higher education) has been increased by 6.7% to Rs. 850 billion (budgetary outlay- against actual expenditure of Rs. 797 billion in fiscal 2018).

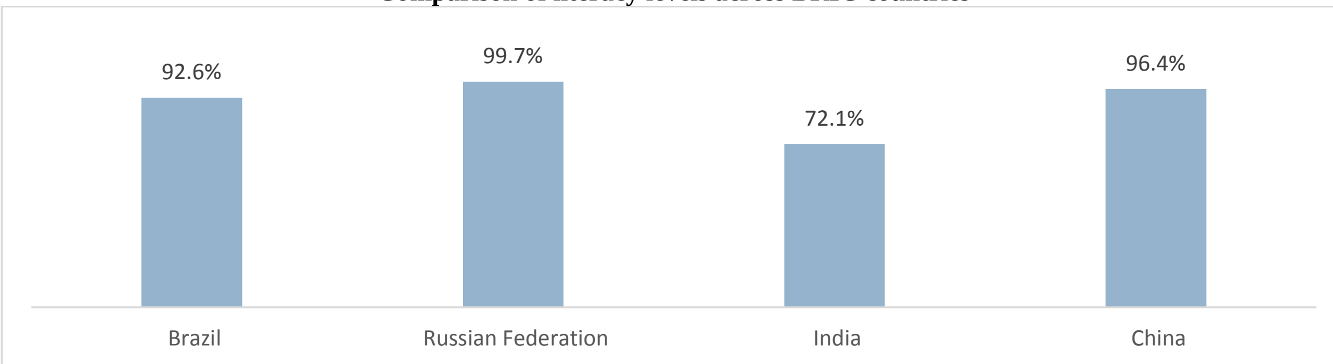
Gross Value Added in Education services as percentage of total GVA



Note: Figures in Rs trillion represent GVA at current prices
Source: Ministry of Human Resource Development, MOSPI, Government of India

However, on account of inefficiencies in terms of both quality and quantity, as indicated by poor pupil-teacher ratio, high dropout rates, absenteeism as well as poor learning outcomes, India lags behind its global peers on several parameters.

Comparison of literacy levels across BRIC countries



Note: Adult literacy rate, population 15+ years; all data points mentioned for 2015
Source: UNDP Human Development Data for 2015

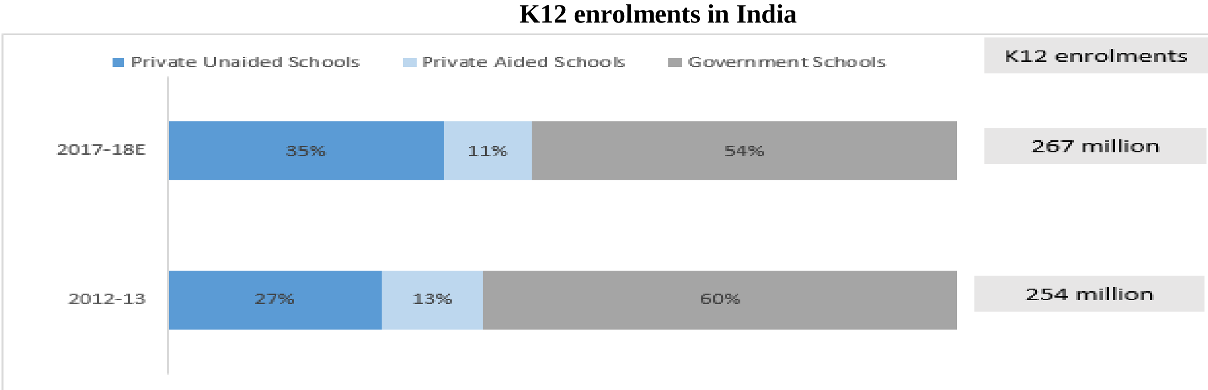
In recent times, few states have significantly increased budgetary allocation to the sector. Delhi government has earmarked Rs. 125 billion to education sector for fiscal 2019 which is 46% higher than the revised outlay for fiscal 2018 (Rs. 85 billion). Also, Karnataka government has proposed Rs. 260 billion to the sector for fiscal 2019 compared to the revised outlay of Rs. 198 billion (growth of 31% on y-o-y basis).

According to CRISIL Research, the education industry grew at 14% CAGR from fiscal 2013 to fiscal 2018, supported by healthy growth across most segments (Preschool, K-12, higher education, coaching, test preparation, vocational education, digital education etc.). CRISIL Research expects the industry's growth to be sustained at around 13-14% annually in the next five years, driven by healthy growth across all segments.

Increasing share of private schools

In primary and upper primary education, average spend per student in private schools (private unaided) is 5 to 7 times that in public schools and 1.2-1.5 times that in private aided schools, as per the National Sample Survey Organisation (NSSO) Survey 2014 report. Books and stationery spending form the second-highest expenditure item under general and technical educational course (course fee forms the largest share). With increasing share of private unaided schools in overall K12 enrolment, overall spending on education is likely to grow rapidly -- directly translating into better business potential for writing instrument industry as well.

K12 enrolments in India



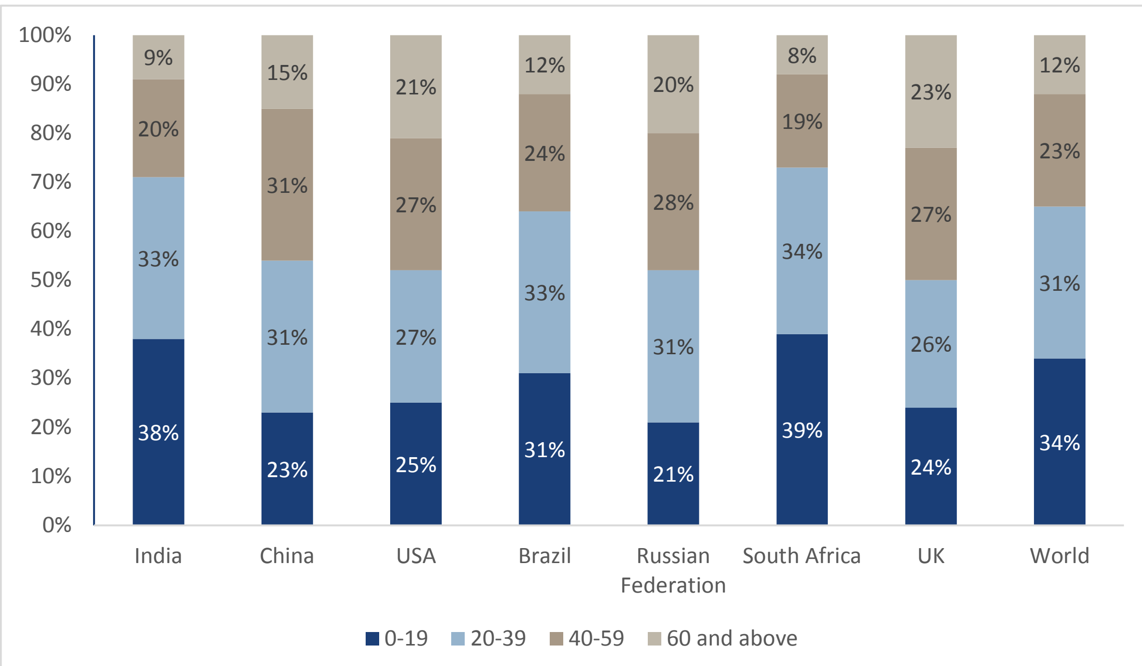
Source: District Information System for Education (DISE), CRISIL Research

High share of youth population in India

Age constitute the determining characteristic in definition of 'youth' by various agencies. United Nations defines youth as those in age group 15 to 24. Report by the Ministry of Statistics and Programme Implementation, Youth in India 2017 uses age group of 15 to 34 for defining youth.

Higher share of youth population represents higher potential for educational institutes and in turn higher potential for stationery industry. Formal education emphasises use of pencils and note books for the age group of 5-10 years. Typically, pens, other writing instruments and technical instruments are introduced to the age group of 11 and above (generally in Class V and above).

Estimated share of population in different age brackets across nations (2015)



Source: United Nations - Population Division

Increasing focus of foreign players in Indian writing instrument industry

Over last few years, Indian stationery industry and writing instrument industry in particular has witnessed increasing focus of foreign players. This is evident from the fact that many foreign brands have entered Indian market through different business models. The trend is supportive for Indian players as they get access to new technology and in turn can leverage their brands in domestic and export businesses.

Foreign players	Indian brands	Year of association	Type of association	Source of information
Kokuyo S&T Co. Ltd.	Camlin Limited	2011	Kokuyo S&T Co. Ltd. acquired a controlling stake in Camlin Limited	Company website Kokuyo Camlin Limited
Mitsubishi Pencil Company Ltd (Japan)	Linc Pen & Plastics Limited	2012	To exclusively distribute, market and package Mitsubishi's Uniball brand. Mitsubishi Pencil Co. Ltd., Japan, holds 13% stake in the Company	Annual Report of Linc Pen & Plastics Limited
BIC	Cello Pens	2015 (complete ownership)	100 percent ownership in Cello writing and the company was	Company website Cellowriting

Foreign players	Indian brands	Year of association	Type of association	Source of information
			renamed as BIC Cello (India)	
Fabbrica Italiana Lapis ed Affini S.p.A. (FILA)	WriteFine Products Private Limited	2015	FILA increased its holding in the company by 32.5% to 51%	Press release (October 26, 2015) by Fabbrica Italiana Lapis ed Affini S.p.A.
Reynolds	Flair Writing Industries Limited	2017	Reynolds, through its partnership with Flair Writing Industries Limited, relaunched its brands across India	Secondary media articles

Increasing acceptance of private coaching segment

Lack of sufficient quality and / or infrastructure in government schools, low teacher-student ratio, competitive academic curriculum, and sharpening focus on higher education have led to increasing reliance on private coaching segment. According to NSSO survey 2014 report, share of students taking private coaching stands at more than 20% for primary education, more than 25% for upper primary education, and more than 35% for secondary and higher secondary education. This parallel education system, in most cases, is costly and leads to reasonable spend on stationery items. This trend is gradually catching up in tier II and tier III cities as well.

Key Factors that Make Organized Players Successful

Creating a brand to differentiate mass market products

The pens industry, which constitutes 70-75% of the writing instruments industry size, is moderately organised with a share of 65-70% in the domestic market. With leading players emphasising on brand building and GST being implemented, CRISIL Research believes the pens industry will garner a bigger share in coming years. Major players have been leveraging their vintage, developing innovative products, connecting with retailer network and upgrading technology to increase their market share in the industry. While most brands are present across price segments (mass market and high value), expansion within each segment has become crucial to tap demand at various price points. In fact, several companies have created multiple brands to position their products differently and address target audiences across the spectrum. Also, major branded players have leveraged product innovation and creative communication to differentiate their products from competition. The increasing availability of branded products in smaller cities and towns, and rural areas, has increased penetration of major players into these hitherto untapped markets. E.g. companies have differentiated their pens based on aspects such as ease of writing, volume of writing, design etc.

Leading companies have adopted different approaches for brand creation and unique positioning of their products through aggressive advertising and marketing initiatives. Celebrity endorsement was also seen in few cases. Many a times, companies adopt targeted sales activities which gives them better visibility and a direct connection with their end-users (mostly students). Based on the financial assessment of leading companies in the industry, CRISIL Research estimates that typically 7-9% of the industry’s revenue is spent on branding-related activities (which includes advertisements, marketing schemes and/or sales promotions).

Continued emphasis on units with low pricing

The mass market segment, mainly driven by students, is highly competitive with pens priced at Rs. 5, Rs. 10 and Rs. 15 per unit (there are pens available at less than Rs. 5 as well). These price denominations play a crucial role in saleability as the purchase behaviour in this segment is similar to that seen in small packaged FMCG products. Players often reinvent products to ensure that variations are introduced in these price ranges. Also, many brands offer bundled packs of five pieces or more, which helps in pricing units at odd multiples. For instance, retailers may find it difficult to sell a single pen priced at Rs. 6, but a pack of five pens priced at Rs. 30 is a better proposition. While most companies concentrate on the mass market due to the sheer volume generated by the sub-segment, high-value pens / premium pens are important from the profitability and branding perspective. In addition to the domestic market that continues to support the growth of the pens industry, the exports business also makes this segment lucrative for leading players.

Strong distribution footprint

The penetration of retail brands is highly dependent on the supply chain model adopted. While India's fast growing e-commerce industry makes it easier for manufacturers to come online and showcase their products, buyers in India have not really shown a propensity to purchase low-value items (such as pens and pencils) online. Despite the growing share of modern retail formats, the writing instruments industry in India heavily relies on the traditional manufacturer-distributor-retailer model. Vintage, brand recognition, price position and exclusive selling rights (in some cases) play a crucial role in expanding footprint. Foreign brands have also leveraged the distribution network of existing brands in India.

Distribution network of some major players

Indian brand	Dealers/ Distributors network	Source of information
Flair Writing Industries Limited	7,291	Company interactions
DOMS Industries Private Limited	3,500	Credit Rating Report Jan 2018
Hindustan Pencils Private Ltd	2,800	Credit Rating Report Sept 2017
Linc Pen and Plastics Ltd	2,723	Annual Report FY17
Kokuyo Camlin Ltd	1,500	Annual Report FY17

Source: Company websites and annual report

Flair Writing Industries Limited has one of the largest dealer/ distribution network in the pen segment.

Corporate gifting

Corporate gifting is a widely accepted concept of maintaining relationships with old as well as new clients, by making them feel special on certain occasions. Corporate gifts are also given to employees as a gesture of goodwill and as a reward for their hard work. Pens are one of the most preferred choices for corporate gifting across sectors. With the wide array of branded pens available in the market, corporates are spoilt for choice. Some of them even get their logos engraved on the pens. Demand for corporate gifts is witnessed in both service as well as manufacturing sector. From manufacturer's perspective, this segment is lucrative as branded premium products help in improving profitability.

Marketing freebies

Though not at a large scale, there have been instances where pens were distributed as a complement gift with purchase of FMCG product(s). This is on account of long shelf life and non-restricted usage of the product (pens) which appeals to the larger audience.

OVERVIEW OF CALCULATORS MARKET IN INDIA

Calculators are electronic devices that became popular in the 1970s to ease and speed up mathematical calculations. They are widely used in financial institutions, educational institutions, accounting firms, IT firms, banks, retail sector, hospitals, hotels, government offices, etc.

In developing countries like India where there is a huge population and several industries are coming up, the opportunity for growth in the calculators market is huge. Moreover, in some educational courses such as engineering, CA, MBA, etc., calculators as an integral part of the student's study kit. So, there will always be a steady demand for calculators. Calculators are also vital for several competitive examinations. However, rapid developments in technology pose a threat to the growth of calculators as calculator applications are already embedded in devices such as mobile handsets, laptops, computers, and smart watches.

Of the total calculators market, a part of the industry's revenue comes from exports. On average, India exported calculators worth Rs. 289 million annually in the past (from fiscal 2015 to fiscal 2018). During this period, exports were highest in fiscal 2016 at Rs. 676 million, or roughly 67 million units in terms of quantity.

Also, India imported calculators worth Rs. 1.6 bn annually over the past four years (average figure for FY15 to FY18), which is much higher compared to the exports from India. During this period, FY15 observed the highest imports worth Rs. 1.9 bn, which in quantity terms was around 2.5 bn units.

KEY PLAYERS IN WRITING INSTRUMENTS INDUSTRY

CRISIL Research, based on the assessment of writing instrument industry in India, has compiled profiles of few major companies in India. Information used in this section is sourced from company websites, regulatory filings, rating rationales, advertising material and / or product brochures.

Major companies in writing instrument industry in India

	Product range			
Company	**Pens**	**Pencils**	**Highlighters**	**Other stationery items**
A W Faber Castell (India) Private Limited	√	√	√	√
Add Pens Private Limited	√			
BIC Cello (India) Private Limited	√	√	√	√
DOMS Industries Private Limited	√	√		√
Flair Writing Industries Limited	√	√	√	√
G.M. Pens International Private Limited	√	√	√	√
Hamilton Writing Instruments Private Limited	√			√
Hindustan Pencils Private Limited	√	√	√	√
ITC Limited	√	√		√
Kokuyo Camlin Limited	√	√	√	√
Lexi Private Limited	√			
Linc Pen & Plastics Ltd	√	√	√	√
Luxor Writing Instruments Private Limited	√	√	√	√
Montex Pen (India) Private Limited	√			
Today's Writing Instruments Limited	√			

Note: The above table is indicative and may not represent the exhaustive list of products / companies
Source: Industry interactions, company websites, regulatory filings, reports, advertising material and / or product brochures

Key players in the writing instruments industry in India - financial details for fiscal 2017

Company name	Net revenue from operations (Rs. million) FY17	Revenue growth (%) (FY17 over FY16)	Operating margin (%) FY17	Net margin (%) FY17	RoCE (%) FY17	RoE (%) FY17
Hindustan Pencils Private Ltd	8,442.8	4.6%	7.4%	0.5%	3.8%	8.3%
Kokuyo Camlin Ltd	6,402.8	4.2%	3.8%	0.2%	3.9%	0.1%
BIC Cello (India) Private Ltd	5,982.1	N.A.	-4.6%	-24.3%	N.A.	N.A.
G.M. Pens International Private Ltd	4,266.6	-12.1%	3.3%	-1.4%	-3.1%	-7.6%
Flair Writing Industries Limited	4,222.6	9.5%	21.1%	11.8%	31.1%	29.0%
DOMS Industries Private Limited	3,963.4	26.5%	13.4%	6.1%	N.A.	N.A.
Linc Pen & Plastics Ltd	3,609.1	4.9%	9.4%	4.8%	16.9%	15.7%
Luxor Writing Instruments Private Limited	3,181.0	3.9%	N.A.	1.0%	N.A.	N.A.
Hamilton Writing Instruments Private Limited	1,080.0	-6.1%	N.A.	2.8%	N.A.	N.A.
Lexi Private Ltd	524.6	19.7%	21.4%	8.1%	N.A.	N.A.
Today's Writing Instruments Ltd	284.8	-46.8%	6.8%	-23.8%	0.0%	0.0%
Add Pens Private Limited	184.2	4.0%	8.7%	-0.7%	1.6%	-1.1%

Note: Consolidated data for: Hindustan Pencils Private Ltd, Kokuyo Camlin Ltd, DOMS Industries Private Limited and Today's Writing Instruments Ltd; Standalone data for: BIC Cello (India) Private Ltd, G.M. Pens International Private Ltd, Flair Writing Industries Limited, Luxor Writing Instruments Private Limited, Hamilton Writing Instruments Private Limited, Lexi Private Ltd and Add Pens Private Limited; # # Past numbers are not comparable as the company witnessed change in promoters' shareholding in related companies during FY17; Margin calculations are based on total revenues

Source: Company reports, stock exchange filing, rating rationale and annual reports

In the company set mentioned above, Hindustan Pencils Private Ltd and Kokuyo Camlin Ltd are leading players in pencil industry in India. BIC Cello (India) Private Ltd, G.M. Pens International Private Ltd, Flair Writing Industries Limited, DOMS Industries Private Limited, Linc Pen & Plastics Ltd and Luxor Writing Instruments Private Limited are leading companies in pen industry in India. Within the pen segment (for the above set of companies), Flair Writing Industries Limited, Lexi Private Ltd and DOMS Industries Private Limited have better operating as well as net margins. Flair Writing Industries Limited is one of the leading companies in terms of return on capital employed as well as return on equity.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Please see "Forward-Looking Statements" and "Risk Factors" on pages 17 and 18, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, any reference to the "Company" refers to Flair Writing Industries Limited on an unconsolidated basis and any reference to "we", "us" or "our" refers to Flair Writing Industries Limited on a consolidated basis and/or any or all of the entities (or their respective predecessor partnership firms) converted into our Company or merged into our Company pursuant to the Scheme (as defined below), considered together or individually, as applicable.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Special Purpose Restated Consolidated Financial Information. For further information, see "Financial Information" on page 183.

The industry information contained in this section is derived from the report "Assessment of Indian writing instruments industry" dated June 2018 prepared by CRISIL and commissioned by our Company in connection with the Offer. Neither we nor the BRLMs nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are a leading manufacturer of writing instruments in India with a focus on pens, which according to CRISIL contributes 70-75% of the domestic writing instruments industry in India in value terms. The Promoters of our Company, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have over four and three decades, respectively, of experience in the writing instruments industry. Our flagship brand "Flair" was introduced in 1976. As of June 30, 2018, our Company had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers, according to CRISIL.

Our products are sold under our principal brands "Flair", "Hauser" and "Pierre Cardin", as well as our other brands "Rudi Kellner" and "Landmark". We have been a manufacturer since March 2017 and the exclusive distributor since January 2017 of certain "Reynolds" branded pens in India. We own the exclusive rights to the "Pierre Cardin" trademark in India for class 16 products, including pens. We are a distributor of "ZIG" pens in India. We contract manufacture pen products on an OEM basis for various international companies. We also provide customized corporate gifting products to our corporate customers. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, and our "Pierre Cardin" brand emphasizes premium pen and stationery products.

We have an extensive product range, including pen products (ball pens, fountain pens, gel pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators, and we offered 658 different products as of June 30, 2018. Our products include the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), "Sunny Ball Pen" (4-in-1), "Angular Ball Pen" (which features an angular tip) and "Ezee-Click Ball Pen" (a low-viscosity retractable pen). We cater to a broad range of price points and consumers, including students, professionals and offices.

The Indian writing instruments industry (based on manufacturing realization) is estimated at ₹56 billion in the Financial Year 2018, of which the domestic writing instruments industry is estimated to contribute ₹44 billion and exports is estimated to contribute ₹12 billion, and is expected to grow to ₹70 billion by the Financial Year 2021 on account of annual growth of 7%, according to CRISIL. On a maximum retail price basis, the domestic writing instruments industry is estimated at ₹68 billion (assuming 50% distribution margins), according to CRISIL. We believe that our deep knowledge of the market arising from our manufacturing experience in the writing instruments industry, our market presence across price points and consumer segments, our strong sales and distribution network and our understanding of consumer needs and preferences position us well to benefit from the expected growth in the writing instruments industry in India.

We manufacture pens and other products from six manufacturing plants in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. Our plants (other than our plant in Naigaon where writing instruments are manually assembled) had a combined production capacity of 1,288.28 million pieces per annum as of June 30, 2018 and capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction. The construction of two additional factory buildings at our manufacturing plant in Valsad, Gujarat is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. The first phase of our plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018.

In India, our products reach consumers through a nationwide sales and distribution network, consisting of super-stockists, distributors, direct dealers, wholesalers and retailers, which helps us better understand consumer preferences and receive market feedback. In addition to our Company's distributor/dealer network, our Company had approximately 100 super-stockists in India (including our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company), as of June 30, 2018, which were supported by our sales and marketing employees. Besides traditional distribution channels, our products are also sold through modern retail outlets such as supermarkets, as well as e-commerce. As of June 30, 2018, we also had approximately 50 international distributors catering to a specific region or country and our products were sold in approximately 80 countries during the Financial Year 2018.

The Promoters of our Company – Mr. Khubilal Jugraj Rathod, Chairman of the Board and Mr. Vimalchand Jugraj Rathod, Managing Director – commenced involvement in the business of manufacturing writing instruments through their association with M/s. Wimco Pen Co ("**Wimco**"), a partnership firm that engaged in the business of manufacturing metal pens and other writing instruments. Our brand "Flair", which was originally established in 1976 by Wimco, has been owned and operated since 1986 by the Promoters through partnership firms that were predecessor entities to our Company. Accordingly, the Promoters have been instrumental in the growth of the "Flair" brand since its inception, as well as the origination or acquisition of all our other brands and OEM business. The manufacturing of plastic ball pens using plastic injection-moulding machines and gel pens emerged as key developments in the industry and were accordingly incorporated into our product range. We later also commenced manufacturing stationery and calculators.

For further details on the merger of predecessor entities into our Company with effect from April 1, 2017, see "*History and Certain Corporate Matters – Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets*" on page 153. Certain other entities that previously manufactured "Flair" and other brands of writing instruments, namely Flair Pens Limited, Stypen Manufacturing Company (India) Private Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod N Rathod, M/s. Royal Pen and Plastic Industries, have ceased the business of manufacturing writing instruments and have executed letters to our Company undertaking to not compete with us, and Flair Pens Limited and M/s. Flair Pen and Plastic Industries are licensors to our Company for the land and buildings in which certain of our manufacturing facilities and offices are located.

We have received the "Export Award" and the "Export Award (First") from the Plastics Export Promotion Council, a plastics industry body sponsored by the Ministry of Commerce & Industry, Government of India, in 2016 and 2017, respectively, which recognized our export business. For further details, see "*History and Certain Corporate Matters – Awards, Certifications and Recognitions*" on page 151.

For the Financial Years 2016, 2017 and 2018, our total income was ₹3,910.52 million, ₹4,264.39 million and ₹5,806.73 million, respectively and our profit after tax was ₹526.83 million, ₹502.42 million and ₹492.61 million, respectively. Our total income and profit after tax grew at a CAGR of 21.03% and 15.26%, respectively, between the Financial Years 2014 and 2018. Under our agreements with Reynolds Pens India Private Limited ("**Reynolds India**"), we manufacture certain "Reynolds" branded products for sale to Reynolds India and also purchase certain "Reynolds" branded products from Reynolds India through the Subsidiary for sales and distribution in our distribution network. In our Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales, and are consolidated. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our total income would have been ₹5,238.19 million in the Financial Year 2018 and would have grown at a CAGR of 17.95% between the Financial Years 2014 and 2018.

In the Financial Years 2016, 2017 and 2018, 59.36%, 63.64% and 78.58% of our revenue from operations was derived from sale of goods (domestic) (calculated as the aggregate of sale of goods (manufactured - domestic) and sale of goods (traded - domestic)) and 40.64%, 36.36% and 21.42% of our revenue from operations was derived from the sale of goods (exports) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 76.23% of our revenue from operations would have been derived from the sale of goods (domestic) and 23.77% of our revenue from operations would have been derived from the sale of goods (exports).

In the Financial Year 2018, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry constituted 39.42% and 33.22%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry would have constituted 36.11% and 34.11%, respectively, of our revenue from operations.

Competitive Strengths

We believe the following competitive strengths distinguish us from our peers and provide us with growth opportunities for our business:

Recognized brands for writing instruments across different consumer segments

Our flagship brand, "Flair" was launched in 1976 and, with the involvement of the Promoters throughout its history and a focus on quality writing instruments, has developed a reputation as a leading brand for pen products in India. During 2012-13, "Flair" was recognized as one of Asia's most promising brands by ibrands360. We also offer products under our other principal brands of "Hauser" and "Pierre Cardin", as well as other brands such as "Rudi Kellner" and "Landmark". According to CRISIL, brand creation and product differentiation are key for success in the premium segment, which consists of pens priced above ₹15, while price points and price denominations are crucial for success in the mass-market segment, which consists of pens priced up to ₹15, as purchaser behavior is similar to small packaged fast-moving consumer goods. Our brands "Flair" and "Hauser" offer mass-market as well as premium products, and "Pierre Cardin" focuses on the premium segment. In the Financial Year 2018, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry constituted 39.42% and 33.22%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry would have constituted 36.11% and 34.11%, respectively, of our revenue from operations.

We believe that our brands command credibility in the market and provide a competitive advantage in existing markets and to enter new markets, growing our product range, entering into distribution arrangements and connecting with consumers. Our emphasis on innovation and design enables us to introduce products such as the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), "Sunny Ball Pen" (4-in-1), "Angular Ball Pen" (which features an angular tip) and "Ezee-Click Ball Pen" (a low-viscosity retractable pen). Such efforts also enable us to promote sub-brands based on such products that further drive brand recognition and consumer loyalty. For details of the revenue contribution of our products in the mass-market and premium segments, see "– *Description of our Business*" below on page 131.

Set forth below is a table of our revenue earned in the Financial Year 2018 from sales of our pen and stationery products, by brand and OEM, including the average realization per unit:

Brand/OEM	Volume (units in millions)			Revenue (₹ in million)			Average Realization per Unit** (₹)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Flair	429.00	89.67	518.67	2,041.93	356.23	2,398.16	4.76	3.97	4.62
Hauser	103.43	39.56	142.99	486.16	159.10	645.26	4.70	4.02	4.51
Pierre Cardin	4.57	0.24	4.80	388.28	16.77	405.05	85.00	70.82	84.30
Rudi Kellner*	0.00	-	0.00	1.98	-	1.98	396.45	-	396.45
Reynolds	305.77	-	305.77	1,210.32	-	1,210.32	3.96	-	3.96
ZIG	0.33	-	0.33	17.77	-	17.77	54.30	-	54.30
OEM	0.95	185.83	186.78	26.74	607.44	634.19	28.13	3.27	3.40
Total	**844.05**	**315.30**	**1,159.35**	**4,173.18**	**1,139.54**	**5,312.72**			

** Number of "Rudi Kellner" pens sold was 4,996 units.*
***Average realization per unit = Revenue/Volume*

Set forth below is a table of our revenue earned in the Financial Year 2018 from sales of our pen and stationery products (after excluding sales by our Company to Reynolds India from our revenue from operations), by brand and OEM, including the average realization per unit:

Brand/OEM	Volume (units in millions)			Revenue (₹ in million)			Average Realization per Unit** (₹)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Flair	429.00	89.67	518.67	2,041.93	356.23	2,398.16	4.76	3.97	4.62
Hauser	103.43	39.56	142.99	486.16	159.10	645.26	4.70	4.02	4.51
Pierre Cardin	4.57	0.24	4.80	388.28	16.77	405.05	85.00	70.82	84.30
Rudi Kellner*	0.00	-	0.00	1.98	-	1.98	396.45	-	396.45
Reynolds	149.84	-	149.84	671.80	-	671.80	4.48	-	4.48
ZIG	0.33	-	0.33	17.77	-	17.77	54.30	-	54.30
OEM	0.95	185.83	186.78	26.74	607.44	634.19	28.13	3.27	3.40
Total	**688.12**	**315.30**	**1,003.41**	**3,634.67**	**1,139.54**	**4,774.21**			

** Number of "Rudi Kellner" pens sold was 4,996 units.*
***Average realization per unit = Revenue/Volume*

Wide range of writing instruments across price points

We have an extensive product range, including pen products (ball pens, fountain pens, gel pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators, and we offered 658 different products as of June 30, 2018, as set forth below:

Brand/Other	Number of Pen Products, Stationery Products and Calculators (as of June 30, 2018)
Flair	114
Hauser	61
Pierre Cardin	398
Reynolds	13
Rudi Kellner	26
Zig	5
Calculators	24
Export	17
Total	**658**

We focus on providing quality products to consumers, including students, professionals and offices. We offer products at prices ranging between ₹5 and ₹3,000. According to CRISIL, expansion within each price segment is crucial to tap demand at various price points. Our goal is to have a pen for every need for consumers in our target segments. In the Financial Year 2018, 39.42%, 16.40% and 16.82% of our sale of goods (domestic) were derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 36.11%, 15.66% and 18.45% of our sale of goods (domestic) would have been derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively. According to CRISIL, writing instruments offered in bundled packs of five pieces or more offer retailers the benefits of multiple-unit pricing, which creates a better value proposition for mass-market consumers. We seek to sell our writing instruments in bundled packs that aid our sales effort. In the Financial Year 2018, we launched approximately 50 products across various price points.

Wide sales and distribution network in India and presence in targeted markets abroad

Our multi-tiered and nationwide domestic sales and distribution network enables our products to reach a wide range of consumers and help to ensure effective market penetration. As of June 30, 2018, our Company had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers, according to CRISIL. As of June 30, 2018, we had approximately 100 super-stockists in India (including Flair Sporty), supported by our sales and marketing employees, and a retail presence in approximately 2,400 towns/villages in India.

In India, we designate third-party super-stockists (generally on an exclusive basis for particular brands) and distributors for a particular area and we seek to build long-term relationships with them. We also conduct distribution through our Company's Flair Sporty division, which is the super-stockist for the Mumbai region, which provides us insight into distribution, builds confidence among our distribution network partners through our direct involvement with them in distribution and helps us develop a distribution strategy that we can replicate in other regions. In addition to the third-party distribution network, we have sales and marketing employees for particular brands who function as the link between wholesalers and retailers on the one hand and super-stockists and distributors on the other, by marketing our products and facilitating orders which are then processed by super-stockists and distributors. We employed approximately 800 sales and marketing employees as of June 30, 2018. We seek to regularly interact with super-stockists and distributors for insight into consumer preferences and market feedback. Besides traditional distribution, our products are also sold through modern trade channels such as supermarkets and hypermarkets, as well as e-commerce.

For the export of our branded products, primarily "Flair", "Hauser" and "Pierre Cardin" writing instruments, we typically appoint a distributor for a particular brand in each country or region. As of June 30, 2018, we had relationships with approximately 50 distributors for the distribution and sale of our products abroad. In the Financial Year 2018, we sold our products in approximately 80 countries. We also have sales and marketing employees, as of June 30, 2018, to aid our exports. We export branded products, primarily, "Flair", "Hauser", "Pierre Cardin" and "Landmark" writing instruments.

Preferred partner for international brands in the writing instruments industry

We have established relationships with international companies for which we manufacture and distribute or are a contract manufacturer. We believe that well-known international companies choose to enter into arrangements with us based on our reputation, manufacturing capabilities and sales and distribution network. In turn, we are able to capitalize on the market for established brands of such companies and drive our growth through increased sales and revenue.

We have been manufacturers and exclusive distributors of certain pens under the "Reynolds" brand in India since March 2017 and January 2017, respectively. In the Financial Year 2018, the distribution of products under the "Reynolds" brand by the Subsidiary contributed ₹682.72 million to our revenue from sale of goods (domestic). In the Financial Year 2018, we sold 305.77 million units of "Reynolds" branded products and the average realization per unit was ₹3.96. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, we would have sold 149.84 million units of "Reynolds" branded products and the average realization per unit would have been ₹4.48. We are a distributor of "ZIG" pens in India. We have also entered into OEM arrangements with various international companies for contract manufacturing and exporting writing instruments.

Large capacity and quality manufacturing capabilities

As of June 30, 2018, we had six manufacturing plants located in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. These plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces per annum as of June 30, 2018, and capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. We are constructing an additional plant in Valsad, Gujarat, which is part-operational and partly under construction. The construction of two additional factory buildings at our manufacturing plant in Valsad, Gujarat, for which the Net Proceeds of the Fresh Issue are proposed to be utilized, is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. For details in relation to utilization of the Net Proceeds, see *"Objects of the Offer"* on page 92. Upon completion, the first phase of our plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimal utilization level as of March 31, 2021, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Except our plant in Naigaon, Maharashtra, our other fully-operational manufacturing plants are versatile in that any of our products can be manufactured at any of our plants. Our manufacturing plants are located in proximity to key transportation hubs which helps to make transportation of raw material and finished goods efficient and cost-effective – four of our manufacturing plants in Daman and Naigaon are located in proximity to the major Indian port in Nhava Sheva and our units in Dehradun are located in proximity to the inland container depot in Moradabad.

We seek to integrate technology into our processes at key stages of design, manufacturing and distribution to increase efficiency and ensure quality in a cost-effective manner. We endeavor to control our manufacturing processes through increasing backward integration such as manufacturing pen tips, which we outsourced earlier and reduce dependence on external suppliers. Our manufacturing plants are also equipped to customize manufacturing and products for our OEM and corporate customers. We endeavor to maintain quality standards and good manufacturing practices. Our six fully-operational manufacturing plants are ISO 9001:2015 certified and ISO 14001:2015 certified. We seek to maintain product quality through control and monitoring of the various stages of our manufacturing process. We believe our global OEM customers choose us in part for our quality of manufacturing and service.

Experienced Promoters and senior management team

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have over 40 years and over 30 years of experience, respectively, in the writing instruments industry and have been instrumental in the growth of our "Flair" brand as well as in the origination or acquisition of all our other brands and our OEM business. Mr. Khubilal Jugraj Rathod, Chairman of the Board, has received the Lifetime Achievement Award (2010) from the Governor of Uttarakhand. Mr. Vimalchand Jugraj Rathod, Managing Director, has been the chairperson of the Plastics Export Promotion Council between 2003 and 2005 and is currently the chairperson of the Pens and Stationery Association of India, and is a fellow member of the Institute of Chartered Accountants of India.

Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumitkumar Vimalchand Rathod, Executive Directors, have over 25 years, over 15 years and over 10 years of experience, respectively, in the writing instruments industry and are responsible for international sales and marketing, domestic sales and marketing and business development, respectively, in our Company. For details of the Directors and Key Management Personnel, see "*Our Management*" on page 156.

Our Strategy

Increase emphasis on premium segment

We intend to focus on increasing the sales of our premium products, particularly products which are priced between ₹20 and ₹50, which achieve better margins. We believe that the reputation of our flagship "Flair" brand, which commenced as a brand for metal pens, and its acceptance by consumers and our distribution network, has permitted us to expand to premium products such as fountain pens, "Flair Writo-Meter Ball Pen", "Tech-5 Liquid Ink Pen" and "Trimax Fluid Ink Pen" pens under our various brands. In addition, we intend to increase emphasis on our existing premium segment products that we offer such as "Pierre Cardin" products, including to improve the shelf visibility of our products and the positioning of our brands with consumers. In relation to "Pierre Cardin", we have taken initiatives such as a dedicated sales and marketing team and marketing efforts including change in packaging and display stands. We launched 38 premium pen and stationery products in the Financial Year 2018 and intend to launch 63 premium pen and stationery products in the Financial Years 2019 and 2020.

We also intend to expand our corporate gifting business comprising higher-margin products customized according to the requirements of our corporate customers. According to CRISIL, pens are a preferred choice for corporate gifting and both manufacturing and service sectors witness demand for corporate gifts. To enhance our corporate gifting business, we have recently installed laser engraving and multi-colour printing machines at our Daman Unit-IV manufacturing plant.

Continue to be a leading manufacturer of writing instruments, increase production capacity and enhance capacity utilization

We aim to continue to be a leading manufacturer of writing instruments in India in terms of quantity and sales. Our manufacturing plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces per annum, as of June 30, 2018, and a capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction. The construction of two additional buildings in this plant is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. Upon completion, the first phase of this plant comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. We intend to use a portion of the Net Proceeds for construction of factory buildings and related facilities at our plant in Valsad, Gujarat. Also see "*Objects of the Offer*" on page 92.

We also intend to improve our capacity utilization and to actively manage our operating costs through the introduction of automatic and semi-automatic assembly and packing machines, and upgrade our existing machinery and purchase new machinery with modern technology to achieve better productivity and minimize our wastage. Our gross profit margin ratio increased to 43.77% in the Financial Year 2018 from 42.32% in the Financial Year 2014. Our gross profit margin ratio (after excluding sales by our Company to Reynolds India from our revenue from operations) has increased to 48.57% in the Financial Year 2018 from 42.32% in the Financial Year 2014. We seek to increase production volumes pursuant to higher capacity utilization without a corresponding increase in fixed costs in order to improve our margins.

Strategically expand exports

We intend to leverage our position as an award-winning exporter of writing instruments from India to increase penetration in existing markets abroad by expanding our distribution network and to enter new markets. We seek to expand the market for our products particularly in Africa, Central America and South America. We are also considering expanding in the European market and propose to appoint direct retailers in Europe. We also plan to increase export sales by adding our "Hauser" brand of writing instruments through relationships with distributors to our existing arrangements, which are primarily focused on "Flair" products. We also intend to increase exports of our branded products as compared with our OEM products.

Deepen our sales and distribution network

We intend to expand our existing sales and distribution network in India, by entering into arrangements with more super-stockists and distributors and continuing to nurture existing relationships in order to create new distribution channels to reach under-served areas and smaller towns. We also intend to increase our interaction with our super-stockists, distributors, direct dealers, wholesalers and retailers, including through our sales and marketing employees and the use of information technology platforms. For example, we recently commenced a pilot project of a software application for our sales and marketing employees, which features, tracking of secondary sales, generation of management information system reports in connection with such sales, daily coverage by our sales and marketing employees, list of active and non-active distributors and direct online ordering of products. We intend to continue to incentivize super-stockists and distributors through periodic and festival sales schemes and revenue targets and product-specific schemes (through discounts and gift hampers). According to CRISIL, modern retail occupies a growing share of the retail market for writing instruments in India. Accordingly, we intend to increase our sales through modern retail, including hypermarkets, supermarkets and e-commerce by increasing our range of products offered, entering into distribution arrangements and strengthening the sales and marketing team. We also intend to recruit more sales and marketing employees to enhance our sales, marketing and brand-building activities.

Diversification of our product range

We intend to expand our product offering and competitive advantage by diversifying our product range, primarily through the introduction of art materials and stationery products. Expanding into the stationery products market would also provide access to a wider customer base which would include students in younger age groups. According to CRISIL, government measures to improve literacy such as the introduction of the Right of Children to Free and Compulsory Education Act, 2009 and Sarva Shiksha Abhiyan and the increasing share of private unaided schools in overall school enrolment are likely to increase governmental and private spending on education, respectively.

Description of our Business

We manufacture and distribute writing instruments and stationery products for sale in India and abroad under our principal brands "Flair", "Hauser", "Pierre Cardin" and our other brands, "Rudi Kellner" and "Landmark", as well as third-party brands such as "Reynolds" and "ZIG". We also manufacture writing instruments under contract on an OEM basis for international companies for export. We also manufacture and distribute stationery and calculators under the "Flair" brand primarily for sale in India. Our trading business primarily involves distribution of "Reynolds" products in India by the Subsidiary.

Our sale of goods including both sale of goods (domestic) and sale of goods (exports) constituted 98.93% of our revenue from operations in the Financial Year 2018. Our sale of goods (domestic) and our sale of goods (exports) comprised 78.58% and 21.42% of our revenue from operations in the Financial Year 2018. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, (i) our sale of goods including both sale of goods (domestic) and sale of goods (exports) would have constituted 98.81% of our revenue from operations, and (ii) our sale of goods (domestic) and sale of goods (exports) would have comprised 76.23% and 23.77% of our revenue from operations in the Financial Year 2018. For details, see "- *Reynolds*" below on page 133.

Brands and Products

The contribution of our mass-market and premium pen and stationery products, other domestic sales, exports (branded products), exports (OEM) and other exports to our revenue from operations for the Financial Year 2018 is set out below:

Segment	Contribution to Revenue from Operations (in ₹ million)*	Percentage of Revenue from Operations (%)*
Domestic		
Mass-market (pen and stationery products)	2,264.78	39.42
Premium (pen and stationery products)	1,908.32	33.22
Other domestic sales[1]	341.26	5.94
Total	**4,514.36**	**78.58**
Exports		
Exports (Branded products)	532.10	9.26
Exports (OEM)	607.44	10.57
Other exports[2]	90.75	1.58
Total	**1,230.29**	**21.42**

**In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our mass-market (pen and stationery products), premium (pen and stationery products), other domestic sales and total domestic sales would have been ₹1,869.05 million, ₹1,765.53 million, ₹311.23 million and ₹3,945.82 million, respectively. Accordingly, our mass-market (pen and stationery products), premium (pen and stationery products), other domestic sales, total domestic sales, exports (branded products), exports (OEM), other exports and total exports in terms of percentage of our revenue from operations would have been 36.11%, 34.11%, 6.01%, 76.23%, 10.28%, 11.74%, 1.75% and 23.77%, respectively.*

(1) Comprises scrap, refills, calculators and intermediary products such as tips, pen parts and plastic moulded components.

(2) Includes export incentives and exports of refills, tips and other such products

The number of writing instrument products across all our brands based on various price points in India as of June 30, 2018 is set out below:

Price Points for Writing Instruments (in terms of Maximum Retail Price)	Number of Products Sets
₹5*	39
₹10	53
₹15	5
₹20 - ₹49	61
₹50 - ₹99	68
₹100 - ₹249	250
₹250 - ₹499	83
₹500 and above	120

**Inclusive of products sold at price points of ₹6 and ₹7.*

We also offer calculators at prices (in terms of maximum retail price) ranging between ₹120 and ₹800, comprising 24 different products.

In the Financial Year 2018, 39.42%, 16.40% and 16.82% of our sale of goods (domestic) were derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively. In the Financial Year 2018, if sales of “Reynolds” products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 36.11%, 15.66% and 18.45% of our sale of goods (domestic) would have been derived from writing instruments priced up to ₹15, priced between ₹15 and ₹49 and priced above ₹49, respectively.

Flair

Our flagship brand “Flair” was established in 1976 for the manufacturing of fountain pens, ball pens and refills by M/s. Wimco Pen Co, a partnership firm which included Mr. Khubilal Jugraj Rathod, one of the Promoters as partner, for manufacturing metal pens. Upon separation of businesses among the partners of M/s. Wimco Pen Co, the “Flair” brand was subsequently transferred in 1986 to a partnership firm established by the Promoters, M/s. Flair Writing Instruments, which later converted into our Company in 2016. We believe it is our most well-known brand among consumers in India.

As of June 30, 2018, our product offering under the “Flair” brand comprised plastic and metal pens (ball pens, gel pens and fountain pens), stationery (whiteboard markers, permanent markers, CD markers, highlighters, mechanical pencils and correction pens) refills, ink cartridges for fountain pens, lead for mechanical pencils and calculators. Price points for pens in this brand range from ₹5 to ₹150. The highest selling “Flair” products in terms of revenue for the Financial Year 2018 were the “Ezee-Click Ball Pen” and the “Writo-Meter Ball Pen”, which are shown below:

Flair Ezee-Click

Flair Writo-Meter Ball Pen

Hauser

We have offered “Hauser” writing products since 2014. A predecessor entity, NPPI, a partnership firm which converted into FPPIPL and subsequently merged into our Company pursuant to the Scheme, purchased certain “Hauser” trademarks pursuant to an agreement for sale of brand dated March 31, 2014 (the “**Hauser Brand Agreement**”) with HAUSER GmbH, as well as deeds of assignment dated May 23, 2014 and September 30, 2014. The agreement is governed by Swiss law. NPPI has granted a limited license of certain Hauser trademarks back to HAUSER GmbH with respect to various writing instruments for a period of 20 years (subject to automatic renewal for additional periods of 10 years until termination) for certain territories in Europe.

As of June 30, 2018, our product offering under the “Hauser” brand comprised metal and plastic pens (ball pens, gel pens and liquid ink pens) and stationery (whiteboard markers, permanent markers, highlighters, mechanical pencils and correction pens). Price points for pens in this brand range from ₹5 to ₹100. The highest selling “Hauser” products in terms of revenue for the Financial Year 2018 were the “Sonic Gel Pen” and the “Cyclone Ball Pen”, which are shown below:

Hauser Sonic Gel Pen

Hauser Cyclone Ball Pen

Pierre Cardin

We have offered “Pierre Cardin” writing products since 2012 pursuant to a trademark assignment agreement dated December 10, 2012 between PCL S.A. and Flair Pens Limited, a Group Company and a member of the Promoter Group. “Pierre Cardin” is a French brand. Our Company acquired certain “Pierre Cardin” trademarks under class 16 registered in India from Flair Pens Limited on July 10, 2018. Previously, Flair Pens Limited manufactured and sold “Pierre Cardin” writing products in India pursuant to a license agreement with PCL S.A. dated December 1, 1994.

As of June 30, 2018, our product offering under the “Pierre Cardin” brand comprised ball pens, fountain pens, roller pens and mechanical pencils. This brand targets premium segment consumers, including professionals and offices. Price points for pens in this brand range from ₹70 to ₹3,000. The highest selling “Pierre Cardin” products in terms of revenue for the Financial Year 2018 were the “Golden Eye Ball Pen” and the “Momento Ball Pen”, which are shown below:

Pierre Cardin Golden Eye Ball Pen

Pierre Cardin Momento Ball Pen

Reynolds

We have offered writing instruments under the “Reynolds” brand since 2017 pursuant to manufacturing and exclusive distribution arrangements with Reynolds India. The “Reynolds” brand is owned by Reynolds India’s affiliate, Luxembourg Brands S.à r.l. We believe “Reynolds” has considerable brand recognition for pens in India, and that associating with such brands enhances our overall product offering and reputation. As of June 30, 2018, we manufacture and distribute “Reynolds” metal and plastic pens (ball pens, fluid ink pens and gel pens). Price points for pens in this brand range from ₹5 to ₹50. The most popular “Reynolds” products in terms of number of units sold and highest selling products in terms of revenue for the Financial Year 2018 were the Brite ball pen and the Jiffy gel pen, which are shown below:

Reynolds Brite Ball Pen

Reynolds Jiffy™ *Gel Pen*

Our arrangements with Reynolds India include a master supply agreement dated March 1, 2017 (the "**Supply Agreement**") to manufacture pens for purchase by Reynolds India, a distribution agreement dated January 11, 2017 (the "**Distribution Agreement**") granting us exclusive rights to market, sell and distribute certain "Reynolds" products in India.

Under the Supply Agreement, we manufacture certain specified products for purchase by Reynolds on a most favored customer pricing basis and Reynolds is required, for an initial period of three years from the date of the Supply Agreement, to exclusively purchase such products from our Company subject to satisfactory quality, delivery and cost levels. The Supply Agreement is valid for an initial five-year term until February 28, 2022, subject to termination on the terms specified in such agreement. Absent prior termination, the Supply Agreement automatically renews on a month-to-month basis after the expiry of the specified term until terminated. Under the Distribution Agreement, the Subsidiary purchases products from Reynolds India, which include products manufactured by our Company and previously sold to Reynolds India, and we distribute such products for sale in India. Reynolds India has agreed to provide marketing support for an initial period of three years and has specified certain annual targets for purchase and resale of products. The Subsidiary has a right of first refusal over any new "Reynolds" writing products or brands introduced in India. The Distribution Agreement is valid for an initial period of five years until January 10, 2022, and unless terminated pursuant to the terms specified in such agreement, may be renewed for additional one-year periods by Reynolds India pursuant to the terms of such agreement. Also see "*Risk Factors - Any termination or disruption in our agreements and relationships with key brand partners, such as Reynolds India, or any changes that affect the commercial viability or business potential of such relationships, or any factors that affect our reputation or ability to form relationships with other such parties in the future may have a material adverse effect on our business or financial results*" on page 22.

As we manufacture "Reynolds" products for sale to Reynolds India and also purchase "Reynolds" products from Reynolds India through the Subsidiary for sales and distribution in our distribution network, in our Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations, and are consolidated. If sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our total income would have been lower, as specified in our Special Purpose Restated Consolidated Financial Information. For details, see "*Financial Information*" on page 183.

Other Brands

We also offer products under our other brands such as "Rudi Kellner", our premium-category pen brand, and "Landmark", our in-house brand targeted at exports. We are a distributor of "ZIG" pens in India.

Trading Business

Our trading business primarily consists of distributing "Reynolds" products as part of our arrangements with Reynolds India by the Subsidiary, which is the exclusive distributor of "Reynolds" products in India. Also see "*– Description of our Business – Brands and Products – Reynolds*" on page 33. In the Financial Year 2018, the Subsidiary's trading business constituted 11.88% of our revenue from operations and 13.19% of our revenue from operations, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales.

Flair Sporty, our in-house division which acts as the super-stockist for the Mumbai region, also distributes writing instruments, including "Reynolds" products and products manufactured by Pentel Stationery (India) Private Limited, a Group Company and a member of the Promoter Group. In the Financial Years 2017 and 2018, our distribution business through Flair Sporty constituted 0.40% and 3.05% of our sale of goods (domestic). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our distribution business through Flair Sporty would have constituted 3.49% of our sale of goods (domestic).

Corporate Gifting

In our corporate gifting business, we offer writing instruments and other products such as keychains and notebooks, which we procure from external suppliers and customize according to the requirements of our customers, which are primarily corporates. For this purpose, we have installed laser engraving and multi-colour printing machines at our Daman Unit-IV manufacturing plant.

Exports

We export our products to be sold outside India. In the Financial Year 2018, our products were sold in approximately 80 countries. In the Financial Years 2016, 2017 and 2018, 40.64%, 36.36% and 21.42% of our revenue from operations were derived from sale of goods (exports). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 23.77% of our revenue from operations would have been derived from sale of goods (exports). In the Financial Year 2018, our top five export countries were the United States, the United Arab Emirates, Luxembourg, Germany and Colombia.

In recognition of our export efforts, we have been accorded the status of a 'one-star export house' by the Directorate General of Foreign Trade, a division of the Ministry of Commerce and Industry of the Government of India, which is valid until August 18, 2020. Our exports comprise sales of branded products as well as products which we contract manufacture for our OEM customers.

Branded Products

We export branded products, primarily, "Flair", "Hauser", "Pierre Cardin" and "Landmark" writing instruments.

OEM Business

We contract manufacture writing instruments on an OEM basis for various international companies. OEM business has been an important part of our history as we have gained experience in conforming to quality standards for products and manufacturing required by such customers. In the past, our OEM business volumes have varied significantly according to customer needs in particular periods.

Under our OEM agreements, our customers typically have a right to terminate without cause with prior written notice. These agreements also typically place restrictions on ownership and usage of tools and moulds, include confidentiality provisions that restrict disclosure of customer and related brand names and details of commercial arrangements, and are subject to the jurisdiction of the customer's location. We enter into OEM arrangements with our existing OEM customers and identify additional customers through our participation in trade fairs to showcase our products and manufacturing capabilities. Following negotiations, we typically enter into a sales contract for each order with our OEM customers.

Key Performance Indicators

The following information should be read with the Special Purpose Restated Financial Information and Restated Financial Information included in this Draft Red Herring Prospectus. See "*Financial Information*" on page 183.

Expenditure on Sales and Marketing

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Advertising, sales promotion,	84.77	83.93	85.62	158.96	155.35

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
marketing expenses and commission/ brokerage					
Revenue from operations	2,694.97	3,398.34	3,854.73	4,222.59	5,744.65
Sales and marketing expenditure ratio*	**3.15%**	**2.47%**	**2.22%**	**3.76%**	**2.70%**
Revenue from operations (excluding excise duty on sales)	2,676.67	3,378.31	3,828.24	4,189.80	5,736.73
Sales and marketing expenditure ratio (excluding excise duty on sales)**	**3.17%**	**2.48%**	**2.24%**	**3.79%**	**2.71%**

**Sales and marketing expenditure ratio = Advertising, sales promotion, marketing expenses and commission/brokerage / Revenue from operations*

*** Sales and marketing expenditure ratio = Advertising, sales promotion, marketing expenses and commission/brokerage / Revenue from operations (excluding excise duty on sales)*

General Financial Ratios

The following tables set forth certain of our general financial ratios for the Financial Years indicated.

Employee Cost Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Employee benefits expenses	286.33	337.76	398.44	511.28	790.34
Revenue from operations	2,694.97	3,398.34	3,854.73	4,222.59	5,744.65
Employee cost ratio*	**10.62%**	**9.94%**	**10.34%**	**12.11%**	**13.76%**
Revenue from operations (Excluding Excise Duty on Sales)	2,676.67	3,378.31	3,828.24	4,189.80	5,736.73
Employee cost ratio (excluding excise duty on sales)**	**10.70%**	**10.00%**	**10.41%**	**12.20%**	**13.78%**

**Employee Cost Ratio = Employee Benefits Expense/Revenue from operations*

***Employee Cost Ratio = Employee Benefits Expense/Revenue from operations (excluding excise duty on sales)*

Other Expenses Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Other expenses	304.48	390.28	486.05	568.40	614.58
Revenue from operations	2,694.97	3,398.34	3,854.73	4,222.59	5,744.65
Other expenses ratio*	**11.30%**	**11.48%**	**12.61%**	**13.46%**	**10.70%**
Revenue from operations (excluding excise duty on sales)	2,676.67	3,378.31	3,828.24	4,189.80	5,736.73
Other expenses ratio (excluding excise duty on sales)**	**11.38%**	**11.55%**	**12.70%**	**13.57%**	**10.71%**

**Other expenses ratio = (Other expenses-Marketing Expenses)/Revenue from operations*

***Other expenses ratio = (Other expenses-Marketing Expenses)/Revenue from operations (excluding excise duty on sales)*

EBITDA Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
EBITDA*	467.03	724.84	905.61	890.20	1,006.78
Total income	2,705.99	3,436.23	3,910.52	4,264.39	5,806.73
EBITDA ratio**	**17.26%**	**21.09%**	**23.16%**	**20.88%**	**17.34%**
Total income (excluding excise duty on sales)	2,687.69	3,416.20	3,884.03	4,231.60	5,798.81
EBITDA ratio (excluding excise duty on sales)***	**17.38%**	**21.22%**	**23.32%**	**21.04%**	**17.36%**

**EBITDA = Profit before tax + Depreciation + Interest cost*

*** EBITDA ratio= EBITDA / Total Income*

**** EBITDA ratio= EBITDA / Total Income (excluding excise duty on sales)*

Profit after tax Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Profit after tax	279.10	411.67	526.83	502.42	492.61
Total income	2,705.99	3,436.23	3,910.52	4,264.39	5,806.73
Profit after tax ratio*	**10.31%**	**11.98%**	**13.47%**	**11.78%**	**8.48%**
Total income (excluding excise duty on sales)	2,687.69	3,416.20	3,884.03	4,231.60	5,798.81
Profit after tax ratio (excluding excise duty on sales)**	**10.38%**	**12.05%**	**13.56%**	**11.87%**	**8.50%**

**Profit after tax ratio = Profit after tax / Total Income*

*** Profit after tax ratio = Profit after tax / Total Income (excluding excise duty on sales)*

Return on Capital Employed Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Operating profit*	413.34	646.43	804.06	773.28	856.07
Capital employed**	320.66	720.78	1,306.74	1,796.32	3,062.44
Return on capital employed ratio***	**128.90%**	**89.68%**	**61.53%**	**43.05%**	**27.95%**

**Operating profit = Profit before tax + interest cost*

***Capital employed = (Total assets - current liabilities)*

****Return on capital employed = Operating profit / Capital employed*

Return on Equity Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Profit after tax	279.10	411.67	526.83	502.42	492.61
Total equity	306.60	697.56	1,224.75	1,734.26	2,619.70
Return on equity ratio*	**91.03%**	**59.02%**	**43.02%**	**28.97%**	**18.80%**

**Return on equity ratio = Profit after tax / Total equity*

Gross Profit Margin Ratio

(₹ in millions, except percentage)

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Gross profit margin*	1,140.42	1,505.84	1,826.48	2,096.53	2,514.20
Revenue from operations	2,694.97	3,398.34	3,854.73	4,222.59	5,744.65
Gross profit margin ratio**	**42.32%**	**44.31%**	**47.38%**	**49.65%**	**43.77%**
Revenue from operations (excluding excise duty on sales)	2,676.67	3,378.31	3,828.24	4,189.80	5,736.73
Gross profit margin ratio (excluding excise duty on sales)***	**42.61%**	**44.57%**	**47.71%**	**50.04%**	**43.83%**

**Gross profit margin = Revenue from operations minus Cost of Material Consumed, Purchase of Stock-in-Trade, Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade*

***Gross profit margin ratio = Gross profit margin / Revenue from operations*

****Gross profit margin ratio = Gross profit margin / Revenue from operations (excluding excise duty on sales)*

Note:

The following table sets forth the abovementioned general financial ratios for the Financial Years indicated, after excluding the sale of goods (manufactured – domestic) from our Company to Reynolds India from our revenue from operations or total income, as the case may be:

Particulars	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Employee cost ratio	10.62%	9.94%	10.34%	12.11%	15.27%
Employee cost ratio (excluding excise duty on sales)	10.70%	10.00%	10.41%	12.20%	15.29%
Other expenses ratio	11.30%	11.48%	12.61%	13.46%	11.87%

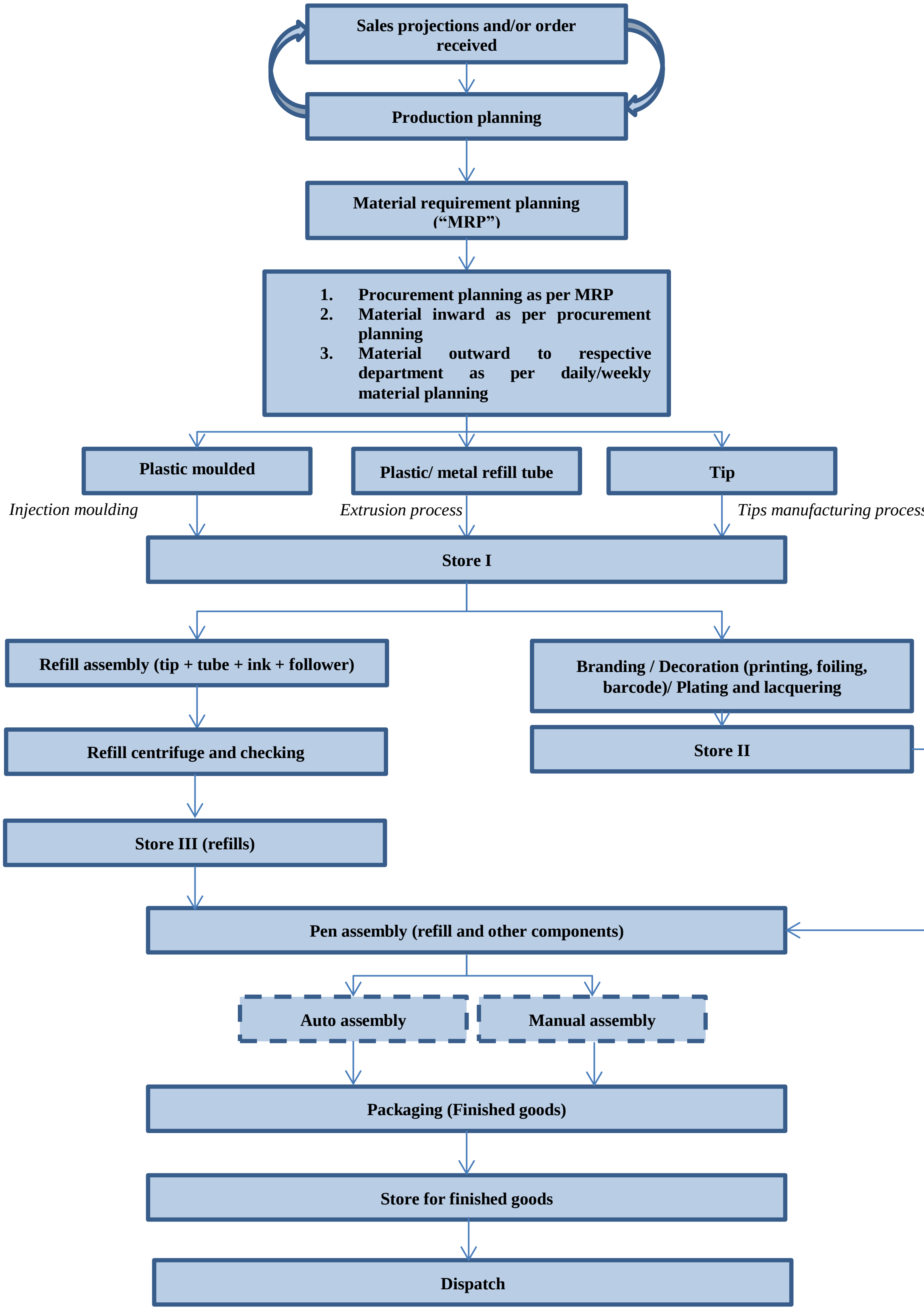
Other expenses ratio (excluding excise duty on sales)	11.38%	11.55%	12.70%	13.57%	11.89%
EBITDA ratio	17.26%	21.09%	23.16%	20.88%	19.22%
EBITDA ratio (excluding excise duty on sales)	17.38%	21.22%	23.32%	21.04%	19.25%
PAT ratio	10.31%	11.98%	13.47%	11.78%	9.40%
PAT ratio (excluding excise duty on sales)	10.38%	12.05%	13.56%	11.87%	9.42%
Return on capital employed ratio	128.90%	89.68%	61.53%	43.05%	27.95%
Return on equity ratio	91.03%	59.02%	43.02%	28.97%	18.80%
Gross profit margin ratio	42.32%	44.31%	47.38%	49.65%	48.57%
Gross profit margin ratio (excluding excise duty on sales)	42.61%	44.57%	47.71%	50.04%	48.65%

Manufacturing

The manufacturing process commences with a review of the periodic sales projections and the orders received for preparing a monthly production requirement. A plant-wise monthly production plan is then prepared on the basis of available capacities in terms of moulding, assembling and packaging. This preliminary process enables us to perform material requirement planning to source raw material, plastic and metal components and packaging material. The procured material is subject to an inward inspection report given by our internal quality control team. Upon completion of such review, the procured material is sent to the respective stores/warehouses. The subsequent manufacturing process, as described in the flowchart below, is conducted at all our manufacturing plants at Naigaon, Maharashtra (Naigaon Unit-I); Daman in the Union Territory of Daman and Diu (Daman Unit-II, Daman Unit-III and Daman Unit-IV); and Dehradun, Uttarakhand (Dehradun Unit-I and Dehradun Unit-II).

A flow chart describing the manufacturing process for our plastic writing instruments is set out below.

Manufacturing Process for Writing Instruments



Manufacturing Facilities and Other Properties

Our facilities include six manufacturing plants in India, including one plant in Naigaon, Maharashtra ("**Naigaon Unit-I**"); three plants in Daman in the Union Territory of Daman and Diu ("**Daman Unit-II**", "**Daman Unit-III**" and "**Daman Unit-IV**"); and two plants in Dehradun, Uttarakhand ("**Dehradun Unit-I**" and "**Dehradun Unit-II**").

We own the land on which Daman Unit-II and Daman Unit-IV are located and have entered into license agreements in respect of the land and buildings for Naigaon Unit-I, Daman Unit-III, Dehradun Unit-I and Dehradun Unit-II. Naigaon Unit-I and Daman Unit-III are located on premises which are licensed to our Company pursuant to leave and license agreements dated June 4, 2018 and June 11, 2018, respectively, with M/s. Flair Pen and Plastics Industries, a member of the Promoter Group, which are valid until March 31, 2023. Dehradun Unit-I and Dehradun Unit-II are located on premises which have been licensed to our Company pursuant to leave and license agreements dated June 4, 2018 with Flair Pens Limited, which are valid until March 31, 2023. Further, our Company has leased certain godowns, guest house and warehouse premises from related parties. We have leased land for the construction of our plant in Valsad, Gujarat pursuant to a lease deed dated October 16, 2017 with Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, the Promoters and Directors, which is valid for a period of 25 years and may be renewed for an additional period of 25 years. Under the terms of the lease deed, our Company is not permitted to create any liability, charge, mortgage or lien or transfer or assign the rights of the lease to any person.

All the plants specified above and the machinery therein are owned and operated by our Company, except the moulds received from and applied in manufacturing products for our OEM customers and the manufacturing and related buildings which have been licensed as set forth above.

Our manufacturing plants in Dehradun, Uttarakhand, i.e., Dehradun Unit-I and Dehradun Unit-II, benefit from deduction of 30% of the profits and gains derived from such undertakings under Section 80-IC of the Income-tax Act until the Financial Year 2019 and the Financial Year 2021, respectively. Dehradun Unit-I also benefits from the "Scheme of Budgetary Support under the Goods and Services Tax Regime to the units located in the states of Jammu and Kashmir, Uttarakhand, Himachal Pradesh and North Eastern States including Sikkim" which provides refund of additional goods and services tax that accrue to the Central Government under the Central Goods and Services Act, 2017 and the Integrated Goods and Services Act, 2017 until March 2019. Additionally, for our manufacturing plant in Valsad, Gujarat, we intend to avail of reimbursement of 70% of net value added taxes payable to the State Government of Gujarat for a period of 10 years.

According to C.D. Mehta & Associates, Chartered Engineers pursuant to a certificate dated August 27, 2018, our fully-operational manufacturing plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces as of June 30, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction, and was inaugurated by the Chief Minister of Gujarat on June 23, 2018. The construction of two additional buildings at this plant is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. The first phase of this plant comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018.

The following table sets forth certain details with respect to our current manufacturing plants*:

Unit	Location	Description	Nature of Interest	Certifications
Naigaon Unit-I	Naigaon, Maharashtra	• Area: 30,000 sq. ft. • Commencement of production: August 2015	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	ISO 9001:2015 and ISO 14001:2015
Daman Unit-II	Dabhel, Nani Daman, Daman	• Area: 66,467.14 sq. ft. • Commencement of production: February 2004	Owned	ISO 9001:2015 and ISO 14001:2015
Daman Unit-III	Kachigam, Nani Daman, Daman	• Area: 51,273.56 sq. ft. • Commencement of production: 1998**	Licensed from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group	ISO 9001:2015 and ISO 14001:2015

Unit	Location	Description	Nature of Interest	Certifications
Daman Unit-IV	Kachigam, Nani Daman, Daman	• Area: 94,399.49 sq. ft. • Commencement of production: March 2016	Owned	ISO 9001:2015 and ISO 14001:2015
Dehradun Unit-I	Selaqui, Dehradun, Uttarakhand	• Area: 55,000 sq. ft. • Commencement of production: July 2009	Licensed from M/s. Flair Pens Limited, a member of the Promoter Group	ISO 9001:2015 and ISO 14001:2015
Dehradun Unit-II	Selaqui, Dehradun, Uttarakhand	• Area: 44,906 sq. ft. • Commencement of production: November 2011	Licensed from M/s. Flair Pens Limited, a member of the Promoter Group	ISO 9001:2015 and ISO 14001:2015

**Our units in the Surat Special Economic Zone (i) commenced production in June 2006 and October 2014, respectively; (ii) manufactured writing instruments; and (iii) occupied an area of 34,982.71 sq. ft. We are in the process of ceasing commercial activities at such units in the Surat Special Economic Zone. Certain movable assets have been transferred to our other manufacturing plants in the first quarter of the Financial Year 2019.*

***M/s. Flair Writing Instruments, the Erstwhile Partnership Firm which was later converted into our Company, purchased certain machinery of Daman Unit-III from M/s. Flair Pen and Plastic Industries, a member of the Promoter Group in January 2013.*

Note: For details on the material licenses and approvals obtained in relation to the above manufacturing plants, see "Government and Other Approvals" on page 575.

As of June 30, 2018, we have the capacity to manufacture all our writing instruments at all our manufacturing plants (other than our plant in Naigaon, Maharashtra). We manufacture calculators at our Dehradun Unit-I manufacturing plant.

Certain details of our plant, which is part-operational and partly under-construction in Valsad, Gujarat are set forth below:

Unit	Location	Description	Nature of Interest	Approvals
Valsad Unit	Shankar Talao, Valsad, Gujarat	• Area: 425,000 sq. ft. • Commissioning: One of the factory buildings commenced operations in July 2018. The construction of two additional factory buildings is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. Also see "*Objects of the Offer*" on page 92.	Land leased from the Promoters	• Udyog Aadhar; • Consent to establish under the Air Act and the Water Act from the Gujarat Pollution Control Board; • Provisional consolidated consent and authorization to operate from the Gujarat Pollution Control Board; and • Provisional certificate under the Factories Act.

Production Capacity and Capacity Utilization

The following table sets forth the aggregate production capacity of our manufacturing plants and the actual production volumes for the Financial Year 2018, as certified by C.D. Mehta & Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018:

	Production Capacity (in million pieces and as of June 30, 2018)	Capacity utilization* (Financial Year 2016)	Capacity Utilization* (Financial Year 2017)	Capacity Utilization* (Financial Year 2018)
Naigaon Unit-I	N.A.**	N.A.**	N.A.**	N.A.**
Daman Unit–II	279.03	73%	74%	78%
Daman Unit–III	137.25	82%	84%	85%
Daman Unit–IV	457.50	84%	85%	87%
Dehradun Unit-I	244.00	87%	87%	89%
Dehradun Unit-II	170.50	68%	64%	48%

	Production Capacity (in million pieces and as of June 30, 2018)	Capacity utilization* (Financial Year 2016)	Capacity Utilization* (Financial Year 2017)	Capacity Utilization* (Financial Year 2018)
Surat units***	-	67%	65%	63%

**Actual production volumes depend on the products mix. Different writing instruments require moulds of varying cavities; higher-cavity moulds result in higher volumes of writing instruments produced in a single production run.*
***Not applicable as writing instruments are manually assembled at Naigaon Unit-I*
**** We are in the process of ceasing commercial activities at our units in the Surat Special Economic Zone. Certain movable assets have been transferred to our other manufacturing plants in the first quarter of the Financial Year 2019.*

The information relating to the estimated annual production capacities and the capacity utilization of our manufacturing plants included above and elsewhere in this Draft Red Herring Prospectus is based on a number of assumptions and estimates of our management, including expected operations, availability of raw materials, expected plant utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in SKUs for a particular product, unscheduled breakdowns, as well as expected operational efficiencies. In particular, the following assumptions have been made in the calculation of the estimated annual production capacities of our manufacturing plants included above and elsewhere in this Draft Red Herring Prospectus, as certified by C.D. Mehta & Associates, independent chartered engineers, pursuant to a certificate dated August 27, 2018: (i) total working days of 305 days during the Financial Year; (ii) one day weekly holiday and (iii) preventive maintenance and technology upgrade of the plant and machinery.

The production capacity calculation does not take into account other factors affecting production. Actual production levels and future capacity utilization rates may therefore vary significantly from the estimated production capacities of our manufacturing plants. Capacity utilization is calculated differently in different countries, industries and for the kinds of products we manufacture. Undue reliance should therefore not be placed on the estimated production capacity and capacity utilization information included in this Draft Red Herring Prospectus. Also see "*Risk Factors – Information relating to the historical capacity of our manufacturing plants included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary*" on page 35.

Our plants include moulds, injection moulding machines, extruder plants, barcode labelling machines, centrifugal machines, vacuum centrifugal machines, manual and automatic pad printing machines, refill assembly machines, tip manufacturing machines, wire cutting machines, automatic orientation heat transfer machines, blister machines, packing machines, ultrasonic cleaning machines, automatic and semi-automatic assembly machines.

The registered office of our Company, which is also the registered office of the Subsidiary, is located on premises which have been licensed from Flair Pens Limited, a Group Company and a member of the Promoter Group.

Also see "*Risk Factors – The Registered Office and certain manufacturing plants are situated on lands that are not owned by us. In the event that we lose such rights or are required to renegotiate arrangements for such rights, our business and financial results could be materially and adversely affected*" on page 29.

Raw Material and Utilities

The raw material used by us primarily includes plastic powder, metal parts, ink, followers, packaging material and foil. We also use capital goods such as moulds, tip machines and assembly machines, which are imported by us from countries such as China, Germany, South Korea, Spain and Switzerland. We source raw material on a purchase order basis from India or abroad, and do not enter into contractual arrangements with our suppliers. Also see "*Risk Factors - An increase in the cost of or a shortfall in the availability of raw materials from our suppliers, with whom we generally do not have written agreements, or any failure by third party transportation providers for delivery of raw materials or products to us and our super-stockists could have a material adverse effect on our business, operations, prospects or financial results*" on page 24. For details in relation to the machinery and equipment proposed to be purchased out of the Net Proceeds, see "*Objects of the Offer*" on page 92.

We consume electricity and water for our manufacturing process, which we source from local utility providers and state-owned electricity distribution companies, respectively.

Quality Control and Quality Assurance

Our quality control is divided into three categories, namely incoming checking, in-process checking and final checking.

The quality of incoming raw material sourced from suppliers is checked and raw material is returned to the relevant suppliers if it does not comply with specified standards. The qualified raw material is transferred to the required production departments. Each such production department has its quality control team comprising quality control inspectors and supervisors, who report to the quality control head of the department. Upon receipt of raw material, such quality control teams conduct an online inspection process to detect any defects in the raw material/components. For example, the quality control team attached to our moulding department checks the components for their visual appearance, dimensions, weight and inter-locking pressure, among others.

Inspections are undertaken during each of the moulding, branding/decoration, pen assembly and packaging processes. We have a quality control team that monitors the products through the various manufacturing stages to ensure compliance with the quality control guidelines that we have prescribed for each of the manufacturing processes. The products at each of these stages are segregated and re-ground if found defective. In relation to tips and refills, we also undertake heat and humidity testing and ageing tests to verify that the writing performance of our writing instruments does not vary across climatic conditions and to ensure suitability of our products across different geographies, since our pens are sold in India and abroad.

Upon satisfaction of the various quality control checks in the manufacturing process, the products are sent to the packaging department, where further quality control inspections are conducted. We also conduct a pre-dispatch inspection prior to the dispatch of the finished products through our distribution network.

Sales, Marketing and Distribution

For our domestic sales and distribution, we have a multi-tiered network consisting of super-stockists, distributors, direct dealers, wholesalers and retailers, as well as our sales and marketing employees who facilitate sales at each level of the network. As of June 30, 2018, we had the one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers in India, according to CRISIL. As of June 30, 2018, we also had approximately 100 super-stockists in India (including Flair Sporty), supported by our sales and marketing employees. We intend to leverage our extensive distribution network to increase the sale of our products across customer segments.

In India, we sell our products directly to super-stockists, which resell to distributors at prices determined by our Company. We designate super-stockists for specific brands in a particular geographic area and generally maintain exclusive arrangements for the pens category to distribute products across our various brands. Upon receipt of orders from super-stockists, we deliver our products from our manufacturing plants to the super-stockists using third-party transportation service providers. We sell our products at discounted wholesale prices, generally with a fixed margin for super-stockists and distributors. Such discounts vary across our brands. In the Financial Year 2018, the top two super-stockists accounted for 7.47% and 5.99%, respectively, of our sale of goods (domestic). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, the top two super-stockists would have accounted for 8.54% and 6.85%, respectively, of our sale of goods (domestic). Distributors are appointed by the super-stockists, generally for a specified brand, in each geographic area. The distributors, in turn, sell the products to wholesalers and retail outlets. As of June 30, 2018, we had a retail presence in approximately 2,400 towns/villages across India.

As of June 30, 2018, we employed approximately 800 sales and marketing employees. Our sales and marketing employees function as the link between super-stockists/distributors and wholesalers/retailers, by marketing our products and collecting orders which are then communicated to the relevant super-stockists and distributors. Through our sales and marketing employees, we collect and analyze inventory data from the super-stockists at the end of each month. This helps us plan our manufacturing based on demand in the preceding month and the historical seasonality information and allows efficient inventory management for us and the super-stockists. We have also invested in a software application that enables tracking of secondary sales, generation of reports in connection with such sales, daily coverage by our sales and marketing employees, list of active and non-active distributors and direct online ordering. We recently commenced a pilot project of this software application for our sales and marketing employees.

We focus our sales and distribution efforts geographically and by brand to help maintain the focus of our partners, including by limiting the investments they make to enable our distribution network as well as our employees. This also helps to endeavor to limit market cannibalization of our products and also gauge performance at the retailer level based on historical sales figures. Pursuant to our bottom-up approach, we believe we are better positioned to incentivize our distribution network and employees to meet sales targets, which we set both on a regular basis and as part of short-term sales promotional schemes. We typically incentivize super-stockists and distributors through periodic sales and festival schemes and revenue targets and product-specific schemes (through discounts and gift hampers).

We support our sales effort and our distribution network with advertising initiatives. Our marketing and brand-building initiatives have a two-fold aim of reaching consumers as well as our distribution network partners. We have an active marketing team that performs brand visibility and product availability functions. We use a combination of mass media marketing and direct consumer outreach and sales promotion activities to market our brands and products. The mass media activities comprise brand ambassadors, television and print advertisements and social media outreach. The direct outreach activities comprise billboards, posters, danglers, streamers, catalogues and pamphlets.

Our export sales are driven through our existing OEM customers and through our participation in trade fairs to showcase our products and manufacturing capabilities. For the exports of our branded products, primarily "Flair", "Hauser", "Pierre Cardin" and "Landmark" writing instruments, we typically appoint a distributor for a particular brand in a particular country. In certain cases, one distributor is appointed for a region. For instance, our distributor in Panama handles sales of our products in six countries in South America. As of June 30, 2018, we had relationships with approximately 50 distributors for the distribution and sale of our products abroad. In the Financial Year 2018, we sold products in approximately 80 countries. We also have sales and marketing employees to support our export sales.

Also see "*Risk Factors - We are dependent on our distribution network in India and overseas to sell our products and any disruption in our distribution network could have a material adverse effect on our business, operations, prospects or financial results*" on page 19.

Research, Development and Design

Our research, development and design efforts are enabled by our employees qualified in mechanical engineering, operating moulds and tool and die making and skilled in computer-aided design and other software-designing applications. We focus on developing designs that meet consumer requirements based on market feedback. We received the "Best Product Design" award for our ball pen and roller pen, "Rudi Kellner Mastermind Deluxe" in 2008 from the Economic Times. Our product design process involves various stages such as product design, prototype development and pen mould design.

Intellectual Property

We own the trademark in relation to the "Flair" brand under class 16. We have applied for registration for trademarks in relation to our rebranded corporate logo, "Flair" (word and device) under classes 16 and 9 and are pending registration.

We own certain "Hauser" trademarks, which were purchased by NPPI through the Hauser Brand Agreement in 2014. As of the date of this Draft Red Herring Prospectus, the records of the German Patent and Trademark Office reflect FPPIPL, a Transferor Company formed pursuant to the conversion of NPPI, as the registered proprietor of such "Hauser" trademarks. We acquired certain "Pierre Cardin" trademarks under class 16 registered in India from Flair Pens Limited, a Group Company and a member of the Promoter Group, on July 10, 2018. We have applied to the Trademarks Registry for the transfer of such trademarks to our Company, which is currently pending. We have registered the trademarks in relation to our other in-house brands, "Rudi Kellner" and "Landmark". We also own a trademark under class 16 in relation to "ZIG" in India.

Our Company has entered into agreements for sale of intellectual property with certain members of the Promoter Group, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and Flair Pens Limited, each dated June 29,

2018. Pursuant to such agreements, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and Flair Pens Limited, respectively, have agreed to sell 45 trademarks registered in India and 11 trademarks registered abroad under classes 9 and 16 and used in our business to our Company for a nominal consideration. As of the date of this Draft Red Herring Prospectus, no such consideration has been paid and such trademarks are yet to be transferred in our Company's name. Also see "*Our Promoters and Promoter Group – Confirmations*" on page 174.

In India, we have registered 42 trademarks and have filed applications for registering 17 trademarks, which are currently pending at various stages. We have also registered certain trademarks in countries/territories such as the United States, the European Union, Yemen and Singapore. Also, see "*Risk Factors - As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected*" on page 27.

Environment, Health and Safety

Our six fully-operational manufacturing plants are ISO 9001:2015 certified and ISO 14001:2015 certified. We conduct regular fire training and first aid training programmes for our employees. We have instituted a health and safety policy to promote a safe working environment, including by requiring all employees to wear appropriate protective equipment and clothing. We are also subject to various central, state and local laws affecting the operations of our business, including health, safety and environmental laws. For further information in relation to the various laws applicable in relation to our business operations, see "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 147 and 575, respectively.

Competition

We operate in the highly competitive Indian writing instruments industry. Particularly, in the mass-market segment, which comprises writing instruments sold at prices up to ₹15, industry players find it difficult to increase prices (deviation from denomination of multiples of five) of such mass-market products, according to CRISIL. The other significant competitive factors are product range, product mix, production capacity, advertising/marketing efforts, design and market penetration.

Our principal competitors in the market for pen products include BIC Cello (India) Private Limited, G.M. Pens International Private Limited, DOMS Industries Private Limited, Linc Pen & Plastics Limited and Luxor Writing Instruments Private Limited, according to CRISIL. Certain such competitors may have substantially greater financial resources, technology, research and manufacturing capability and greater market penetration, and their brands may be more well-known than ours. Some of them, such as BIC Cello (India) Private Limited and Linc Pen & Plastics Limited, also have investments by or other commercial arrangements with major foreign players, according to CRISIL.

Our competitors also include a Group Company and entities in the Promoter Group of our Company such as Pentel Stationery (India) Private Limited, M/s. Padmavati Pen and Plastic Industries, M/s. Prayas Pen and Plastic Industries and M/s. Prayas Writing Instruments. For details, see "*Risk Factors - We are dependent on the Promoters, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest*" on page 29.

Employees

As of June 30, 2018, we had 3,789 full-time employees. All of our employees are located in India. The following table shows a break-down of our employees for the periods indicated by division/function.

Division/Function	**Period ended**			
	March 31, 2016(1)	**March 31, 2017(2)**	**March 31, 2018(3)**	**June 30, 2018**
Administration	107	130	115	156
Production	1,587	2,702	2,890	2,809
Sales and marketing	404	692	734	824
Total	**2,098**	**3,524**	**3,739**	**3,789**

[(1)] *Includes employees of the erstwhile partnership firms*
[(2)] *Includes employees of the erstwhile partnership firms, until their conversion, and Transferor Companies*
[(3)] *Includes employees of the Transferor Companies*

As of June 30, 2018, we also employed 487 persons as contract labour, primarily for manufacturing activities at Dehradun Unit-1 and Dehradun Unit-2, and four persons as contract labour in our erstwhile unit in the Surat Special Economic Zone.

Insurance

As part of our contractual obligations and regulatory requirements, we are required to maintain certain types of insurance coverage. As of June 30, 2018, we had the following types of insurance: (i) standard fire and special perils insurance; (ii) business interruption (fire) insurance; (iii) marine import and export insurance; (iv) workmens' compensation insurance; and (v) product liability insurance, subject to policy exclusions. Also see "*Risk Factors – Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may materially and adversely affect our business, operations, prospects or financial results*" on page 32.

Corporate Social Responsibility

We believe in empowering and helping the community surrounding our manufacturing plants. As part of these efforts, we distributed sweaters to students of a school in Dehradun in 2017 and provided relief material to victims of the floods in Uttarakhand in 2013. We distributed education kits to promote literacy in Daman and Dehradun in 2018. We also organized a blood donation drive at our Dehradun plant in 2017. In 2016, we made contributions for the care of cancer patients and conducted a training programme for our female workers as part of the Global Women's Economic Empowerment Initiative.

REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies which are applicable to the operations of our Company and the Subsidiary. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable law that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions in India.

Laws relating to our business and operations

The Consumer Protection Act, 1986 (the "COPRA")

The COPRA provides for protection of the interests of consumers, including establishment of consumer councils and other authorities for the settlement of consumers' disputes. The COPRA provides a mechanism for consumers to file complaints against traders, manufacturers or service providers in cases of unfair or restrictive trade practices, defects in goods, deficiencies in services, excessive pricing and sale/ offer of goods and services that are hazardous to life and property. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA, comprising (a) the Consumer Disputes Redressal Forum at the district-level, (b) the Consumer Disputes Redressal Commission at the state-level and (c) the National Consumer Disputes Redressal Commission (the "**Consumer Disputes Redressal Agencies**") at the central-level. Further, the COPRA establishes the jurisdiction of the Consumer Disputes Redressal Agencies over complaints by consumers and of the Supreme Court over appeals from the National Consumer Disputes Redressal Commission. Non-compliance with the orders of the Consumer Disputes Redressal Agencies may attract criminal penalties in the form of imprisonment and/or fines.

The Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act provides for the establishment and enforcement of standards of weights and measures and for regulation of trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The Legal Metrology Act requires every unit of weight or measures to be in accordance with the metric system based on the international system of units. The key features of the Legal Metrology Act are (a) appointment of government-approved test centres for verification of weights and measures, (b) allowing a company to authorize any of its directors/ nominate different persons for each establishment or branch to exercise such powers and take such necessary steps to prevent the commission of any offence under the Legal Metrology Act by such company/ its establishment or branch and (c) penalties/ offences for violation of the provisions of the Legal Metrology Act or rules made pursuant to the Legal Metrology Act. Under the Legal Metrology Act, a "pre-packaged commodity" means a commodity which, without the purchaser being present, is placed in a package of whatever nature, whether sealed or not, so that product contained in such package has a pre-determined quantity. The Legal Metrology Act prohibits the manufacture, packaging, selling, importing, distributing, delivering, offering, exposing or possessing for sale any pre-packaged commodity unless such package is in standard quantities or number and bears the prescribed declarations and particulars.

The Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTA read with the Foreign Trade Policy, 2015-20 provides that no person or company can make exports or imports without having obtained an importer-exporter code number ("**IEC Number**") unless such person or company is specifically exempt. An application for an IEC Number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

The FTA empowers the GoI to suspend or cancel a person's IEC Number, after providing a reasonable opportunity of hearing, in certain circumstances including, among others, where such person has contravened any provisions of the FTA (including rules and orders made under the FTA) or the foreign trade policy or any other law relating to central excise or customs or foreign exchange or has committed any economic offence or where such person has made an export or import which is prejudicial to the trade relations of India.

The Foreign Trade Policy 2015-20 (the "Foreign Trade Policy")

Under the FTA, the GoI is empowered to periodically formulate the Foreign Trade Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such Foreign Trade Policy. The Foreign Trade Policy provides for certain schemes for the promotion of export of finished goods and import of inputs. The Foreign Trade Policy recognizes business leaders who have excelled in international trade and have successfully contributed to India's foreign trade as status holders ("**Status Holders**"), who are conferred certain privileges under the Foreign Trade Policy. All exporters with an IEC Number are eligible for recognition as Status Holders depending on their export performance.

Laws relating to intellectual property

The Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act provides for the application and registration of trade marks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of registered trade marks. The Trade Marks Act prohibits the registration of any trade marks which are, among others, (a) devoid of any distinctive character, (b) consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographic origin or the time of production of the goods or rendering of the service or other characteristic of the goods or service and (c) consist exclusively of marks or indications which have become customary in the current language or in the *bona fide* and established practices of the trade. A trademark registration under the Trade Marks Act is valid for a term of 10 years, subject to renewal or removal from the register of trade marks.

The Trade Marks Act provides for civil remedies in the event of infringement of registered trade marks or for passing off, including injunction, damages, account of profits or delivery-up of infringing labels and marks for destruction or erasure. The Trade Marks Act provides for criminal penalties for falsifying and falsely applying trademarks.

Laws relating to Employment

Our operations are subject to compliance with certain additional labor and employment laws in India. These include, but are not limited to, the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employee's Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Factories Act, 1948 (the "**Factories Act**");
- Industrial Disputes Act, 1947;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Maternity Benefit Act, 1961;
- Trade Unions Act, 1926; and
- the Shops and Establishments acts of various states.

Safety and Environmental Laws

Our operations are also subject to certain safety and environmental laws, including but not limited to the following:

- Environment Protection Act, 1986;
- Air (Prevention and Control of Pollution) Act, 1981;
- Water (Prevention and Control of Pollution) Act, 1974; and
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

Foreign Ownership of Indian Securities

Under the consolidated FDI Policy (effective from August 28, 2017) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The FDI Policy permits up to 100% foreign investment in the "manufacturing" sector under the automatic route.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

The business of the Company was originally carried on as a partnership firm under the name of 'M/s Flair Writing Instruments' (the "**Partnership**") pursuant to a deed of partnership dated January 6, 1986 (the partnership business was deemed to have commenced from January 1, 1986), as amended and supplemented from time to time, among Mr. Khubilal Jugraj Rathod, Mr. Vimalchand Jugraj Rathod, Mrs. Nirmala Khubilal Rathod, Mrs. Manjula Vimalchand Rathod, Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod, Mr. Sumitkumar Vimalchand Rathod, Mrs. Sangita Rajesh Rathod, Mrs. Shalini Mohit Rathod and Mrs. Sonal Sumitkumar Rathod as partners (the "**Partners**").

Pursuant to a unanimous resolution among the Partners dated June 11, 2016, M/s. Flair Writing Instruments was converted into a private limited company under Chapter XXI of the Companies Act, 2013. Pursuant to such conversion, our Company was incorporated on August 12, 2016 as 'Flair Writing Industries Private Limited', a private limited company, under the Companies Act, 2013 and Equity Shares were issued to the Partners in lieu of the capital in the Partnership.

Subsequently, pursuant to a scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 approved by the NCLT, Mumbai Bench by an order dated March 15, 2018, certain companies (*i.e.*, Flair Pen and Plastic Industries Private Limited, Flair Stationeries Private Limited, Flair Pens and Stationery Industries Private Limited, Flair Pen and Plastic (UK) Private Limited and Flair Impex Industries Private Limited) were merged with and into our Company. For details, see "*– Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets*" below on page 153.

Our Company was then converted into a public limited company and the name of our Company was changed to 'Flair Writing Industries Limited'. A fresh certificate of incorporation dated May 30, 2018 was issued by the RoC.

Our Company has 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus. For further information, see "*Capital Structure*" on page 82.

Changes in Registered Office

There has been no change in the Registered Office of our Company since its incorporation.

Main Objects of Our Company

The main objects of our Company contained in the Memorandum of Association are as disclosed below.

1. *"To convert the existing partnership i.e. Flair Writing Instruments into Private Limited Company along with all its assets and liabilities under Part 1 of Chapter XXI of the Companies Act, 2013 and the erstwhile Partnership firm stand dissolved.*

2. *To carry on the business of manufacturers, purchasers, sellers, exporters, importers, traders, fabricators, commission agents, Assemblers, marketers or otherwise dealers in Roller pens, Gel pens, Ballpoint pens, fountain Pens, stylograph pens, including tips and nozzles of all types of pens and ball point pens, micro tip and fiber tip pen or pens with or without any fiber tip or pens with any other tips, spare parts, plastic items, plastic molded parts and accessories of pens including tips, any item of stationeries."*

The objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Date of Amendment/Shareholders' Resolution	Nature of Amendment
November 18, 2017	Amendment to Clause V: The authorized share capital of our Company of ₹2,000,000 comprising 200,000 Equity Shares of face value ₹10 each was increased to ₹2,200,000 comprising 220,000 Equity Shares of face value ₹10 each.
April 7, 2018*	Amendment to Clause V: Pursuant to the Scheme, the authorized share capital of the Transferor Companies was combined with and added to the authorized share capital of our Company; accordingly, the authorized share capital of our Company was increased from ₹2,200,000 divided into 220,000 Equity Shares of face value ₹10 each to ₹29,200,000 divided into 2,920,000 Equity Shares of face value ₹10 each.
May 21, 2018	Our Company was converted to a public limited company, the name of our Company was changed to 'Flair Writing Industries Limited' and the Memorandum of Association was amended to reflect such change in name.
August 14, 2018	Amendment to Clause V: The authorized share capital of our Company was increased from ₹29,200,000 divided into 2,920,000 Equity Shares of face value ₹10 each to ₹300,000,000 divided into 30,000,000 Equity Shares of face value ₹10 each.

* *The effective date of the Scheme was April 7, 2018. For details in relation to the Scheme, see "- Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets" below on page 153.*

Major Events

The table below sets forth some of the key events in our history.

Calendar Year	Event
1976	"*Flair*" brand was registered as a trademark (word)
1997	"*LANDMARK*" brand was registered as a trademark (word)
1998	Our manufacturing unit in Daman was set up
2003	"*Rudi Kellner*" brand was registered as a trademark (device)
2008	Introduced "*Flair Calculators*"
2009	Manufacturing plant was set up in Dehradun, Uttarakhand
2014	NPPI* acquired certain trademarks of the "Hauser" brand
2016	Our Company was incorporated upon conversion of M/s. Flair Writing Instruments
	The Subsidiary was incorporated
2017	We entered into master product supply agreement and distribution agreement with Reynolds Pens India Private Limited
2018	A scheme of arrangement under Section 230 to 232 of the Companies Act, 2013 was approved by the NCLT, Mumbai Bench, pursuant to which the Transferor Companies merged with and into our Company.**
	Our Company was converted into a public limited company
	Our Company entered into a deed of assignment with Flair Pens Limited (a member of the Promoter Group and a Group Company) for the assignment of certain trademarks relating to the "Pierre Cardin" brand

* *National Pen and Plastic Industries ("**NPPI**") was one of the Erstwhile Partnership Firms, which was converted into FPPIPL on April 25, 2016 and subsequently merged into our Company pursuant to the Scheme.*

** *For details, see "- Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets" below on page 153.*

Awards, Certifications and Recognitions

We have received the following awards, certifications and recognitions.

Year	Award/Certification/Recognition
1985-1986	Export Award to NPPI(1) in the category for fountain pens, ball point pens, sign pens, fibre tip pens *etc.* from the Plastics and Linoleum Export Promotion Council ("**PLEX Council**")
1986-1987	Export Award to NPPI in the category for fountain pens, ball point pens, sign pens, fibre tip pens *etc.* from the PLEX Council
1987-1988	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the PLEX Council
1988-1989	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the PLEX Council

Year	Award/Certification/Recognition
1989-1990	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the PLEX Council
1990-1991	Export Award to NPPI in the category for fountain pens, ball point pens and refills from the PLEX Council
1997-1998	Best Exporter Award to NPPI from the Writing Instruments Manufacturers' Organization (India) (the "**WIMO**")
1998-1999	Award for the No. 3 Exporter to NPPI from the WIMO
2000-2001	Award for the Best Export Performance to NPPI in the category for plastic and linoleum products (SSI) from the Industries, Energy and Labour Department, Government of Maharashtra
2001-2002	Award for the Third Top Exporter to NPPI from the WIMO
2002-2003	Award for No. 2 Exporter to NPPI from the WIMO
2004-2005	Award for Second Best Exporter to NPPI in the category for all kinds of parts/components for writing instruments from the Plastics Export Promotion Council (the "**PEPC**")
	Award for Second Best Exporter to NPPI in the category for writing instruments from the PEPC
	Award for No. 2 Exporter to NPPI from the Bombay Fountain Pen Manufacturers and Trading Association (the "**BFPMTA**")
2005-2006	Award for Second Best Exporter to NPPI in the category for writing instruments from the PEPC
	Award for No. 2 Exporter to NPPI from the BFPMTA
	Award for No. 3 Exporter to NPPI from the WIMO
2006-2007	First Award for the Best Export Performance to NPPI in the category for plastic and linoleum products (SSI) from the Industries Department, Directorate of Industries, Government of Maharashtra
	Award for No. 2 Exporter to NPPI from the BFPMTA
2007-2008	Award for No. 3 Exporter to NPPI from the BFPMTA
	Appreciation Memento for Admirable Export to Flair Impex Corporation[2] from the BFPMTA
	Award for No. 1 Exporter to the Flair Group of Companies[3] from the WIMO
2008	Best Product Design Award for "Rudi Kellner Mastermind Deluxe"
2013-2014	Award for No. 1 Exporter to the Flair Group of Companies[3] from the WIMO
2014-2015	Award for No. 1 Exporter to the Flair Group of Companies[3] from the WIMO
2015-2016	Export Excellence Award for No. 1 Exporter to FPPIPL from the BFPMTA
	Export Award (First) to FPPIPL from the PEPC Council in the category for writing instruments
	Award for No. 1 Exporter to the Flair Group of Companies[3] from the WIMO
2016-2017	Export Award (First) to FPPIPL from the PEPC Council in the category for writing instruments
	Award for No. 1 Exporter to the Flair Group of Companies[3] from the WIMO
2017-2018	Award for participation at the 25th India Big7 International Trade Fair

(1) NPPI was one of the Erstwhile Partnership Firms, which was converted into FPPIPL and merged into our Company pursuant to the Scheme.

(2) Flair Impex Corporation was one of the Erstwhile Partnership Firms, which was converted into FIIPL and subsequently merged into our Company pursuant to the Scheme.

(3) "Flair Group of Companies" refers to the Erstwhile Partnership Firms, which were converted into the Transferor Companies and subsequently merged into our Company pursuant to the Scheme.

Other Details Regarding our Company

For details of our Company's corporate profile, business, activities, products, market segment, growth, profits due to foreign operations and country-wise analysis, the standing of our Company in relation to competitors with reference to our products, technology, market, capacity built-up, environmental aspects, major customers and geographical segment, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 124 and 525, respectively.

For details of the managerial competence of our Company, see "*Our Management*" on page 156.

Capital Raising Activities through Equity or Debt

For details regarding our capital raising activities through equity, see "*Capital Structure*" on page 82. For details of our debt, see "*Financial Indebtedness*" on page 522.

Injunctions or Restraining Orders against our Company

There are no injunctions or restraining orders against our Company as on the date of this Draft Red Herring Prospectus.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Changes in the Activities of our Company during the last five years

Our Company was incorporated on August 12, 2016, pursuant to the conversion of M/s. Flair Writing Instruments, one of the Erstwhile Partnership Firms. There have been no changes in the activities of our Company since incorporation, which may have had a material effect on the profits and losses of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or Rescheduling of Borrowings from Financial Institutions/Banks and Conversion of Loans into Equity

No defaults or rescheduling have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

Lock-outs and Strikes

There have been no lock outs or strikes at any of the premises of our Company.

Time and Cost Overruns

Our Company has not experienced any instances of time/cost overrun in its business operations.

Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets

Except as disclosed below, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets:

Pursuant to the Scheme under Sections 230 to 232 of the Companies Act, 2013 among Flair Pen and Plastic Industries Private Limited, Flair Stationeries Private Limited, Flair Pens and Stationery Industries Private Limited, Flair Pen and Plastic (UK) Private Limited and Flair Impex Industries Private Limited (collectively, the "**Transferor Companies**") and our Company, the entire undertakings of the Transferor Companies as going concerns, including their assets, liabilities, licenses, contracts, litigation and employees, subject to any charges, liens or mortgages, were transferred to and vested in our Company. The Scheme was approved by the NCLT, Mumbai Bench pursuant to an order dated March 15, 2018 (the "**NCLT Order**"). The appointed date of the Scheme was April 1, 2017 and the effective date of the Scheme was April 7, 2018, being the date of filing the NCLT Order with the RoC.

The Scheme was undertaken to enable our Company, *inter alia*, to consolidate the business of our Company and the Transferor Companies into a single company, for synergies in operations and to take advantage of the combined financial and other resources and assets of the parties to the Scheme.

Upon the Scheme being effective, the authorized share capital of the Transferor Companies was combined with the authorized share capital of our Company, which stood increased to ₹29,200,000 comprising 2,920,000 Equity Shares and the Transferor Companies were dissolved without being wound up.

As consideration for the transfer of the undertakings of the Transferor Companies, our Company issued and allotted one Equity Share for every existing equity share held by each of the equity shareholders of the respective Transferor Companies, aggregating to 2,700,000 Equity Shares. For details of such allotment, see "*Capital Structure – Notes to Capital Structure – Share Capital History of Our Company*" on page 82.

Holding Company

Our Company does not have any holding company.

Subsidiary

As at the date of this DRHP, our Company has one subsidiary, *i.e.*, FDPL.

The Subsidiary (i) is not listed on any stock exchange in India or abroad; (ii) has not become a sick company under the meaning of SICA and has not been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016; and (iii) is not under winding up. There are no accumulated profits or losses of the Subsidiary not accounted for by our Company.

Unless otherwise stated, the information below is at the date of this Draft Red Herring Prospectus:

Flair Distributor Private Limited ("FDPL")

Corporate Information

The Subsidiary was incorporated as a private limited company under the Companies Act, 2013 on December 30, 2016. The registered office of the Subsidiary is located at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India. Its CIN is U74999MH2016PTC289111.

The Subsidiary is authorized under its memorandum of association to carry on the business of manufacturers, purchasers, sellers, exporters, importers, traders, fabricators, commission agents, assemblers, marketers or otherwise dealers in roller pens, gel pens, ballpoint pens, fountain pens, stylograph pens, including tips and nozzles of all types of pens and ball point pens, micro tip and fiber tip pen or pens with or without any fiber tip or pens with any other tips, spare parts, plastic items, plastic molded parts and accessories of pens including tips, any item of stationeries, etc.

Capital Structure

The authorized share capital of the Subsidiary is ₹1,000,000 divided into 100,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of the Subsidiary is ₹1,000,000 divided into 100,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares	Percentage of issued capital (%)
Flair Writing Industries Limited	99,990	99.99
Flair Writing Industries Limited jointly with Mr. Vimalchand Jugraj Rathod	10	0.01
Total	**100,000**	**100**

Significant Sale/Purchase between the Subsidiary and our Company

The Subsidiary is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

There are no common pursuits between our Company and the Subsidiary, except the trading and distribution of pens. The Subsidiary is engaged in lines of business that are similar and/or synergistic to our Company.

Business Interest between our Company and the Subsidiary

Except as disclosed in the sections "*Our Business*" and "*Related Party Transactions*" on pages 124 and 181 respectively, the Subsidiary does not have any business interest in our Company.

Guarantees by the Promoters

The Promoters have provided personal guarantees to our Company's lender as security for the term loan and working capital facilities availed by the Company. See "*Financial Indebtedness*" on page 522. One of the Promoters, Mr. Vimalchand Jugraj Rathod, has also provided a personal guarantee as security for a loan availed by Flair Kenya Limited, one of the Group Companies. See "*Our Group Companies – Details of the Group Companies – Flair Kenya Limited – Interest of the Promoters*" on page 176.

Material Agreements

Our Company has not entered into shareholders' agreements, nor is it aware of the existence of any shareholders' agreements to which it is not a party. Except as disclosed below, there are no contracts that have been entered into by our Company in the last two years which are not in the ordinary course of business.

Deed of assignment of "Pierre Cardin" trademarks dated July 10, 2018 between Flair Pens Limited and our Company

Our Company entered into a deed of assignment dated July 10, 2018 with Flair Pens Limited, a Group Company and a member of the Promoter Group, pursuant to which Flair Pens Limited (i) assigned certain "Pierre Cardin" trademarks under class 16, registered in India, to our Company and (ii) undertook to not use such trademarks without a license from our Company. The aggregate consideration for such assignment paid by our Company was ₹21.9 million. As on the date of this Draft Red Herring Prospectus, such trademarks are yet to be transferred in our Company's name.

Also see "*Risk Factors – As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected*", "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on pages 27, 144 and 575, respectively.

OUR MANAGEMENT

Board of Directors

In accordance with the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Currently, the Board comprises 10 Directors, of which five are Executive Directors and five are Independent and Non-Executive Directors (including one woman Independent and Non-Executive Director).

The following table sets forth details regarding the Board as on the date of this Draft Red Herring Prospectus.

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age	Other Directorships
1.	**Mr. Khubilal Jugraj Rathod** ***DIN***: 00122867 ***Designation***: Chairman ***Address***: 101, 401/3, Joy Solitaire Building Friends C.H.S.L., N.S. Road No. 5 JVPD, Vile Parle (W) Mumbai 400 056 Maharashtra, India ***Occupation***: Business ***Term***: Liable to retire by rotation for a period of five years with effect from April 1, 2017 ***Nationality***: Indian	68	*Indian Companies*: 1. Flair Pens Limited 2. Pentel Stationery (India) Private Limited 3. Flair Writing Instruments Private Limited* 4. Flair Distributor Private Limited 5. Writing Instruments Manufacturers Organisation (India) *Foreign Companies*: Flair Kenya Limited
2.	**Mr. Vimalchand Jugraj Rathod** ***DIN***: 00123007 ***Designation***: Managing Director ***Address***: Plot No. 51, Flat No. - 601 Nutan Laxmi C.H.S., Abhay Building 9th Road, JVPD, Vile Parle West Mumbai 400 056 Maharashtra, India ***Occupation***: Business ***Term***: Liable to retire by rotation for a period of five years with effect from October 1, 2017 ***Nationality***: Indian	67	*Indian Companies*: 1. Flair Pens Limited 2. Pentel Stationery (India) Private Limited 3. Flair Writing Instruments Private Limited* 4. Flair Distributor Private Limited 5. Stypen Manufacturing Company (India) Private Limited 6. Writing Instruments Manufacturers Organisation (India) *Foreign Companies*: Flair Kenya Limited
3.	**Mr. Rajesh Khubilal Rathod** ***DIN***: 00122907 ***Designation***: Executive Director ***Address***: 101/401, Joy Solitaire Building Friends C.H.S., Plot No. 3 JVPD Scheme, Vile Parle West Mumbai 400 056 Maharashtra, India ***Occupation***: Business	46	*Indian Companies*: 1. Flair Writing Instruments Private Limited* 2. Flair Distributor Private Limited 3. Stypen Manufacturing Company (India) Private Limited 4. Writing Instruments Manufacturers Organisation (India)

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age	Other Directorships
	Term: Liable to retire by rotation for a period of five years with effect from October 1, 2017 ***Nationality***: Indian		
4.	**Mr. Mohit Khubilal Rathod** ***DIN***: 00122951 ***Designation***: Executive Director ***Address***: 401, Friends C.H.S. Limited Road No. 5, JVPD Scheme Vile Parle West Mumbai 400 056 Maharashtra, India ***Occupation***: Business ***Term***: Liable to retire by rotation for a period of five years with effect from April 1, 2017 ***Nationality***: Indian	39	*Indian Companies*: 1. Flair Pens Limited 2. Flair Writing Instruments Private Limited* 3. Flair Distributor Private Limited *Foreign Companies*: Flair Kenya Limited
5.	**Mr. Sumitkumar Vimalchand Rathod** ***DIN***: 02987687 ***Designation***: Executive Director ***Address***: Nootan Laxmi CHS, Abhay Building Flat No. 601, 6th Floor 9th Road, JVPD Scheme Mumbai 400 056 Maharashtra, India ***Occupation***: Business ***Term***: Liable to retire by rotation for a period of five years with effect from April 1, 2017 ***Nationality***: Indian	36	*Indian Companies*: 1. Flair Pens Limited 2. Flair Writing Instruments Private Limited* 3. Flair Distributor Private Limited *Foreign Companies*: Flair Kenya Limited
6.	**Mr. Bishan Singh Rawat** ***DIN***: 08139018 ***Designation***: Independent and Non-executive Director ***Address***: 3, Balbir Road Dehradun 248 001 Uttarakhand, India ***Occupation***: Advocate ***Term***: Five consecutive years with effect from August 9, 2018 ***Nationality***: Indian	62	NIL
7.	**Mr. Punit Saxena** ***DIN***: 01057161 ***Designation***: Independent and Non-executive Director ***Address***: Flat No. 42	61	NIL

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age	Other Directorships
	Building No. 17, MHB Colony Bandra Reclamation Bandra West Mumbai 400 050 Maharashtra, India ***Occupation***: Advisor ***Term***: Five consecutive years with effect from August 9, 2018 ***Nationality***: Indian		
8.	**Mr. Rajneesh Bhandari** ***DIN***: 00094089 ***Designation***: Independent and Non-executive Director ***Address***: S-271, Mahaveer Nagar, Tonk Road Jaipur 302 018 Rajasthan, India ***Occupation***: Business ***Term***: Five consecutive years with effect from August 9, 2018 ***Nationality***: Indian	49	*Indian Companies*: 1. Neuroequilibrium Diagnostic Systems Private Limited 2. Cosmo Infratel Private Limited 3. Capacita Connect Private Limited 4. Vertigo Healthcare Private Limited 5. Apex Hospital Mansarovar Private Limited
9.	**Mr. Ratanchand Jivraj Oswal** ***DIN***: 00425184 ***Designation***: Independent and Non-executive Director ***Address***: 83/84, 8th Floor, Solitaire Central Avenue Road Santacruz (West) Mumbai 400 054 Maharashtra, India ***Occupation***: Business ***Term***: Five consecutive years with effect from August 9, 2018 ***Nationality***: Indian	75	*Indian Companies*: 1. Renox Stainless Steel India Private Limited 2. Hilden Packaging Machines Private Limited 3. Sunshine Landcon Private Limited 4. Tula Engineering Private Limited
10.	**Mrs. Sangeeta Sethi** ***DIN***: 08116959 ***Designation***: Independent and Non-executive Director ***Address***: 1004, Tower 2, Raheja Tipco Heights Rani Sati Marg Malad East Off Western Express Highway Mumbai 400 097 Maharashtra, India ***Occupation***: Service ***Term***: Five consecutive years with effect from August 9, 2018 ***Nationality***: Indian	46	NIL

**Flair Writing Instruments Private Limited has not carried on any business since its incorporation. Accordingly, Flair Writing Instruments Private Limited has applied to the RoC to be struck off under Section 248 of the Companies Act, 2013. Such application is currently pending.*

Relationship between our Directors

Except as disclosed below, none of our Directors are related 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. Sumitkumar Vimalchand Rathod
Mr. Vimalchand Jugraj Rathod	Brother of Mr. Khubilal Jugraj Rathod
	Father of Mr. Sumitkumar Vimalchand 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. Sumitkumar Vimalchand 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. Sumitkumar Vimalchand Rathod
Mr. Sumitkumar Vimalchand Rathod	Son of Mr. Vimalchand Jugraj Rathod
	Nephew of Mr. Khubilal Jugraj Rathod
	Cousin of Mr. Mohit Khubilal Rathod and Mr. Rajesh Khubilal Rathod

Brief Biographies of our Directors

Mr. Khubilal Jugraj Rathod is the Chairman of our Company. He has been a Director since incorporation of our Company, *i.e.*, since August 12, 2016. He has completed matriculate education. He has over 40 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 (2010) from the Governor of Uttarakhand, the award for the 'Most Admired Leader' (2017) in the field of business from Herald Global and the 'Achiever' Award (2017) from the Junior Chamber International Marine Lines.

Mr. Vimalchand Jugraj Rathod is the Managing Director of our Company. He has been a Director since incorporation of our Company, *i.e.*, since August 12, 2016. He is an associate and fellow member of the Institute of Chartered Accountants of India. He holds a Bachelor of Commerce degree from the Bangalore University. He has over 30 years of experience in the writing instruments industry. In addition to the overall management of our Company, he heads the accounts, finance and taxation departments in our Company.

Mr. Rajesh Khubilal Rathod is an Executive Director of our Company. He has been a Director since incorporation of our Company, *i.e.*, since August 12, 2016. He holds a Bachelor of Commerce degree from the University of Mumbai. He has over 25 years of experience in the writing instruments industry. He heads the international sales and marketing division of our Company.

Mr. Mohit Khubilal Rathod is an Executive Director of our Company. He has been a Director since incorporation of our Company, *i.e.*, since August 12, 2016. He holds a Bachelor of Arts degree (majoring in business administration) from the Muhlenberg College, Pennsylvania. He has over 15 years of experience in the writing instruments industry. He heads the domestic sales and marketing division of our Company.

Mr. Sumitkumar Vimalchand Rathod is an Executive Director of our Company. He has been a Director since incorporation of our Company, *i.e.*, since August 12, 2016. He holds a Bachelor of Arts degree from the Eckerd College, Florida and a Post Graduate Diploma in Management from the S.P. Jain Institute of Management and Research, Mumbai. He has over 10 years of experience in the writing instruments industry. He heads the business development division of our Company.

Mr. Bishan Singh Rawat is an Independent and Non-executive Director of our Company. He has been a Director since August 9, 2018. He holds a Bachelor of Science degree from Meerut University and a Bachelor of Laws degree from DAV College, Dehradun. He is enrolled as an advocate with the Bar Council of Uttarakhand.

He has over 30 years of experience in the legal profession.

Mr. Punit Saxena is an Independent and Non-executive Director of our Company. He has been a Director since August 9, 2018. He holds a Bachelor of Science degree (in civil engineering) from the University of Calicut, Kerala, a Master of Business Administration degree from the Ramnath Anandilal Poddar Institute of Management, University of Rajasthan (Jaipur) and a Master of Valuation (Real Estate) degree from the Shivaji University, Kolhapur, Maharashtra. He is also a fellow member of the Institution of Engineers (India), a member of the Indian Institute of Valuers, a professional member of the Royal Institute of Chartered Surveyors, a lifetime member of the Indian Institute of Arbitration and Mediation and a fellow member of the International Council of Consultants. He is also a certified Chartered Valuer. He has over 35 years of experience in managerial positions. Previously, he has worked at UTI Infrastructure Technology and Services Limited (as the managing director and chief executive officer), the Unit Trust of India, the Jaipur Development Authority, the Rajasthan State Industrial Development and Investment Corporation and Sujalam Construction Limited.

Mr. Ratanchand Jivraj Oswal is an Independent and Non-executive Director of our Company. He has been a Director since August 9, 2018. He holds a Bachelor of Engineering (Mechanical Branch) degree from the College of Engineering, Shivaji University. He has over 30 years of experience in the engineering and manufacturing sectors. He is the co-founder of Hilden Packaging Machines Private Limited, a bottling company.

Mr. Rajneesh Bhandari is an Independent and Non-executive Director of our Company. He has been a Director since August 9, 2018. He holds a Bachelor of Technology in Chemical Engineering degree from the Indian Institute of Technology, Delhi. He has over 17 years of experience in the health care and telecommunication industry. He is associated with entities such as Cosmo Infrasolutions and Neuroequilibrium Diagnostic Systems Private Limited. Mr. Bhandari is also on the governing board of the Rajasthan Angel Innovators Network.

Mrs. Sangeeta Sethi is an Independent and Non-executive Director of our Company. She has been a Director since August 9, 2018. She holds a diploma in Business Management (P.G.) from Smt. Chanda Devi S. Kothari Academy for Women. She has over 15 years of experience in business development. She is associated with AMRIT Skills Development Private Limited and has previously worked at Wazir Advisors Private Limited and Development Credit Bank Limited.

Terms of Appointment of the Executive Directors

Mr. Khubilal Jugraj Rathod is the Chairman of the Board and an Executive Director of our Company for a period of five years with effect from April 1, 2017, is liable to retire by rotation and is entitled to the remuneration set out below, pursuant to (i) resolutions dated May 26, 2018, June 5, 2018 and June 23, 2018 passed by the Board of Directors and a resolution dated June 11, 2018 passed by the Shareholders; and (ii) appointment letters dated April 1, 2017, as amended on May 26, 2018.

Mr. Vimalchand Jugraj Rathod was appointed as the Managing Director of our Company for a period of five years with effect from October 1, 2017, is liable to retire by rotation and is entitled to the remuneration set out below, pursuant to (i) resolutions dated May 26, 2018, June 5, 2018 and June 23, 2018 passed by the Board of Directors and a resolution dated June 11, 2018 passed by the Shareholders and (ii) appointment letters dated September 4, 2017, as amended on May 26, 2018.

Mr. Rajesh Khubilal Rathod was appointed as an Executive Director of our Company for a period of five years with effect from October 1, 2017, is liable to retire by rotation and is entitled to the remuneration set out below, pursuant to (i) resolutions dated May 26, 2018 and June 5, 2018 passed by the Board of Directors and a resolution dated June 11, 2018 passed by the Shareholders; and (ii) appointment letters dated September 4, 2017, as amended on May 26, 2018.

Mr. Mohit Khubilal Rathod was appointed as an Executive Director of our Company for a period of five years with effect from April 1, 2017, is liable to retire by rotation and is entitled to the remuneration set out below pursuant to (i) resolution dated May 26, 2018 and June 5, 2018 passed by the Board of Directors and a resolution dated June 11, 2018 passed by the Shareholders; and (ii) appointment letters dated April 1, 2017, as amended on May 26, 2018.

Mr. Sumitkumar Vimalchand Rathod was appointed as an Executive Director of our Company for a period of five years with effect from April 1, 2017, is liable to retire by rotation and is entitled to the remuneration set out below pursuant to (i) resolution dated May 26, 2018 and June 5, 2018 passed by the Board of Directors and a resolution dated June 11, 2018 passed by the Shareholders; and (ii) appointment letters dated April 1, 2017, as amended on May 26, 2018.

The principal terms of remuneration of each of the Executive Directors of our Company are disclosed below.

- remuneration (which includes salary, allowances, bonus and perquisites) of ₹300,000 per month (for each of Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod) and ₹200,000 per month (for each of Mr. Rajesh Khubilal Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumitkumar Vimalchand Rathod), in the scale of ₹150,000 to ₹1,000,000 per month, with such increments as may be decided by the Board from time to time;
- performance-linked discretionary commission of up to 1% of the net profits of our Company, subject to the overall remuneration (including the commission payable to other Executive Directors of the Company) not exceeding 10% of the profits of our Company determined in accordance with Section 198 of the Companies Act, 2013;
- our Company's provident fund scheme in accordance with the rules of such scheme for the time being in force;
- gratuity in accordance with the rules of our Company for the time being in force;
- encashment of un-availed leave at the end of the tenure as an Executive Director of our Company in accordance with the rules of the Company; and
- chauffeur driven motor car for business and personal use.

In the event of loss or inadequacy of profits during the Executive Directors' tenure as whole-time directors, the remuneration set out above will be paid or granted to them as minimum remuneration subject to the provisions of the Companies Act, 2013.

There is no deferred or contingent compensation payable to any of the Directors.

Remuneration paid to Directors

Details of the remuneration paid to the Directors by our Company for Financial Year 2018 are disclosed below.

1. *Remuneration to Executive Directors*

Details of remuneration paid by our Company to the Executive Directors during Financial Year 2018 are as follows:

S. No.	Name of Director	Total Remuneration paid (in ₹ million)
1.	Mr. Khubilal Jugraj Rathod	1.8
2.	Mr. Vimalchand Jugraj Rathod	1.8
3.	Mr. Rajesh Khubilal Rathod	1.8
4.	Mr. Mohit Khubilal Rathod	1.8
5.	Mr. Sumitkumar Vimalchand Rathod	1.8

2. *Remuneration to Independent and Non-executive Directors*

Pursuant to resolutions dated August 9, 2018 passed by the Board, each Independent and Non-executive Director is entitled to receive (i) sitting fees of ₹30,000 for attending each meeting of the Board and ₹20,000 for attending each meeting of a committee of the Board; and (ii) reimbursement of travel, hotel and other incidental expenses incurred such Director in the performance of his or her role and duties.

Since all the Independent and Non-executive Directors were appointed in Financial Year 2019, no remuneration was paid by our Company to the Independent and Non-executive Directors during Financial Year 2018.

Payment or Benefit to Directors

For details on other payments or benefits to the Directors, see also "- *Interest of Directors*" below on page 162.

Shareholding of the Directors in our Company

In accordance with the Articles of Association, the Directors are not required to hold any qualification shares in our Company.

For details of the shareholding of the Directors, see "*Capital Structure – Details of the Shareholding of the Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus*", on page 88.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed or selected as a member of senior management pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

There are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed in "- *Terms of Appointment of the Executive Directors*" above on page 160.

Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of the Board and other remuneration payable or reimbursement of expenses to them, (ii) Equity Shares, if any, already held by them or their relatives or any firms, companies and trusts in which the Directors are interested as a director, member, partner or trustee, in our Company and any dividend payable to them and other benefits arising out of such shareholding, (iii) remuneration paid to their relatives as employees of our Company, to the extent applicable, and (iv) transactions entered into in the ordinary course of business with companies in which the Directors hold directorship or are partners.

2. Our Company has not entered into any service contracts with the Directors providing for benefits upon termination of their employment.

3. There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus, except as presented in our Restated Financial Information and Special Purpose Restated Financial Information. See "*Financial Information*" on pages 183 and 338, respectively.

4. The Executive Directors and their relatives may be deemed to be interested to the extent of unsecured loans availed from them and the interest payable thereon by our Company and the Subsidiary and payment of rent or license fee for premises rented/leased from them by our Company and the Subsidiary. For details, see "*Related Party Transactions*" on page 181.

5. Other than the performance-linked commissions described under "- *Terms of Appointment of the Executive Directors*" on page 160, none of the Directors is a party to any bonus or profit sharing plan by our Company.

6. None of the Directors have any interest in the promotion of our Company, other than as disclosed in "*Our Promoters and Promoter Group*" on page 171.

7. The Directors have no interest in any property acquired by our Company within the two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus.

8. The Directors are not interested as a member of a firm or company, and no sum has been paid or agreed

to be paid to the Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

9. Except as disclosed below, none of the Directors have any interest in our business or in any transaction by our Company for the acquisition of land, construction of building or supply of any machinery:

   Mr. Ratanchand Jivraj Oswal, as the managing director of Hilden Packaging Machines Private Limited, was interested to the extent of sale of dies and tools of machinery to our Company for an amount of approximately ₹0.11 million during the Financial Year 2018.

10. Except as disclosed in "*Related Party Transactions*" on page 181, none of the Directors is related to any sundry debtor of our Company or any person to whom our Company has made any loans and advances.

Confirmations

1. None of the Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the Stock Exchanges in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

2. None of the Directors is or was a director of any listed company that has been or was delisted from any stock exchange, other than Mr. Sumitkumar Vimalchand Rathod, the details of which are provided below.

Name of the company	Mewar Polytex Limited
Name of the stock exchange(s) on which the company was listed	BSE
Date of delisting on the stock exchange(s)	January 6, 2017
Whether delisting was compulsory or voluntary	Voluntary
Reasons for delisting	• Mr. Sandeep Bapna, Mrs. Mangla Bapna, Mrs. Shilpa Bapna, Mr. Vinod Bafna, Mrs. Aruna Bafna and Mr. Vijendra Bafna to obtain full ownership of Mewar Polytex Limited • Low volume of trading in the equity shares of Mewar Polytex Limited on the BSE
Whether the company has been relisted	No
Date of relisting if the company has been relisted	N.A.
Name of the stock exchange(s) on which the company has been relisted	N.A.
Term of Director on the board of directors of the company	September 24, 2014 to November 23, 2017

Changes in the Board during the Last Three Years

S. No.	Name	Date of Appointment/Cessation	Reason
1.	Mr. Khubilal Jugraj Rathod	August 12, 2016	Appointment
2.	Mr. Vimalchand Jugraj Rathod	August 12, 2016	Appointment
3.	Mr. Rajesh Khubilal Rathod	August 12, 2016	Appointment
4.	Mr. Mohit Khubilal Rathod	August 12, 2016	Appointment
5.	Mr. Sumitkumar Vimalchand Rathod	August 12, 2016	Appointment
6.	Mr. Khubilal Jugraj Rathod	June 23, 2018, with effect from April 1, 2017	Change in designation to Chairman
7.	Mr. Vimalchand Jugraj Rathod	June 23, 2018, with effect from October 1, 2017	Change in designation to Managing Director
8.	Mr. Bishan Singh Rawat	August 9, 2018	Appointment as additional director and

S. No.	Name	Date of Appointment/Cessation	Reason
			regularized as a Director on August 14, 2018
9.	Mr. Punit Saxena	August 9, 2018	Appointment as additional director and regularized as a Director on August 14, 2018
10.	Mr. Ratanchand Jivraj Oswal	August 9, 2018	Appointment as additional director and regularized as a Director on August 14, 2018
11.	Mr. Rajneesh Bhandari	August 9, 2018	Appointment as additional director and regularized as a Director on August 14, 2018
12.	Mrs. Sangeeta Sethi	August 9, 2018	Appointment as additional director and regularized as a Director on August 14, 2018

Borrowing Powers of the Board

In accordance with the Articles of Association and applicable law, the Board may raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company by a resolution of the Board, or where a power to delegate is available, by a decision or resolution of such delegate. The Board is not permitted to borrow any sum of money which together with money borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) would exceed the aggregate of the paid-up capital, free reserves and securities premium of our Company without the approval of the Shareholders.

Pursuant to a special resolution dated June 11, 2018 passed by the Shareholders, the Board has been authorized to borrow from time to time, any sum or sums of monies, which, together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital, free reserves and securities premium, provided that the total outstanding amount which may be borrowed does not exceed ₹2,500 million at any point of time.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of the Board and committees thereof and formulation and adoption of prescribed policies.

The Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

In addition to the committees of the Board described below, the Board may constitute committees for various functions from time to time.

Audit Committee

The members of the Audit Committee are:

1. Mr. Bishan Singh Rawat (Chairman);
2. Mrs. Sangeeta Sethi;
3. Mr. Ratanchand Jivraj Oswal; and
4. Mr. Vimalchand Jugraj Rathod.

The Audit Committee was constituted by the Board pursuant to a resolution dated August 9, 2018.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) To recommend for the appointment, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) 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 included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
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.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing 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 utilized 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, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances;

(h) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(i) Approval or any subsequent modification of transactions of the Company with related parties;

(j) Scrutiny of inter-corporate loans and investments;

(k) Valuation of undertakings or assets of the Company, wherever it is necessary;

(l) Evaluation of internal financial controls and risk management systems;

(m) Reviewing with the management, the performance of the statutory and internal auditors and adequacy of the internal control systems;

(n) 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;

(o) Discussion with internal auditors on any significant findings and follow up thereon;

(p) 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;

(q) Discussion 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;

(r) 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;

(s) Reviewing the functioning of the Whistle Blower mechanism;

(t) Approval of appointment of CFO (*i.e.*, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

(u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee in accordance with the Companies Act, 2013, the SEBI Listing Regulations or other applicable law, as amended from time to time.

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.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Mr. Ratanchand Jivraj Oswal (Chairman);
2. Mr. Rajneesh Bhandari; and
3. Mrs. Sangeeta Sethi.

The Nomination and Remuneration Committee was constituted by the Board pursuant to a resolution dated August 9, 2018.

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 persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the 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 review its implementation and compliance;

(b) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;

(c) Formulation of criteria for evaluation of independent directors and the Board;

(d) Devising a policy on Board diversity;

(e) 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;

(f) Recommending remuneration of Executive Directors and any increase therein from time to time, within the limit approved by the members of the Company;

(g) 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;

(h) Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

(i) Performing such functions as are required to be performed by the compensation committee under the SEBI SBEB Regulations, as amended; and

(j) Performing such other functions as may be delegated by the Board and/or specified in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, the SEBI SBEB Regulations and other applicable law, as amended from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Mr. Punit Saxena (Chairman);
2. Mr. Rajesh Khubilal Rathod; and
3. Mr. Sumitkumar Vimalchand Rathod.

The Stakeholders' Relationship Committee was constituted by the Board pursuant to a resolution dated August 9, 2018.

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:

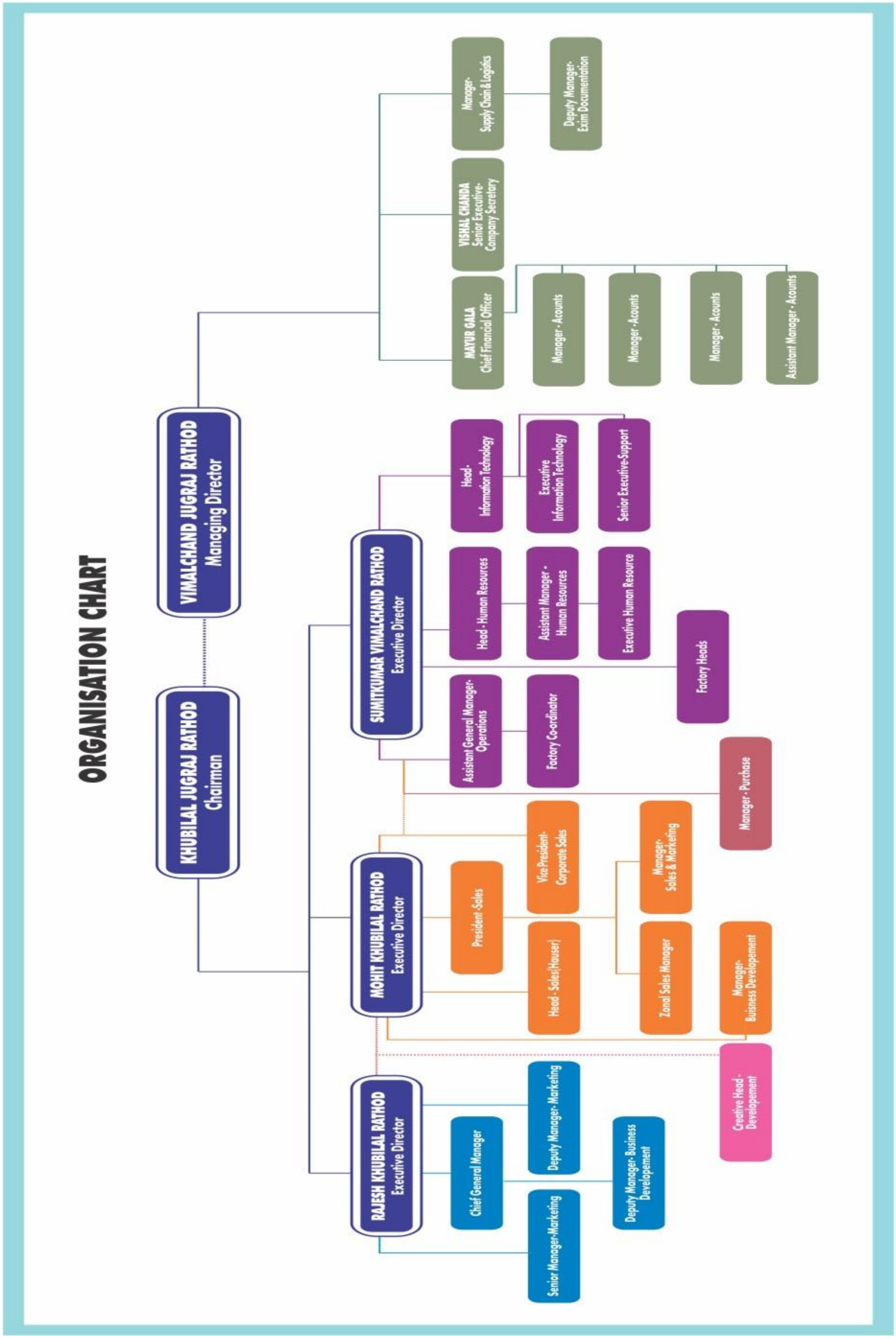
(a) Looking into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, expediting the process of share transfers etc.; and

(b) Such other functions as may be specified/delegated by the Board of Directors of the Company and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

In addition, an IPO Committee has been constituted by the Board pursuant to a resolution dated August 16, 2018. The IPO Committee is authorized to approve and decide upon activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer (including the Price Band and the Offer Price) and the Pre-IPO Placement, to appoint various intermediaries, negotiating and executing agreements related to the Offer and the Pre-IPO Placement, to open and operate bank account(s) of the Company in terms of Section 40(3) of the Companies Act, 2013 and to submit applications and documents to relevant statutory and other authorities from time to time.

Our Company also has constituted a Corporate Social Responsibility Committee under the Companies Act.

Management Organization Structure



Key Management Personnel of the Company

In addition to the Executive Directors of our Company, the Key Management Personnel of our Company as on the date of this Draft Red Herring Prospectus are as disclosed below. For details of the profiles of the Executive Directors, see "- *Brief Biographies of our Directors*" above on page 159.

Mr. Mayur Gala is the Chief Financial Officer of our Company and has been associated with our Company since June 1, 2017. He was appointed as the Chief Financial Officer of our Company on August 9, 2018. He is an associate member of the Institute of Chartered Accountants of India and holds a Master of Business Administration (Part Time) (Finance) degree from SVKM's Narsee Monjee Institute of Management Studies. He has approximately 16 years of experience in finance, accounts and taxation. Prior to joining our Company, he has worked with Ratan Polyplast, Valation Finance and Marketing Private Limited and Prince Plastics International Private Limited. During Financial Year 2018, he was paid a total remuneration of approximately ₹2.28 million.

Mr. Vishal Chanda is the Company Secretary of our Company and has been associated with our Company since May 19, 2018. He was appointed as the Company Secretary of our Company on August 9, 2018. He is an associate member of the Institute of Company Secretaries of India. He holds a Bachelor of Commerce degree, a Master of Commerce degree and a Bachelor of Laws degree from the University of Mumbai. He has approximately two years of experience in secretarial compliance. Prior to joining our Company, he has worked with Skyline Millars Limited and Pankaj & Associates. Since he was appointed by our Company during Financial Year 2019, no remuneration was paid to him during Financial Year 2018.

All Key Management Personnel are permanent employees of our Company.

Other than as disclosed in "- *Relationship between our Directors*" on page 159, none of the Key Management Personnel are related to each other.

Other than the Executive Directors of our Company, all the Key Management Personnel are required to retire at the age of 57 years, in accordance with their terms of appointment, which may be extended at the discretion of our Company's management.

Shareholding of Key Management Personnel

For details of the shareholding of the Key Management Personnel, see "*Capital Structure – Details of the Shareholding of the Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus*" on page 88.

Bonus or Profit Sharing Plan of the Key Management Personnel

Other than the performance-linked commissions described under "- *Terms of Appointment of the Executive Directors*" on page 160, none of the Key Management Personnel is a party to any bonus or profit sharing plan by our Company.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Management Personnel were selected as members of our senior management.

Interest of Key Management Personnel

Other than as disclosed in "- *Interest of Directors*" on page 162 in relation to the Executive Directors, the Key Management Personnel of our Company do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Management Personnel have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment. There is no deferred or contingent compensation payable to any of the Key Management Personnel.

No loans have been availed of by any Key Management Personnel from our Company.

Changes in the Key Management Personnel during the Last Three Years

For changes in the Executive Directors, see "- *Changes in the Board of Directors during the last three years*" above on page 163. The changes in the other Key Management Personnel in the three immediately preceding years are as disclosed below:

S. No.	Name	Date of Change	Reason for Change
1.	Mr. Mayur Gala	August 9, 2018	Appointment as Chief Financial Officer
2.	Mr. Vishal Chanda	August 9, 2018	Appointment as Company Secretary

Payment or Benefit to Officers of our Company

Other than as disclosed in the section "*Related Party Transactions*" on page 181, no amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including any of the Directors or Key Management Personnel, other than normal remuneration (including sitting fees and commissions) for services rendered as officers of our Company.

Employee Stock Option Scheme

Our Company does not have any employee stock option scheme as of the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod are the Promoters of our Company. The Promoters together hold an aggregate of 8,171,520 Equity Shares, aggregating to 35.0% of the pre-Offer issued, subscribed and paid-up share capital of our Company. For further details, see "*Capital Structure*" on page 82. The Promoters are the original promoters of our Company.

Our Company confirms that the permanent account number, bank account number and passport number of the Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with them.

Mr. Khubilal Jugraj Rathod

For a complete profile of Mr. Khubilal Jugraj Rathod, *i.e.*, his age, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see "*Our Management*" on page 156.

Mr. Khubilal Jugraj Rathod's driving license number is MH02 20110031716 and his voter identification number is AJO3000478.

Other than as disclosed in "– *Promoter Group*" and "*Our Management*" on pages 171 and 156, respectively, Mr. Khubilal Jugraj Rathod is not involved in any other venture.

Mr. Vimalchand Jugraj Rathod

For a complete profile of Mr. Vimalchand Jugraj Rathod, *i.e.*, his age, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see "*Our Management*" on page 156.

Mr. Vimalchand Jugraj Rathod's driving license number is MH02 20110015426 and his voter identification number is KNF1650068.

Other than as disclosed in "– *Promoter Group*" and "*Our Management*" on pages 171 and 156, respectively, Mr. Vimalchand Jugraj Rathod is not involved in any other venture.

Promoter Group

In addition to the Promoters named above, the natural persons who form part of the Promoter Group are set forth below:

S. No.	Name of the Individual	Relationship with the Promoters
1.	Dr. Pannalal C. Bhandari	Brother-in-law of Mr. Khubilal Jugraj Rathod
2.	Mr. Abhay C. Bhandari	Brother-in-law of Mr. Khubilal Jugraj Rathod
3.	Mr. Dilip C. Bhandari	Brother-in-law of Mr. Khubilal Jugraj Rathod
4.	Mr. Mohit Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
5.	Mr. Rajesh Khubilal Rathod	Son of Mr. Khubilal Jugraj Rathod
6.	Mr. Subhash N. Oswal	Brother-in-law of Mr. Vimalchand Jugraj Rathod
7.	Mr. Sumitkumar Vimalchand Rathod	Son of Mr. Vimalchand Jugraj Rathod
8.	Mrs. Aruna V. Bapna	Sister-in-law of Mr. Vimalchand Jugraj Rathod
9.	Mrs. Mangla Bapna	Sister of Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
10.	Mrs. Manjula Vimalchand Rathod	Wife of Mr. Vimalchand Jugraj Rathod
11.	Mrs. Nirmala Khubilal Rathod	Wife of Mr. Khubilal Jugraj Rathod

S. No.	Name of the Individual	Relationship with the Promoters
12.	Mrs. Padma P. Rathod	Sister-in-law of Mr. Vimalchand Jugraj Rathod
13.	Mrs. Prabha K. Rathod	Sister-in-law of Mr. Khubilal Jugraj Rathod
14.	Mrs. Pushpa B. Jain	Sister of Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod
15.	Mrs. Sangita K. Punamiya	Sister-in-law of Mr. Vimalchand Jugraj Rathod
16.	Mrs. Sonali H. Lalwani	Daughter of Mr. Vimalchand Jugraj Rathod
17.	Mrs. Sujata P. Sanklecha	Sister-in-law of Mr. Vimalchand Jugraj Rathod
18.	Mrs. Sukhibai C. Bhandari	Mother-in-law of Mr. Khubilal Jugraj Rathod
19.	Mrs. Sunita J. Jain	Daughter of Mr. Khubilal Jugraj Rathod
20.	Mrs. Sweta D. Mehta	Daughter of Mr. Vimalchand Jugraj Rathod
21.	Mrs. Vimla P. Punamiya	Sister-in-law of Mr. Vimalchand Jugraj Rathod

In addition, Mrs. Sangita Rajesh Rathod (daughter-in-law of Mr. Khubilal Jugraj Rathod), Mrs. Shalini Mohit Rathod (daughter-in-law of Mr. Khubilal Jugraj Rathod) and Mrs. Sonal Sumitkumar Rathod (daughter-in-law of Mr. Vimalchand Jugraj Rathod) are also being considered members of the Promoter Group.

The entities forming part of the Promoter Group are set forth below:

(i) Arco Automotive;
(ii) Arihant Industries;
(iii) C. Pannalal & Co.;
(iv) Crescent Polytex LLP;
(v) Dhanish Vijayraj Mehta HUF;
(vi) Europa Metaltech Industries;
(vii) Flair Kenya Limited;
(viii) Flair Pen and Plastic Industries;
(ix) Flair Pens Limited;
(x) Flair Writing Aids;
(xi) Hauser Lifestyle Products;
(xii) Jai Gurudev Developers;
(xiii) Jai Gurudev Realty;
(xiv) Khubilal J. Rathod HUF;
(xv) Mewar Polytex Limited;
(xvi) Novacure India Private Limited;
(xvii) Oswal & Co.;
(xviii) Padmavati Pen & Plastic Industries;
(xix) Panorama Automotive Private Limited;
(xx) Paras Developers;
(xxi) Pentel Stationery (India) Private Limited;
(xxii) Plasti Weave Industries LLP;
(xxiii) Platinum Properties;
(xxiv) Prayas Pen & Plastic Industries;
(xxv) Prayas Writing Instruments;
(xxvi) Rathod N Rathod;
(xxvii) Royal Pen and Plastics Industries;
(xxviii) Sisarma Plastics LLP;
(xxix) Stypen Manufacturing Company (India) Private Limited;
(xxx) Subhash Nagrajji HUF.
(xxxi) Supreme Agro Projects;
(xxxii) Timber Import Syndicate;
(xxxiii) Trinity Developers;
(xxxiv) Venus Polytex Private Limited;
(xxxv) VHM Textiles; and
(xxxvi) Vimalchand Jugraj Rathod HUF.

Interest of Promoters

The Promoters are interested in our Company to the extent (i) that they have promoted our Company, (ii) of the Equity Shares, if any, held by them or their relatives in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives, (iii) of any transactions or business arrangements undertaken by our Company with the Promoters, or their relatives or entities in which the Promoters hold shares or entities in which the Promoters are members of the board of directors or firms in which relatives of the Promoters hold interest, (iv) of remuneration payable to them and their relatives as Executive Directors, (v) of unsecured loans availed from them or their relatives by our Company and the Subsidiary and the interest payable thereon, and (vi) of payment of rent or license fee for premises leased and licensed from them or their relatives and companies/partnership firms in which they are shareholders/directors/partners, as applicable. For details regarding the shareholding of the Promoters and the Promoter Group in our Company, see "*Capital Structure*" on page 82, and for business transactions with and for loans availed from the Promoters and the Promoter Group, see "*Related Party Transactions*" on page 181. For details of remuneration payable to the Promoters and Promoter Group, see "*Our Management – Terms of Appointment of the Executive Directors*" and "*Our Management – Remuneration paid to Directors - Remuneration to Executive Directors*" on pages 160 and 161, respectively.

None of the Promoters have any interest in any property acquired within the two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

None of the Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to the Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become or to qualify them as a Director or otherwise for services rendered by them or by such Promoters or such firm or company in connection with the promotion or formation of our Company.

Except as disclosed in "*Related Party Transactions*" on page 181, none of the Promoters is related to any sundry debtor of our Company or any person to whom our Company has made any loans and advances.

Common Pursuits

The Promoters do not have any other interest in any venture that is involved in any activities similar to those conducted by our Company, except as stated below:

- The Promoters are interested as shareholders and non-executive directors in Pentel Stationery (India) Private Limited, which carries on the business of manufacturing and trading of writing instruments and other stationery. Pentel Stationery (India) Private Limited will continue to directly compete with our Company and the Subsidiary.

- The Promoters are interested as shareholders/directors/partners, as applicable, in Flair Kenya Limited, Flair Pens Limited, Stypen Manufacturing Company (India) Private Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and M/s. Royal Pen and Plastic Industries. Flair Kenya Limited, through its letter to our Company dated June 28, 2018, has (i) confirmed that it has not sold writing instruments manufactured by it in the Indian market in the past and (ii) undertaken to not market writing instruments manufactured by it in the Indian market in the future, where our Company and the Subsidiary operate. Stypen Manufacturing Company (India) Private Limited, Flair Pens Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod N Rathod and M/s. Royal Pen and Plastic Industries, through their letters to our Company, each dated August 6, 2018, have (i) confirmed that they have no business operations currently, (ii) undertaken to not commence the business of manufacturing and selling of writing instruments and (iii) undertaken to not operate in the same line of business as that of our Company and the Subsidiary in the future.

Also see "*Risk Factors - We are dependent on the Promoters, the Promoter Group and the Group Companies for certain aspects of our business and operations, and certain Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest*" on page 29.

Payment of Benefits to our Promoters or Promoter Group

Other than as disclosed in "*Related Party Transactions*" on page 181 and below, there has been no payment of benefits to the Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to the Promoters or any members of the Promoter Group.

- In the Financial Year 2018, Mewar Polytex Limited sold packing material of approximately ₹0.56 million.

- In the Financial Year 2018, M/s. Prayas Pen and Plastic Industries entered into the following transactions with our Company: (i) purchase of pen/pen parts/others for an amount of approximately ₹0.02 million; and (ii) sale of pen/pen parts/others for an amount of approximately ₹0.40 million.

- In the Financial Year 2017, M/s. Prayas Writing Instruments entered into the following transactions with our Company: (i) purchase of pen/pen parts/others for an amount of approximately ₹0.88 million; (ii) sale of pen/pen parts/others for an amount of approximately ₹4.16 million; and (iii) assembly charges for an amount of approximately ₹0.08 million. In the Financial Year 2018, M/s. Prayas Writing Instruments entered into a transaction for purchase of machinery with our Company for an amount of ₹0.44 million.

Confirmations

The Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company, except as stated below:

- The Promoters are interested as shareholders/directors/partners, as applicable, in Flair Kenya Limited, Flair Pens Limited, M/s. Flair Pen and Plastic Industries and M/s. Flair Writing Aids, which have been granted consent in perpetuity to the use of the brand name/trademark "Flair". Such consent also covers entities incorporated or formed by the directors of Flair Kenya Limited or Flair Pens Limited or the partners of M/s. Flair Pen and Plastic Industries or M/s. Flair Writing Aids, which include the Promoters and certain members of the Promoter Group. Such consent is subject to the restriction that none of these entities manufactures, deals or trades in stationery products, writing instruments and calculators. Such consent in perpetuity granted to Flair Kenya Limited is subject to the condition that M/s. Royal Pen and Plastic Industries, a member of the Promoter Group, owns 55% stake in Flair Kenya Limited and has management control.

- Our Company has also entered into agreements for sale of intellectual property, each dated June 29, 2018, pursuant to which, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries and Flair Pens Limited, respectively, have agreed to sell certain trademarks registered under classes 9 and 16 and used in our business to our Company for a nominal consideration. As on the date of this Draft Red Herring Prospectus, no such consideration has been paid and such trademarks are yet to be transferred in our Company's name.

- Our Company has entered into a deed of assignment dated July 10, 2018 with Flair Pens Limited, pursuant to which Flair Pens Limited has assigned certain "Pierre Cardin" trademarks under class 16 in India to our Company. Our Company has applied for the transfer of registration in relation to such trademarks. As on the date of this Draft Red Herring Prospectus, such trademarks are yet to be transferred in our Company's name.

Also see "*Risk Factors - As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected*" on page 27.

Companies with which the Promoters have Disassociated in the Last Three Years

The Promoters have not disassociated themselves from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed below.

S. No.	Name of Entity	Date of Disassociation	Reasons for Disassociation
Mr. Khubilal Jugraj Rathod			
1.	Renox Stainless Steel India Private Limited	December 4, 2017	Sale of shares and resignation from directorship
Mr. Vimalchand Jugraj Rathod			
1.	Vitrag Writing Instruments Private Limited	May 21, 2018	Sale of shares and resignation from directorship
2.	Renox Stainless Steel India Private Limited	December 4, 2017	Sale of shares and resignation from directorship

OUR GROUP COMPANIES

Pursuant to a resolution dated August 27, 2018 of the Board, the Board has noted that in accordance with the SEBI ICDR Regulations, companies which constitute part of related parties of our Company under applicable accounting standards (Indian Accounting Standard 24) on the basis of the Restated Consolidated Financial Information disclosed in "*Financial Information*" on page 183, with the exception of the Subsidiary, shall be considered the Company's Group Companies.

The Board has also clarified that (i) companies, which subsequent to the period covered under the Restated Consolidated Financial Information, but prior to the date of this Draft Red Herring Prospectus, cease to be related parties of our Company (in accordance with Indian Accounting Standard 24) shall not be considered Group Companies; and (ii) companies which subsequent to the period covered under the Restated Consolidated Financial Information but prior to the date of this Draft Red Herring Prospectus, qualify as related parties (in accordance with Indian Accounting Standard 24) and would require disclosure as related parties in the restated financial statements of our Company for such subsequent period, shall be considered Group Companies.

Based on the above, the following companies are the Group Companies:

1. Flair Kenya Limited;
2. Flair Pens Limited;
3. Pentel Stationery (India) Private Limited; and
4. Stypen Manufacturing Company (India) Private Limited

Other than the Group Companies identified above, the Board does not consider any other company as material to be identified as a Group Company.

A. Details of the Group Companies

1. Flair Kenya Limited

Corporate Information

Flair Kenya Limited was incorporated on January 21, 2011 as a public limited company. Its registered office is situated at Plot L.R. No. 1870/IX/187, Jasmine Centre, Wayaki Way, P.O. Box 40878, 00100, Nairobi, Kenya and its corporate identification number is CPR/2011/39659. Flair Kenya Limited is authorized to engage in the business of manufacturers, importers, exporters, distributors, wholesalers and retailers of writing material, office stationery, pens, gel pens inks, paper, cardboard, bags, requisites and stationery generally and any kind of paper products, greeting cards of all kinds, postcards, identification cards, invitation cards, business cards, other cards and to print, publish, distribute and sell or otherwise dispose of newspapers, books, school books, educational books, magazines, periodicals, calendars, tickets, programs, brochures, promotional literature and any other publications whatsoever of all description.

Interest of the Promoters

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod: (i) do not directly hold any equity shares in Flair Kenya Limited; (ii) are directors on the board of directors of Flair Kenya Limited; and (iii) are also interested to the extent of the shareholding of Royal Pen and Plastic Industries, a partnership firm in which they are partners. Royal Pen and Plastic Industries holds 55.0% of the equity share capital of Flair Kenya Limited. One of the Promoters, Mr. Vimalchand Jugraj Rathod, has provided a personal guarantee, undertaking joint and several liability with another guarantor, for a loan of Shs 120,000,000 availed by Flair Kenya Limited pursuant to a letter of guarantee and indemnity dated July 22, 2016.

Financial Information

The following table sets forth certain details in relation to the financial information of Flair Kenya Limited for the last three Financial Years for which the audited financial statements are available:

(Amount in Shs, unless otherwise stated)

Particulars	15-month period ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Equity Capital	5,000,000	5,000,000	5,000,000
Reserves (Excluding Revaluation Reserve)	(54,962,792)	(93,633,533)	(117,887,499)
Sales and Other Income/Turnover	(12,894,965)	(28,380,024)	(73,179,390)
Profit/(Loss) after Tax	(54,962,792)	(38,670,741)	(24,253,966)
Earnings per Share (face value of Shs 5)	(54.96)	(38.67)	(24.25)
Diluted Earnings per Share (face value of Shs 5)	(54.96)	(38.67)	(24.25)
NAV per Share	30.84	11.53	21.99

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. **Flair Pens Limited**

Corporate Information

Flair Pens Limited was incorporated on November 24, 1994 as a public limited company. Its registered office is situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai 400 067, Maharashtra, India and its corporate identification number is U36991MH1994PLC083255. Flair Pens Limited is authorized to engage in the business of manufacturers, dealers, importers, exporters, agents, distributors and merchants of all kinds of writing instruments such as fountain pens, ball point pens highlighter, roller pens, micro pens permanent markers, Refills, pencils along with various components such as nibs, tips and ink based cartridges.

Interest of the Promoters

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod: (i) directly hold 154,100 equity shares and 11,000 equity shares, respectively, of face value of ₹10 each in Flair Pens Limited constituting 13.04% and 0.93%, respectively, of the issued equity share capital of Flair Pens Limited; and (ii) are interested as the managing director and a director, respectively, of Flair Pens Limited. Khubilal Jugraj Rathod HUF and Vimalchand Jugraj Rathod HUF also hold 1.69% and 26.77% of the issued equity share capital of Flair Pens with other members of the Promoter Group holding the remaining equity share capital. Further, the Promoters are also interested to the extent of rent received by Flair Pens Limited for premises leased to our Company.

Financial Information

The following table sets forth certain details in relation to Flair Pens Limited for the last three Financial Years for which audited financial statements are available:

(₹ in million, unless otherwise stated)

Particulars	Financial Year 2015	Financial Year 2016	Financial Year 2017
Equity Capital	11.82	11.82	11.82
Reserves (Excluding Revaluation Reserve)	97.61	101.77	110.81
Sales and Other Income/Turnover	554.88	531.75	560.13
Profit/(Loss) after Tax	18.84	4.16	9.04
Earnings per Share (face value of ₹10) (in ₹)	15.97	3.52	7.65
Diluted Earnings per Share (face value of ₹10) (in ₹)	15.97	3.52	7.65
NAV per Share (in ₹)	92.57	96.09	103.73

There are no significant notes of the auditors in relation to the aforementioned financial statements.

3. **Pentel Stationery (India) Private Limited**

Corporate Information

Pentel Stationery (India) Private Limited ("**Pentel**") was incorporated on June 21, 1999 as private limited company. Its registered office is situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, Maharashtra, India and its corporate identity number is U36991MH1999PTC120421. Pentel is engaged in the business of manufacturing and trading of writing instruments, other stationery and allied components.

Interest of the Promoters

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod: (i) directly hold 7,000 and 4,000 equity shares of face value of ₹100 each of Pentel constituting 3.59% and 2.05%, respectively, of the issued equity share capital of Pentel and (ii) are also directors on the board of directors of Pentel. Further, Khubilal Jugraj Rathod HUF and Vimalchand Jugraj Rathod HUF also hold 3.85% and 9.69% of the issued equity share capital of Pentel. The Promoters together with other members of the Promoter Group hold approximately 48.7% of the issued equity share capital of Pentel. One of the Promoters, Mr. Vimalchand Jugraj Rathod, received remuneration of ₹0.78 million in each of the preceding four Financial Years.

Financial Information

The following table sets forth certain details in relation Pentel for the last three Financial Years for which the audited financial statements are available:

(₹ in million, unless otherwise stated)

Particulars	Financial Year 2016	Financial Year 2017	Financial Year 2018
Equity Capital	19.50	19.50	19.50
Reserves (Excluding Revaluation Reserve)	340.97	403.01	439.42
Sales and Other Income/Turnover	511.16	528.14	562.50
Profit/(Loss) after Tax	64.47	62.04	55.18
Earnings per Share (face value of ₹ 100) (in ₹)	331	318	283
Diluted Earnings per Share (face value of ₹100) (in ₹)	331	318	283
NAV per Share (in ₹)	1,848.56	2,166.73	2,353.43

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. **Stypen Manufacturing Company (India) Private Limited**

Corporate Information

Stypen Manufacturing Company (India) Private Limited ("**Stypen**") was incorporated on November 18, 1992 as a private limited company. Its registered office is situated at Plot No. 2, Shed No.1, Udyog Nagar, S V Road, Goregaon West, Mumbai 400 062, Maharashtra, India and its corporate identification number is U36991MH1992PTC069623. Stypen is authorized to engage in the business of manufacturers, assemblers, buyers, sellers, importers, exporters or otherwise dealers in all type of pens, ball pens, fountain pen micro tips and fibre tip pens, sign pens and marking pen.

Interest of the Promoters

The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod directly hold 50 equity shares and 4,000 equity shares of face value of ₹100 each in Stypen constituting 0.10% and 8.00%, respectively, of the issued equity share capital of Stypen. One of the Promoters, Mr. Vimalchand Jugraj Rathod, is also interested to the extent of his directorship in Stypen. Further, Khubilal Jugraj Rathod HUF and Vimalchand Jugraj Rathod HUF also hold 0.10% and 20.00% of the equity share capital of Stypen and the remaining equity shares are held by other members of the Promoter Group. The Promoters are also interested to the extent of rent received by Stypen for premises leased to our Company.

Financial Information

The following table sets forth certain details in relation to Stypen for the last three Financial Years for which financial statements are available:

(₹ in million, unless otherwise stated)

Particulars	Financial Year 2015	Financial Year 2016	Financial Year 2017
Equity Capital	5.00	5.00	5.00
Reserves (Excluding Revaluation Reserve)	1.42	1.66	2.01
Sales and Other Income/Turnover	0.72	0.72	0.79
Profit/(Loss) after Tax	0.21	0.25	0.35
Earnings per Share (face value of ₹100) (in ₹)	4.13	4.94	7.02
Diluted Earnings per Share (face value of ₹100) (in ₹)	4.13	4.94	7.02
NAV per Share (in ₹)	128.33	133.27	140.29

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Details of Group Companies that have a Negative Net Worth

As on the date of this Draft Red Herring Prospectus, none of the Group Companies has negative net worth.

Loss Making Group Companies

Other than Flair Kenya Limited, none of the Group Companies has incurred losses as at their last audited financial statements. See "- *Details of the Group Companies – Flair Kenya Limited – Financial Information*" on page 176 above. Also see "*Risk Factors – Flair Kenya Limited, one of the Group Companies, has incurred losses, which may have an adverse effect on our reputation and business*" on page 37.

Defunct/Sick Group Companies

None of the Group Companies is defunct and no applications have been made to the concerned registrar of companies for striking off the name of any of the Group Companies in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus. Further, the Group Companies do not fall under the definition of sick industrial companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up, insolvency or bankruptcy proceedings have been initiated against them.

Certain Confirmations

Nature and Extent of Interest of Group Companies

In the Promotion of our Company

None of the Group Companies has any interest in the promotion of our Company.

In Properties or in Transactions for Acquisition of Land, Construction of Buildings and Supply of Machinery

None of the Group Companies are interested in: (i) the properties acquired by our Company in the two years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired, or (ii) any transactions for the acquisition of land, construction of building or supply of machinery other than as disclosed in "*Related Party Transactions*" and "*Financial Information*" on pages 181 and 183, respectively.

Related Business Transactions among the Group Companies and Significance to the Financial Performance of our Company

There are no business transactions among the Group Companies which impact the financial performance of our Company. For details of related party transactions, see "*Related Party Transactions*" and "*Financial Information*" on pages 181 and 183, respectively.

Common Pursuits

There are no common pursuits between our Company and the Group Companies, except as disclosed in "*Our Promoters and Promoter Group*" on page 171.

Significant Sales/Purchases between our Company and Group Companies

There are no sales or purchases between our Company and the Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company except as disclosed in "*Related Party Transactions*" and "*Financial Information*" on pages 181 and 183 respectively.

Business and Other Interests

None of our Group Companies has any business and other interest in our Company except as otherwise disclosed above in this section and in "*Related Party Transactions*" and "*Financial Information*" on pages 181 and 183, respectively.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years, see "*Special Purpose Restated Consolidated Financial Information – Annexure VI: Notes to Special Purpose Restated Consolidated Financial Information – Note 42: Related Party Disclosure*" and "*Special Purpose Restated Standalone Financial Information – Annexure VI: Notes to Special Purpose Restated Standalone Financial Information – Note 43: Related Party Disclosure*" on pages 404 and 496, respectively.

Also see "*Restated Consolidated Financial Information – Annexure VI: Notes to Restated Consolidated Financial Information – Note 41: Related Party Disclosure*" and "*Restated Standalone Financial Information – Annexure VI: Notes to Restated Standalone Financial Information – Note 42: Related Party Disclosure*" on pages 241 and 319, respectively, for details of the related party transactions during the period between August 12, 2016 and March 31, 2017 and the Financial Year 2018.

DIVIDEND POLICY

Our Company does not have any formal dividend policy in place as on the date of this Draft Red Herring Prospectus and our Company has not declared dividend since incorporation.

The declaration and payment of dividends on the Equity Shares will be recommended by the Board and approved by the Shareholders at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

The declaration of dividends, if any, in the future will depend on a number of factors that the Board deems relevant, including but not limited to our Company's profits, future expansion plans and capital requirements, liquidity, rate of dividend distribution tax, general financial conditions, general economic conditions, any contractual obligations and applicable Indian legal restrictions. Our past practice with respect to the declaration of dividends is not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. See "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 36.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

[The remainder of this page has been intentionally left blank.]

To,
The Board of Directors
Flair Writing Industries Limited
63 B/C, Government Industrial Estate,
Charkop, Kandivali (W),
Mumbai - 400 067

Independent Auditor's Report on the Restated Consolidated Financial Information of Flair Writing Industries Limited (the "Company") and its subsidiary, Flair Distributor Private Limited to be included in the Draft Red Herring Prospectus (DRHP) in connection with the proposed Initial Public Offering of the Company

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Flair Writing Industries Limited (the "Company") (Formerly known as Flair Writing Industries Private Limited)** and its Subsidiary - Flair Distributor Private Limited,(the Company and the Subsidiary together referred to as "the **Group**") which comprise of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2018 and 2017, the Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31, 2017 and read together with the summary of significant accounting policies, the annexures and notes thereto and restated consolidated other financial information explained in paragraph 7 below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering of equity shares. The Restated Consolidated Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations")and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note").

2. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments'("Firm") under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered

as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018

The board of directors of, the Company and together with each of the Flair Pen and Plastic Industries Private Limited (“Transferor Company 1”), Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens and Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), and Flair Impex Industries Private Limited ("Transferor Company 5"), referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 (“Order”). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018

3. The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, Guidance Note, and SEBI ICDR Regulations.

4. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 2, 2018 in connection with the proposed offering of equity shares of the Company; and

   b) The Guidance Note on Reports in Company’s Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India (“ICAI”).

5. The Restated Consolidated Financial Information has been compiled by the Management of the Company from;

   i. The Audited Consolidated Financial Statements of the Group as of and for the financial year ended March 31, 2018 prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, which have been approved by the Board of Directors at their Board meeting held on July 30, 2018;

ii. The "Proforma Ind AS Consolidated Financial Information" which has been compiled from the Audited Consolidated Financial Statements of the Group as of and for the period August 12, 2016 to March 31, 2017, which was prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (approved by the Board of Directors of the Company at their Board meeting held on September 4, 2017) and now compiled under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, to align with accounting policies, exemptions and disclosures as adopted for preparation of first Ind AS Financial Statement for the financial year ended March 31, 2018.

6. Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a) The Restated Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2018 and 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Financial Information.

b) The Restated Consolidated Statement of Profit and Loss of the Group for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Financial Information.

c) The Restated Consolidated Statement of Cash Flows of the Group for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Financial Information.

d) The Restated Consolidated Statement of Changes in Equity of the Group for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Financial Information.

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Consolidated Financial Information:

   i) have been prepared after incorporating adjustments for changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per changed accounting policy for all the reporting years/period;

   ii) have been prepared after incorporating adjustments for the material amounts in the respective financial years/period to which they relate; and

   iii) do not contain any extra-ordinary or exceptional items that need to be disclosed separately in the respective financial years/period and do not contain any qualification requiring adjustments.

7. We have also examined the following Restated Consolidated Financial Information of the Group as set out in the Annexures prepared by the Management of the Company and approved by the Board of Directors of the Company, on August 27, 2018 for each of the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31, 2017:

   (i) Basis of preparation and significant accounting policies as enclosed in Annexure V;

   (ii) Notes to the Restated Consolidated Financial Information as enclosed in Annexure VI;

   (iii) Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VII;

   (iv) Restated Consolidated Statement of Other Income, as enclosed in Annexure VIII;

   (v) Restated Consolidated Statement of Accounting Ratios, as enclosed in Annexure IX;

   (vi) Restated Consolidated Statement of Capitalisation, as enclosed in Annexure X;

   (vii) Restated Consolidated Statement of Dividend paid, as enclosed in Annexure XI;

   (viii) Restated Consolidated Statement of Tax Shelter, as enclosed in Annexure XII.

8. According to the information and explanation given to us, the Restated Consolidated Financial Information of the Group examined by us, including the above mentioned other restated consolidated financial information contained in Annexures VI to XII, read with basis of preparation and summary of significant accounting policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and as more fully described in note no 49 appearing in Annexure VI : Notes to Restated Consolidated Financial Information and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations and the Guidance Note.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Management of the Company and for inclusion in the offer document to be filed with Securities and Exchange Board of India, and Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed offering of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

K L Rathore
Partner
(M No.012807)

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Restated Consolidated Statement of Assets and Liabilities

(Rs. in million)

	Particulars	Notes No to Annexure VI	As at 31st March	
			2018	2017 Proforma Ind AS
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	1,405.96	838.03
b)	Capital Work In Progress	1	83.10	20.79
c)	Intangible Assets	1	32.57	24.12
d)	Financial Assets			
	i) Loans	2	1.77	0.09
	ii) Other Financial Assets	3	13.48	9.71
e)	Deferred Tax Assets (Net)	4	39.31	3.59
f)	Other Non-Current Assets	5	244.99	214.12
	Total Non-Current Assets		**1,821.18**	**1,110.44**
	Current Assets			
a)	Inventories	6	912.05	377.38
b)	Financial Assets			
	i) Trade Receivables	7	1,188.28	302.67
	ii) Cash and Cash Equivalents	8	14.54	58.49
	iii) Loans	9	8.86	9.10
	iv) Other Financial Assets	10	2.50	0.87
c)	Other Current Assets	11	223.13	63.59
	Total Current Assets		**2,349.36**	**812.09**
	Total Assets		**4,170.55**	**1,922.54**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	12	2.18	2.00
b)	Equity Share Suspense	13	27.00	-
c)	Other Equity	14	1,508.26	195.76
	Total Equity		**1,537.45**	**197.76**
	Liabilities			
	Non-Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	16	983.67	40.00
	ii) Other Financial Liabilities	17	56.68	-
b)	Provisions	18	25.34	12.70
c)	Government Grant	22	4.78	1.71
	Total Non-Current Liabilities		**1,070.48**	**54.42**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	19	749.18	1,137.23
	ii) Trade Payables	20	612.64	276.78
	iii) Other Financial Liabilities	21	91.99	72.70
b)	Government Grant	22	0.83	0.30
c)	Other Current Liabilities	23	70.68	81.15
d)	Provisions	24	34.89	21.12
e)	Current Tax Liabilities (Net)	25	2.41	81.09
	Total Current Liabilities		**1,562.62**	**1,670.36**
	Total Liabilities		**2,633.10**	**1,724.78**
	Total Equity And Liabilities		**4,170.55**	**1,922.54**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Restated Consolidated Statement of Assets and Liabilities

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our 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**	
K. L. Rathore **(Partner)** **M.No. 012807**	**Khubilal Rathod** **Director** **(DIN. 00122867)**	**Vimalchand Rathod** **Director** **(DIN. 00123007)**
	Mayur D. Gala **Chief Financial Officer**	**Vishal Chanda** **Company Secretary**
Place: Mumbai **Date: August 27, 2018**	**Place: Mumbai** **Date: August 27, 2018**	

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure II : Restated Consolidated Statement of Profit and Loss

(Rs. in million)

Particulars		Notes to Annexure VI	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
INCOME				
Revenue from Operations		26	5,735.97	1,503.50
Other Income		27	68.20	230.07
Total Income	**(A)**		**5,804.17**	**1,733.57**
EXPENSES				
Cost of Material Consumed		28	2,430.20	804.68
Purchase of Stock-in-Trade		29	898.42	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		30	(111.16)	(55.75)
Excise Duty on Sales			7.93	22.46
Employee Benefits Expense		31	790.91	252.97
Finance Costs		32	172.21	61.52
Depreciation/Amortisation Expense		33	152.80	45.34
Other Expenses		34	771.88	226.43
Total Expenses	**(B)**		**5,113.18**	**1,357.66**
Profit Before Tax	**(C = A-B)**		690.99	375.90
Tax Expense				
Current Tax			168.93	105.90
Less: Amt-Mat Credit Entitlement			-	37.65
Net Current Tax			168.93	68.25
Deferred Tax		4	30.54	60.89
Tax Adjustments for earlier years			(8.48)	0.72
Total Tax Expense	**(D)**		190.99	129.86
Profit for the Year	**(E = C-D)**		**500.00**	**246.04**
Other Comprehensive Income				
Items that will not be reclassified to Profit or Loss				
Re-measurements of Defined Benefit Plans			(14.59)	0.89
Income Tax relating to items that will not be reclassified to Statement of Profit And Loss			4.25	(0.31)
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**(10.34)**	**0.58**
Total Comprehensive Income for the Year	**(G = E+F)**		489.66	246.62
Earnings Per Share in Rs.				
Basic Earnings Per Equity Share of INR 10/- each		35	23.11	13.43
Diluted Earnings Per Equity Share of INR 10/- each		35	23.11	13.43

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Restated Consolidated Statement of Profit and Loss referred to in our 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

K. L. Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure III : Restated Consolidated Statement of Cash Flows

(Rs. in million)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxes	**690.99**	**375.90**
	Adjusted for:		
	Depreciation and Amortisation Expense	152.80	45.34
	(Profit)/Loss on sale of Fixed Assets	1.60	0.03
	Interest Paid	172.21	61.57
	Effect of change in method of depreciation	-	(228.73)
	Provision for GST Receivables	(6.73)	-
	Deferred Income -Government Grant	(0.88)	(0.37)
	Interest income	(1.83)	(0.49)
	Operating Profit before Working Capital Changes	**1,008.16**	**253.25**
	Adjusted for:		
	Trade Receivables	(128.43)	52.89
	Inventories	(163.83)	(134.32)
	Other Assets	34.73	(25.29)
	Trade Payable	(76.68)	(14.10)
	Other Liabilities and Provisions	25.52	103.14
	Cash Generated from Operating Activities	**699.48**	**235.57**
	Taxes Paid (Net)	(244.92)	(58.13)
	Net Cash Flow from Operating Activities	**454.56**	**177.43**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(531.70)	(208.40)
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.58	0.07
	Interest received	1.83	0.49
	Net Cash from/(used in) Investing Activities	**(512.30)**	**(207.84)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of equity share capital	400.11	-
	Proceeds/ (repayment) from non-current borrowings (net)	(144.77)	7.42
	Proceeds/ (repayment) from current borrowings (net)	(82.67)	135.40
	Interest paid	(172.21)	(61.57)
	Net Cash from/(used in) Financing Activities	**0.46**	**81.25**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(57.28)**	**50.85**
	Opening Balance of Cash and Cash Equivalents	58.49	7.64
	Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation	13.33	-
	Net Opening Balance of Cash and Cash Equivalents	71.82	7.64
	Closing Balance of Cash and Cash Equivalents	**14.54**	**58.49**
	Components of Cash and Cash Equivalents		
	Cash on Hand	1.92	0.51
	Balances with Scheduled Banks		
	- in Current Accounts	6.58	4.21
	- in Cash Credit	5.98	53.77
	- in EEFC Account	0.06	-
	Total Cash and Cash Equivalents	**14.54**	**58.49**

Scheme of Amalgamation/Arrangement is not considered in the above Cash Flow Statement, being a non-cash transaction.

Notes:

1 The above Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows ".

2 Figures in brackets represent out flow of Cash and Cash Equivalents.

3 The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IV : Restated Consolidated Statement of Changes in Equity

a. Equity Share Capital: **(Rs. in million)**

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
i) Equity shares of INR 10 each issued, subscribed and fully paid		
Balance at the beginning of the period/year	2.00	2.00
Changes in equity share capital during the year	0.18	-
Balance at the end of the year	**2.18**	**2.00**

b. Equity Share Suspense

Particulars	As at 31st March 2018	As at 31st March 2017 Proforma Ind AS
Equity Share Suspense [Refer Note 13]	27.00	-
	27.00	**-**

c. Other Equity

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
i) Reserves and Surplus		
a) Retained Earnings		
Balance at the beginning of the year	195.18	(30.67)
Profit/(loss) for the year	500.00	246.04
Less : Effect of change in Depreciation due to change in machine utilization	35.83	31.04
Add : Income Tax on the above	10.43	10.74
Add : Deferred Income of Earlier Years	1.52	0.17
Less : Income Tax on the above	0.44	0.06
Add : Amalgamations reserves	470.34	-
Less : Amortization Expense of Lease Deposit of earlier years	3.38	-
Add : Income Tax on the above	0.98	-
Less : Deferred Tax on Earlier Years	20.72	-
Balance at the end of the year	**1,118.10**	**195.18**
b) Securities Premium		
Balance at the beginning of the year	-	-
Add: Issuance of Right Shares	399.92	-
Balance at the end of the year	**399.92**	**-**
Total Reserves and Surplus (a+b)	**1,518.02**	**195.18**
ii) Other Items of Other Comprehensive Income		
Balance at the beginning of the year	0.58	-
Re-measurement gains/ (losses) on defined benefit plans	(10.34)	0.58
Balance at the end of the year	**(9.76)**	**0.58**
Balance at the end of the year of Other Equity (i+ii)	**1,508.26**	**195.76**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Annexure V - Basis of preparation and Significant Accounting Policies for the financial year ended March 31, 2018 and the period ending March 31, 2017

1. GROUP OVERVIEW

The Restated Consolidated Financial Information comprises restated consolidated financial information of "Flair Writing Industries Limited" (Formerly known as Flair Writing Industries Private Limited)("the Company) and its subsidiary "Flair Distributor Private Limited"("Subsidiary") (collectively referred to as "the Group")for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31, 2017.

The Company is domiciled in India, with its registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments'("Firm") under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018

The Principal activity, of the Company is "Manufacturing and Dealing of Writing instruments and its allied" and of the Subsidiary is "Dealing of Writing instruments and its allied".

The board of directors of, the Company and together with each of the Flair Pen and Plastic Industries Private Limited ("Transferor Company 1"), Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens and Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), and Flair Impex Industries Private Limited ("Transferor Company 5"), referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018.

2. Basis of Preparation and Presentation of Restated Consolidated Financial Information

a) The Restated Consolidated Statement of Assets and Liabilities of the Group as at and for the financial year ended March 31, 2018, and for the period August 12, 2016 to March 31, 2017, the Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Restated

Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the financial year ended March 31, 2018, and for the period August 12, 2016 to March 31, 2017 and restated consolidated other financial information, (collectively referred to as "**Restated Consolidated Financial Information"**) have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable

The "Proforma Ind AS Consolidated Financial Information" has been compiled from the Audited Consolidated Financial Statements of the Group as at and for the period August 12, 2016 to March 31, 2017 which was prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and now compiled under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, to align with accounting policies, exemptions and disclosures as adopted for preparation of first Ind AS Financial Statement for the financial year ended March 31, 2018.

The financial statements for the financial year ended March 31, 2018, are the Group's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

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

The Restated Consolidated Financial Information has been compiled by the Management of the Company from;

i. The Audited Consolidated Financial Statements of the Group as of and for the year ended March 31, 2018 prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable

ii. The Proforma Ind AS Consolidated Financial Information as of and for the period August 12, 2016 to March 31 2017.

Business Combination

- The entire business and the whole of the undertaking of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, as a going concern stood transferred to and vested in the Company with effect from April 01, 2017, being the Appointed Date.

- **Accounting for Amalgamation**

  The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

  For the purposes of the Restated Consolidated Financial Information

  i. The Company has recorded all the assets and liabilities previously recorded in the Books of Account of the respective Transferor Company and which are transferred to and vested in the Company pursuant to the scheme, at their book values as on the Appointed Date.

  ii. Inter-company balances, investments and transactions if any, stood cancelled

  iii. In case of any differences in the accounting policies between the Company and the respective Transferee Company, the impact of the same till the Appointed Date of amalgamation was to be quantified and adjusted in the Free/General Reserves of the Company, to ensure that the Restated Consolidated Financial Information of the Company reflect the financial position on the basis of consistent accounting policies; however there were no such instances.

  iv. The bank accounts, agreements, licences and immovable properties of the respective Transferor Company were transferred in the name of the Company.

  The Company has issued One Equity Share of Rs. 10 each to all the Equity Shareholders of the respective Transferor Company whose names appeared in the Register of Members, on the record date, for every One Equity Share of Rs. 10 each held by them. The said issue and allotment had been done on May 26, 2018

  These Restated Consolidated Financial Information have been extracted by the Management of the Company from, the Audited Consolidated Financial Statements of the Group as of and for the financial year ended March 31, 2018 and the Proforma Ind AS Consolidated Financial Information as of and for the period August 12, 2016 to March 31, 2017 and:

  - there were no material audit qualifications on these financial statements,

- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years (if any) in arriving at the profit/loss of the years to which they relate, have been appropriately adjusted, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

The Restated Consolidated Financial Information have been prepared by the Management of the Company in connection with the proposed Initial Public Offering (the "IPO") of Equity Shares, to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations"); and

iii. The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").

b) Basis and Procedures of Consolidation:

The Restated Consolidated Financial Information comprises of the restated consolidated financial information of the Company and its Subsidiary as of and for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31, 2017

The details of Subsidiary considered in this Restated Consolidated Financial Information is

Name of Entity	**Country of Incorporation**	**Name of the parent company**	**Percentage of Ownership**
Flair Distributor Private Limited*	India	Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)	100%

*Incorporated as a wholly-owned subsidiary during the period August 12, 2016 to March 31, 2017.

Consolidation procedures:

The consolidation procedure followed is in accordance with Ind AS 27 – Consolidated and Separate Financial Statements

- The financial statements of the Company and its Subsidiary 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-group balances and intra-group transactions.
- Profits or losses resulting from intra-company transactions that are recognised in assets such as Inventory and Property, Plant and Equipment, are eliminated in full.
- The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- The Audited Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements.

c) Historical Cost Convention

The Restated Consolidated Financial Information has been prepared on a historical cost basis, except for the following:

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

d) Functional and Presentation Currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Use Of Estimates, Judgements and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

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

- **Recoverability of Trade receivables**

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

- **Provisions**

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

- **Recognition Defined Benefit Plans**

  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.

- **<u>Current versus Non-Current Classification</u>**

  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, save and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

- **<u>Impairment of Non-Financial Assets</u>**

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

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

- **<u>Impairment of Financial Assets</u>**

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

3.2 <u>Property, Plant And Equipment (PPE)</u>

i. <u>Tangible Assets</u>

- **<u>Freehold Land</u>**

  Freehold Land is carried at historical cost.

- **<u>Property, Plant and Equipment:</u>**

  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 including 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** :

The Company was a partnership firm till August 11, 2016 and followed the written down value method of depreciation as per the provisions of Income Tax Act, 1961. However, on conversion to the company, the Company followed the depreciation method as specified and permitted by the Companies Act, 2013.

For the Audited Consolidated Financial Statements for the period August 12, 2016 to March 31, 2017, depreciation on Fixed Assets was provided on life assigned to each asset in accordance with the Schedule – II of the Companies Act, 2013 and taking the useful life of its Fixed Assets as reassessed on the basis of technical evaluation. Consequent to the reduction in the useful life of Fixed Assets based on transitional provisions given in Schedule II, Rs. 34.34 million (Deferred Tax input of Rs. 10.61 million) was adjusted against Retained Earnings on August 12, 2016

In the Audited Consolidated Financial Statements for the period August 12, 2016 to March 31, 2017, the Company had changed method of providing depreciation from Written Down Value (WDV) to Straight Line Method (SLM) for more appropriate preparation or presentation of the financial statements. During that period depreciation was recalculated in accordance with the SLM Method from the date of put to use of the asset. Due to the change of method, surplus of depreciation in respect of past years of Rs. 228.73 million had been credited to the profit and loss account

For the purposes of these Restated Consolidated Financial Information, Depreciation on Property, Plant and Equipment is provided using straight-line method based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013 and taking the useful life of its Fixed Assets as reassessed on the basis of technical evaluation

The useful life of major assets is as under:

Assets	**Useful life (in years)**
Freehold Building	30
Furniture & Fixtures	10
Electrical Installation	10

Assets	Useful life (in years)
Office Equipments	5
Plant & Machinery	15
Factory Equipments	5
Motor Vehicles	8
Two Wheelers	10

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 management's estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Consolidated Statement of Profit and Loss when the asset is derecognized.

v. <u>Impairment of Non-Financial Assets - Property, Plant and Equipment</u>

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

An impairment loss is recognised in the Restated Consolidated Statement of Profit and Lossto 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.

3.3 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. For the purposes of Restated Consolidated Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loans availed from Promoters, Directors and their relatives, in period August 12, 2016 to March 31, 2017

3.4 Foreign Currency Transactions and Translation

The Restated Consolidated Financial Information are presented in INR, which is also the Group's functional currency.

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

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

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

3.5 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

3.6 <u>Revenue Recognition</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

Export Entitlements

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

Other Income

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

3.7 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Restated Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

- **Current Tax**

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

- **Deferred Tax**

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

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under Alternate Minimum Tax (AMT)/Minimum Alternate Tax (MAT), during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Restated Consolidated Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

3.8 Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

3.10 Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is not recognised but disclosed in the Restated Consolidated Financial Information where an inflow of economic benefit is probable.

3.11 Provisions

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

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

3.12 Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

I. **Defined Contribution Plans**

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

II. **Defined Benefit Plans**

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

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) Compensated Absences

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

d) Payment of Bonus

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

3.13 Financial Instruments

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

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

(i) Financial assets

a. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

b. Subsequent Measurement

1) Financial assets 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. <u>Loans, Deposits and Receivable</u>

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. <u>Impairment of financial assets</u>

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)

<u>Expected credit losses are measured through a loss allowance at an amount equal to</u>

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

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

Trade Receivables

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

For other assets, the 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 consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.
Following is the policy for specific financial assets: -

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) Financial liabilities

a. Initial Recognition and Measurement

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

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

b. Subsequent Measurement

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

c. De-recognition of Financial Instruments

The Group de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.14 Cash and Cash Equivalents

Cash and Cash equivalents include Cash and Cheque on 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.

3.15 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.

3.16 Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

3.17 Segment Reporting

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

3.18 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

3.19 <u>Standards Issued but not Effective</u>

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Group w.e.f. April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

II. Ind AS 40 - Investment Property

III. Ind AS 12 - Income Taxes

IV. Ind AS 28 - Investments in Associates and Joint Ventures and

V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Restated Consolidated Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 1 : Property, Plant & Equipment, Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)					Depreciation/Amortisation					Net Block	
		As at 1st April 2017	Transfer on account of Amalgamation	Addition during the year	Deductions during the year	As at 31st March 2018	As at 1st April 2017	Depreciation for the year	Deletions	As at 31st March 2018	Transfer to Retained Earnings	As at 31st March 2018	As at 1st April 2017
	TANGIBLE ASSETS **PROPERTY, PLANT & EQUIPMENT**												
1	Freehold Land	38.96	-	-	-	38.96	-	-	-	-	-	38.96	38.96
2	Freehold Building	173.19	29.73	31.72	-	234.64	3.48	7.59	-	11.07	2.80	220.77	169.72
3	Furniture & Fixtures	16.16	12.48	15.05	-	43.69	1.01	4.01	-	5.02	(0.01)	38.68	15.15
4	Electrical Installation	28.24	11.39	5.95	0.02	45.55	1.92	5.58	-	7.51	(0.06)	38.11	26.31
5	Office Equipments	8.65	3.75	6.76	-	19.16	1.52	4.63	-	6.16	0.16	12.84	7.12
6	Plant & Equipment	596.16	284.44	323.77	6.72	1,197.64	35.45	119.94	5.63	149.76	34.92	1,012.97	560.70
7	Vehicles	21.85	14.79	19.53	7.81	48.36	1.79	7.01	4.58	4.22	0.50	43.64	20.07
	Total (1 to 7)	**883.19**	**356.59**	**402.77**	**14.55**	**1,628.00**	**45.17**	**148.77**	**10.21**	**183.73**	**38.31**	**1,405.96**	**838.03**
	Capital Work-in-Progress	20.79	-	82.50	20.19	83.10	-	-	-	-		83.10	20.79
	Intangible Assets												
1	Patent and Trade Mark	23.75	9.95	2.46	-	36.16	0.13	3.95	-	4.07	(0.01)	32.10	23.62
2	Web Designing	0.54	0.05	-	-	0.59	0.04	0.07	-	0.11	-	0.47	0.50
	Total (1 to 2)	**24.29**	**10.00**	**2.46**	**-**	**36.75**	**0.17**	**4.02**	**-**	**4.19**	**(0.01)**	**32.57**	**24.12**
	GRAND TOTAL	**928.27**	**366.59**	**487.73**	**34.74**	**1,747.84**	**45.34**	**152.80**	**10.21**	**187.92**	**38.30**	**1,521.63**	**882.94**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 1 : Property, Plant & Equipment, Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)						Depreciation/Amortisation				Net Block	
		As at August 12, 2016 *	Surplus/Deficit on account of Change in Method	Addition during the year	Deductions during the year	Transfer to Retained Earnings	As at 31st March 2017	As at August 12, 2016	Depreciation for the year	Deletions	As at 31st March 2017	As at March 31,2017	As at August 12, 2016
	TANGIBLE ASSETS												
	PROPERTY, PLANT & EQUIPMENT												
1	Freehold Land	38.96	-	-	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	136.54	21.34	15.46	-	0.16	173.19	-	3.48	-	3.48	169.72	157.88
3	Furniture & Fixtures	8.84	3.47	3.85	-	-	16.16	-	1.01	-	1.01	15.15	12.31
4	Electrical Installation	18.33	9.32	0.59	-	-	28.24	-	1.92	-	1.92	26.31	27.65
5	Office Equipments	3.66	2.48	2.50	-	(0.01)	8.65	-	1.52	-	1.52	7.12	6.13
6	Plant & Equipment	304.19	183.95	136.25	-	28.23	596.16	-	35.45	-	35.45	560.70	488.13
7	Vehicles	7.71	8.17	6.24	0.10	0.18	21.85	-	1.79	0.01	1.78	20.07	15.89
	Total (1 to 7)	**518.23**	**228.73**	**164.88**	**0.10**	**28.54**	**883.19**	**-**	**45.17**	**0.01**	**45.16**	**838.03**	**746.96**
	Capital Work-in-Progress	-	-	20.79	-	-	20.79	-	-	-	-	20.79	-
	Intangible Assets												
1	Patent and Trade Mark	1.02	-	22.73	-	-	23.75	-	0.13	-	0.13	23.62	1.02
2	Web Designing	0.54	-	-	-	-	0.54	-	0.04	-	0.04	0.50	0.54
	Total (1 to 2)	**1.56**	**-**	**22.73**	**-**	**-**	**24.29**	**-**	**0.17**	**-**	**0.17**	**24.12**	**1.56**
	GRAND TOTAL	**519.78**	**228.73**	**208.40**	**0.10**	**28.54**	**928.27**	**-**	**45.34**	**0.01**	**45.33**	**882.94**	**748.51**

1) On July 28, 2016, certain portions at one of the Company's unit's (then the erstwhile Partnership Firm) at Daman caught Fire resulting in loss of, Inventories totaling to Rs.104.13 million, Building valuing Rs 9.54 million, Electrical Installation valuing Rs. 2.85 million ,Machineries totaling to Rs. 22.83 million and Furniture and Fixture valuing to Rs. 3.00 million.

2) Insurance claim receivable on account of the said loss amounting to Rs. 142.39 million is appearing in the Financial Statements under the grouping **"Other Non Current Assets"** Refer Note 5 to the Restated Consolidated Financial information.

3) The Group has availed the Deemed Cost Exemption in relation to the Property, Plant and Equipment on the date of transition and hence the Net Block Carrying amount as on August 12 ,2016 has been considered as the Gross Block Carrying amount on that date. Refer note below for the Gross Block Value and the accumulated depreciation on August 12, 2016 under the previous GAAP.

* The details of Gross Block of the Company as on August 12, 2016 (conversion date) is as below

	Particulars	Carrying value as of August 12,2016	Accumulated depreciation as of August 12,2016	Transitional to schedule II	Written off /Deletion	Deemed Cost for August 12,2016
1	Freehold Land	38.96	-	-	-	38.96
2	Buildings	166.58	30.28	0.25	-	136.54
3	Plant & Equipment	696.33	376.30	(15.84)	-	304.19
4	Office Equipment	10.02	4.79	(1.58)	-	3.66
5	Furniture & Fixtures	14.41	2.11	(3.46)	-	8.84
6	Electrical Installation	31.48	5.55	(7.60)	-	18.33
7	Vehicles	26.88	12.49	(6.67)	-	7.71
8	Intangible Assets	2.80	1.82	0.57	-	1.56
	Total	**987.47**	**433.35**	**(34.34)**	**-**	**519.78**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 2 : Non Current Long Term Loans and Advances		
(unsecured and considered good, unless stated otherwise)		
Loan to Employees	1.77	0.09
Total	**1.77**	**0.09**
#Loans and Advances fall under the category of 'Loans- Non-Current' and are repayable within 2 to 3 Years. Further the said loans are carried at amortised cost.		
Note 3: Other Non Current Financial Assets		
(Unsecured and considered good, unless stated otherwise)		
Security and Other Deposits	12.71	7.80
Fixed Deposit original maturity more than 12 months #	0.77	1.91
Total	**13.48**	**9.71**
# out of the above deposits, deposits having restrictive use on account of:		
Pledged with Government authorities	0.29	1.81
Held as security Deposit against Bank Guarantee	0.45	0.10
	0.74	**1.91**

Note 4 : Deferred Tax (Liabilities) / Assets :

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

(Rs. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax (Liabilities) / Assets	39.31	3.59
	39.31	**3.59**

2017-18

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Transfer on Account of Merger	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing balance
Property, Plant and Equipment	(75.97)	(17.58)	(11.39)	-	10.43	(94.51)
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowed on payment basis	4.01	2.07	4.02	-	-	10.10
Others	33.85	20.72	(23.07)	-	(20.17)	11.33
	(34.06)	**5.20**	**(30.54)**	**4.25**	**(9.74)**	**(64.90)**
AMT/MAT Credit Receivables	37.65	98.35	(31.79)	-	-	104.21
Total	**3.59**	**103.55**	**(62.33)**	**4.25**	**(9.74)**	**39.31**

2016-17

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	As at August 12, 2016	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing balance
Property, Plant and Equipment	11.88	(98.60)	-	10.74	(75.97)
Provision for Gratuity	4.35	-	(0.31)	-	4.04
Expenses allowed on payment basis	0.22	3.80	-	-	4.01
Others	-	33.91	-	(0.06)	33.85
	16.45	**(60.89)**	**(0.31)**	**10.69**	**(34.06)**
AMT/MAT Credit Receivables	-	37.65	-	-	37.65
Total	**16.45**	**(23.24)**	**(0.31)**	**10.69**	**3.59**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 5 : Other Non Current Assets		
(Unsecured, considered good unless otherwise stated)		
Balances with Statutory Authorities	31.99	37.74
Capital Advances	69.20	34.00
Other Receivable*	142.39	142.38
Prepaid Expenses	1.40	-
Total	**244.99**	**214.12**

* Other Receivables includes Insurance Claim Receivables amounting to Rs. 142.39 million. (Refer Note 1 of Annexure VI to Restated Consolidated Financial Information.)

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 6 : Inventories		
Raw Materials	319.06	150.28
Raw Material - Goods-in-transit	0.25	-
Packing Materials & Others	53.97	28.25
Semi-Finished Goods	320.17	134.61
Finished Goods	212.47	64.24
Finished Goods - Goods-in-transit	2.64	-
Stock-in-trade	3.48	-
Total	**912.05**	**377.38**

The Inventories has been valued as per Note 3.8 of Significant Accounting Policies.
Inventories are hypothecated to Citi Bank N.A. against Working Capital facility.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 7 : Trade Receivables		
(unsecured and considered good unless stated otherwise)		
- Others	1,176.03	247.48
- Related Parties *	12.25	55.19
Total	**1,188.28**	**302.67**

Refer Note 38 to Restated Consolidated Financial Information for Ageing of Trade Receivable
* Refer Note 41 for Related Parties outstanding balance
Trade Receivables are hypothecated to bank against Working Capital facility

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 8 : Cash and Bank Balances		
Cash on Hand	1.92	0.51
Balances with Banks:		
- in Current Accounts	6.58	4.21
- in Cash Credit	5.98	53.77
- in EEFC Account	0.06	-
Total	**14.54**	**58.49**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on hand	1.92	0.51
Balances with banks:		
- in Current Accounts	6.58	4.21
- in Cash Credit	5.98	53.77
- in EEFC Account	0.06	-
Total	**14.54**	**58.49**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 9 : Loans		
(unsecured, considered good unless otherwise stated)		
Loan To Employees	7.51	4.04
Loans & Advances	1.36	5.06
Total	**8.86**	**9.10**
Note 10: Other Current Financial Assets		
Security and Other Deposits	2.37	0.47
Interest accrued on Fixed Deposits	0.13	0.40
Total	**2.50**	**0.87**
Note 11 : Other Current Assets		
(unsecured, considered good unless otherwise stated)		
Advances to Suppliers		
- Other	23.78	9.18
- Related Parties *	0.03	1.70
Balances with Statutory Authorities	172.05	27.45
Other Receivable	19.17	2.96
Prepaid Expenses	8.09	22.29
Total	**223.13**	**63.59**

* Refer Note 41 for Related Parties outstanding balance.

Note 12 : Equity Share Capital

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Authorised#		
2,20,000 equity Shares of Rs 10/- each	**2.20**	**2.00**
Issued, subscribed and fully paid up	2.18	2.00
2,18,400 equity Shares of Rs 10/- each		
	2.18	**2.00**

#Pursuant to the scheme of Amalgamation as explained in Note 45 of Annexure VI to the Restated Consolidated Financial Information, the authorised share capital of the Company stands increased to Rs. 29.20 million.

a) Reconciliation of Number of Shares

(Amount - Rs. in million)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	200,000	2.00	200,000	2.00
Add: Shares issued during the year	18,400	0.18	-	-
Balance as at the end of the year	**218,400**	**2.18**	**200,000**	**2.00**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares				
Khubilal J. Rathod	43,680	20%	40,000	20%
Vimalchand J. Rathod	32,760	15%	30,000	15%
Rajesh K. Rathod	21,840	10%	20,000	10%
Mohit K. Rathod	21,840	10%	20,000	10%
Sumitkumar V. Rathod	21,840	10%	20,000	10%
Nirmala K. Rathod	21,840	10%	20,000	10%
Manjula V. Rathod	21,840	10%	20,000	10%

c) For the period immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) Rights/Preference/Restriction attached to Equity Shares
The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his/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.

e) The Company does not have any Holding Company.

f) There are no Shares reserved for issue under Option and Contract/Commitment for the sale of Shares/Disinvestment.

g) The Company has issued 18,400 Equity Shares of Rs. 10/- each towards Rights Issue to the Existing Shareholders at a price of Rs. 21,745/- per share (including premium of Rs. 21,735/-) aggregating to Rs. 400.11 million.

Note 13 : Equity Share Suspense

(Amount - Rs. in million)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity Share Suspense#	2,700,000	27.00	-	-
	2,700,000	**27.00**	**-**	**-**

#27,00 000 Equity Shares of Rs 10/- each fully paid up are to be issued to the equity shareholders of the merged companies, without payment being received in cash. Pending the allotment, the face value of such Shares has been shown as "**Equity Share Suspense**". The Company has since allotted the Shares on May 26, 2018.

Note 14 : Other Equity

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
i) Reserves and Surplus		
a) Retained Earnings		
Balance at the beginning of the year	195.18	(30.67)
Profit/(loss) for the year	500.00	246.04
Less : Effect of change in Depreciation due to change in machine utilization	35.83	31.04
Add : Income Tax on the above	10.43	10.74
Add : Deferred Income of Earlier Years	1.52	0.17
Less : Income Tax on the above	0.44	0.06
Add : Amalgamations reserves	470.34	-
Less : Amortization Expense of Lease Deposit of earlier years	3.38	-
Add : Income Tax on the above	0.98	-
Less : Deferred Tax on Earlier Years	20.72	-
Balance at the end of the year	**1,118.10**	**195.18**
b) Securities Premium		
Balance at the beginning of the year	-	-
Add: Issuance of Right Shares	399.92	-
Balance at the end of the year	**399.92**	**-**
Total Reserves and Surplus (a+b)	**1,518.02**	**195.18**
ii) Other Items of Other Comprehensive Income		
Balance at the beginning of the year	0.58	-
Re-measurement gains/ (losses) on defined benefit plans	(10.34)	0.58
Balance at the end of the year	**(9.76)**	**0.58**
Balance at the end of the year of Other Equity (i+ii)	**1,508.26**	**195.76**

Note 15 : Analysis of accumulated Other Comprehensive Income (OCI), Net of Tax

(Rs. in million)

Items of OCI	As at 31st March	
	2018	2017 Proforma Ind AS
Remeasurement of defined benefit liability (Asset)	(10.34)	0.58
Remeasurement of defined benefit liability (Asset)		
Opening balance	0.58	-
Remeasurement of defined benefit liability (Asset)	(10.34)	0.58
Closing balance	**(9.76)**	**0.58**

Remeasurement of defined benefit liability (Asset) comprises actuarial gains and losses.

(Rs. in million)

Particulars	As at 31st March 2018	As at 31st March 2017 Proforma Ind AS
Note 16 : Non-Current Borrowings		
Secured		
Term Loans		
Rupee Loan from Banks		
Term Loan	140.00	54.51
	140.00	54.51
Unsecured		
From Other Parties *		
Loans from Promoters	213.76	-
Loans from Directors	400.94	-
Loans from Related Parties	242.30	-
	857.00	-
Less: Current Maturities of Long-Term Debt (Refer Note 21)	13.33	14.51
Total	**983.67**	**40.00**

Refer Note 38 to Restated Consolidated Financial Information for Information on Group's exposure to interest rate, foreign currency and liquidity risks.

* Refer Note 41 for Related Party outstanding balance

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	40.00	11% (Subsidised rate 6%)	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	100.00	9%	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.
There have been no breaches in the financial covenants with respect to the borrowings.

(Rs. in million)

Particulars	As at 31st March 2018	As at 31st March 2017 Proforma Ind AS
Note 17 : Other Non-Current Financial Liabilities		
Security and Other Deposits	0.75	-
Revenue Received In Advance	55.93	-
Total	**56.68**	**-**

(Refer Note 38 to Restated Consolidated Financial Information for information on Group's exposure to liquidity risk.)

(Rs. in million)

Particulars	As at 31st March 2018	As at 31st March 2017 Proforma Ind AS
Note 18 : Non-Current Provisions		
Provision for Employee Benefits (Refer Note 36)	25.34	12.70
Total	**25.34**	**12.70**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 19 : Current Borrowings		
Secured - At Amortised Cost		
Working Capital Loans		
From Banks		
Rupee Loans		
Cash Credit	217.75	93.44
Packing Credit	250.00	-
	467.75	**93.44**
Unsecured		
From Other Parties (Refer Note 41)		
Loans From Promoters	53.44	323.42
Loans From Directors	154.75	479.60
Loans From Related Parties	73.25	240.76
	281.43	**1,043.78**
Total	**749.18**	**1,137.23**

(Refer Note 38 for information on Group's exposure to interest rate, foreign currency and liquidity risks.)

Working Capital Loans from Banks are secured by hypothecation of all present and future stock, receivables, all present and future movable fixed assets and equitable mortgage on immovable property.

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	107 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	117 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	82 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	104 days
Cash Credit from Bank	Citi Bank N.A.	Cash Credit	INR	217.75	9.50%	Revolving 365 days

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 20 : Trade Payables		
i) Micro, Small and Medium Enterprises	54.59	6.67
ii) Related Parties (Refer Note 41)	21.73	57.86
iii) Others	536.33	212.25
Total	**612.64**	**276.78**

(Refer Note 38 to Restated Consolidated Financial Information for information on Group's exposure to foreign currency and liquidity risks.)

1) Trade payables are non-interest bearing and are normally settled on 90 days terms.

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

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Principal amount remaining unpaid to suppliers at the end of the period	54.59	6.67
Interest accrued and due to suppliers on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end.	-	-
Total	**54.59**	**6.67**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 21 : Other Current Financial Liabilities		
Security and Other Deposits	0.90	18.20
Current Maturities of Long-Term Debt (Refer Note 16)	13.33	14.51
Other Payables#	77.76	39.99
Total	**91.99**	**72.70**

#Other Payables include Mark to Market Value of Derivatives.
Refer Note 38 for information on Group's exposure to interest rate, foreign currency and liquidity risks.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 22 : Government Grants		
Current	0.83	0.30
Non-current	4.78	1.71
	5.61	**2.01**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 23 : Other Current Liabilities		
Statutory Remittances	26.50	6.55
Revenue Received In Advance	24.48	38.26
Capital Creditors	19.70	36.34
Total	**70.68**	**81.15**
Note 24 : Current Provisions		
Provision for Employee Benefits (Refer Note 36)#	34.89	21.12
Total	**34.89**	**21.12**

Provision for Employee Benefits includes Leave entitlement ,Gratuity and Bonus on accrual basis.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 25 : Current Tax Liabilities (Net)		
Current Tax Payable	137.15	107.03
Less : Advance Tax	134.74	25.95
Total	**2.41**	**81.09**

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Note 26 : Revenue from Operations		
Operating Income		
Sale of Goods (Including Excise Duty)		
Manufactured		
Domestic	3,720.36	1,276.68
Export	1,028.68	212.15
Sale of Services	0.94	0.06
Traded		
Domestic	762.35	-
Export	114.46	-
Other Operating Income		
Sales - Scrap	22.02	14.61
Export Incentive	87.15	-
Total	**5,735.97**	**1,503.50**
Note 27 : Other Income		
Interest Income on		
- Bank deposits	0.02	-
- Others	1.81	0.49
Other Non-Operating Income	66.37	229.58
Total	**68.20**	**230.07**
Other Non-Operating Revenue of Previous Year includes Rs. 228.73 millions Effect of Change in Depreciation Method.		
Note 28 : Cost of materials consumed		
Opening stock	178.53	99.96
Opening Stock (on account of merger)	136.19	-
Add : Purchases	2,488.77	883.25
Less : Closing stock	373.28	178.53
Total	**2,430.20**	**804.68**
Note 29 : Purchase of Stock-in-Trade		
Purchase of Stock-in-Trade	898.42	-
	898.42	**-**
Note 30 : Changes in inventories		
Opening Stock		
Semi- Finished Goods	134.61	81.44
Finished Goods	64.24	61.66
Opening Stock (on account of merger)	228.75	-
Total (A)	**427.60**	**143.10**
Closing Stock		
Semi- finished goods	320.17	134.61
Finished goods	218.60	64.24
Total (B)	**538.77**	**198.85**
(Increase)/Decrease in Inventories **Total (A-B)**	**(111.16)**	**(55.75)**
Note 31 : Employee benefits expenses		
Salaries, Wages and Bonus *	728.13	231.14
Contribution to Provident and other Funds (Refer note : 36)	42.18	16.77
Leave Salary	8.91	-
Staff Welfare Expenses	11.68	5.06
Total	**790.91**	**252.97**
* Refer Note No 41 for Payments to Key Managerial Personnel		
Note 32 : Finance costs		
Interest on Loans from Banks	34.92	3.17
Other Borrowing Cost*	137.28	58.36
Total	**172.21**	**61.52**

#Bank Interest is net of Interest Subsidy Received/Receivable under the respective Government Schemes.
* Refer Note No 41 for Interest paid to Related Parties

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Note 33 : Depreciation /Amortisation expense		
Depreciation/Amortisation Expense	152.80	45.34
Total	**152.80**	**45.34**
Note 34 : Other expenses		
Manufacturing Expenses		
Consumable Expenses	25.98	13.21
Electric Power, Fuel and Water	92.95	26.17
Factory Rent	14.88	6.04
Freight Inward	16.59	5.75
Job Work and Other Related Expenditure	188.10	40.86
Loading and Unloading Expenses	2.60	1.86
Machine and Mould Maintenance	41.54	9.69
Other Factory Expenses	12.86	2.38
	395.48	**105.95**
Establishment Expenses		
Charity Expenses	0.25	1.69
Electricity Charges	4.74	1.06
Insurance Expenses	9.59	1.82
Legal and Professional Fees	12.71	1.56
Legal Expenses	0.34	0.05
Postage and Courier	1.61	0.86
Printing and Stationery	3.44	1.47
Rent	4.81	0.56
Miscellaneous Expenses	2.01	0.79
Office and General Expenses	6.94	0.93
Pre-operative Expenses	-	1.60
Repairs and Maintenance		
Computer	2.09	0.77
Others	8.70	1.76
Vehicles	4.90	1.44
Telephone and Communication Charges	4.02	2.83
Travelling and Conveyance	33.80	26.06
Merger Expenses	0.86	-
Share Issue Expenditure	0.53	-
Payment to Auditors (Refer Note No 34.1)	6.68	2.23
	108.04	**47.46**
Selling and Distribution expenses		
Advertisement Expenses	35.36	37.02
Sales Promotion and Marketing Expenses	29.17	10.40
Commission and Brokerage	12.82	2.06
Marketing Expenses	64.96	-
Freight, Clearing and Forwarding Charges	42.79	0.30
Freight outward	74.47	21.88
Service Tax Expenses	2.23	1.26
Export Expenses	6.55	0.10
	268.37	**73.02**
Total	**771.88**	**226.43**

Refer Note No 41 for Related Party Transactions

Note 34.1 : Payment to Auditors

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
As Auditors		
- Statutory Audit	4.65	1.56
- Tax Audit	2.03	0.67
Total	**6.68**	**2.23**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 35 : Earnings per share (EPS)

As per Indian Accounting Standard 33 "Earnings Per Share", the disclosures as defined are given below :

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	As at March 31,2018	As at March 31,2017 Proforma Ind AS
Face Value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	185.54	1,385.43
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS#	2,906,133	200,000
Diluted Earnings per Share (Rs)	185.54	1,385.43
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS#	2,906,133	200,000
Reconciliation of Weighted Average Number of Shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	200,000
Total Weighted Average Potential Equity Shares	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	200,000
Reconciliation of Net Profit after Tax attributable to Equity Shareholders (Rs in million)		
Net Profit after Tax as restated	500.00	246.04
Add: Expense recognized in reserves	39.20	31.04
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09

The Company has allotted 18,400 equity shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 equity shares issued to shareholders of Transferor's Companies.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 35 : Earnings per share (EPS)

As per Indian Accounting Standard 33 "Earnings Per Share", the disclosures as defined are given below :

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	As at March 31,2018	As at March 31,2017 Proforma Ind AS
Face Value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	23.11	13.43
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS#	23,334,933	20,628,800
Diluted Earnings per Share (Rs)	23.11	13.43
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS#	23,334,933	20,628,800
Reconciliation of Weighted Average Number of Shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	20,628,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	20,628,800
Reconciliation of Net Profit after Tax attributable to Equity Shareholders (Rs in million)		
Net Profit after Tax as restated	500.00	246.04
Add: Expense recognized in reserves	39.20	31.04
Net Profit after Tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	539.20	277.09

The Company has allotted 18,400 equity shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 equity shares issued to shareholders of Transferor's Companies.

Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Restated Consolidated Financial Information.

Note 36 : 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 has been recognized as an expense in Restated Consolidated Statement of Profit and Loss on account of Provident Fund and Other Funds.

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Employer's Contribution to Provident Fund	15.50	6.68
Employer's Contribution to Employee State Insurance Scheme	3.71	0.23
Employer's Contribution to Pension Scheme	22.97	9.86

(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 Group has a unfunded defined benefit Gratuity Plan. The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an 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 his/her retirement age. Every Employee who has completed five years or more of service gets Gratuity on departure/exit @ 15 days Salary (last drawn Salary) for each completed year of service, in accordance with provision of the Payment of Gratuity Act, 1972.

The following table summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the unfunded status and amounts recognised in the Balance Sheet for the Gratuity Plan.

Defined Benefit Plan

I) **Reconciliation of opening and closing balances of Defined Benefit Obligation.**

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Defined Benefit Obligation at the beginning of the year	13.63	12.56
Add: Current Service Cost	3.01	1.37
Interest Cost	0.95	0.59
Past Service Cost	0.32	-
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(1.04)	(0.89)
Actuarial loss / (gain) arising on account of experience changes	15.63	-
Benefits paid	3.54	-
Defined Benefit Obligation at end of the year	**28.96**	**13.63**

Net Liability is bifurcated as follows :		
Current	3.62	0.93
Non-current	25.34	12.70
Net Liability	**28.96**	**13.63**

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

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Fair Value of Plan Assets at the beginning of the year	-	-
Add: Current Service Cost	-	-
Interest Cost	-	-
Remeasurement during the period due to :	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
	-	-
Benefits paid	-	-
Fair Value of Plan Asset end of the year	**-**	**-**

Note 36 : Gratuity And Other Post Employment Benefit Plans

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Fair Value of Plan Assets	-	-
Present Value of Obligation	28.96	13.63
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(28.96)**	**(13.63)**

IV) Expenses recognised during the year

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
In Income Statement		
Current Service Cost	3.01	1.37
Interest Cost	0.95	0.59
Past Service Cost	0.32	-
Return on Plan Assets	-	-
Net Cost	**4.28**	**1.96**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	14.59	(0.89)
Return on Plan Assets	-	-
Net (Income)/Expenses for the year recognised in Other Comprehensive Income	**14.59**	**(0.89)**

V) Investments details

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Government Securities	-	-
Public Securities	-	-
Others	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	31-Mar-2018	31-Mar-2017
	(Ultimate)	(Ultimate)
Discount Rate (p.a.)	7.55%	7.20%
Expected Rate of Return on Plan Assets (p.a.)	0.00%	0.00%
Salary Escalation (p.a.)	4.50%	4.50%

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 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.

The Gratuity liabilities of the Group are unfunded and hence there are no Assets held to meet the Liabilities.

VII) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are Discount Trade, expected Salary Increase and Employee Turnover. The Sensitivity Analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

Indian Gratuity Plan:

Particulars	31-Mar-2018	31-Mar-2017
Changes in Discount rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	29.75	12.99
Impact of Decrease in 50 dps on defined benefit obligation	32.86	14.33
Changes in rate of salary increase		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	32.83	14.28
Impact of Decrease in 50 dps on defined benefit obligation	29.75	13.04

Note 36 : Gratuity And Other Post Employment Benefit Plans

VIII) These plans typically expose the Group to actuarial risks such as: Investment Risk, Actuarial Risk, Salary Risk, Market Risk and Legislative Risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government Bonds.

Actuarial Risk:
It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates and variability in withdrawal rates.

Salary Risk :
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Market Risk:
Market risk is the collective term for the risks that are related to the changes and fluctuations of the financial market. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.

Legislative Risk:
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. This will affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment

IX) The following payments are expected contributions to the defined benefit plan in

(Rs. in million)

Particulars	**31-Mar-2018**	**31-Mar-2017**
Within the next 12 months (next annual reporting period)	3.23	0.93
Between 2 and 5 years	6.82	3.68
Beyond 10 years	11.72	5.47
Total Expected Payments	**21.77**	**10.09**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	11.36 Years	10.66 Years

Note 37 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2018 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Trade Receivables	-	-	1,188.28	1,188.28	-	-	1,188.28	1,188.28
Cash and Cash Equivalents	-	-	14.54	14.54	-	-	14.54	14.54
Loans	-	-	10.64	10.64	-	-	10.64	10.64
Other Financial Assets	-	-	15.98	15.98	-	-	15.98	15.98
Total Financial Assets	**-**	**-**	**1,229.44**	**1,229.44**	**-**	**-**	**1,229.44**	**1,229.44**
Financial Liabilities								
Non-Current Borrowings	-	-	983.67	983.67	-	-	983.67	983.67
Current Borrowings	-	-	749.18	749.18	-	-	749.18	749.18
Trade Payables	-	-	612.64	612.64	-	-	612.64	612.64
Other Financial Liabilities	-	-	148.67	148.67	-	-	148.67	148.67
Total Financial Liabilities	**-**	**-**	**2,494.17**	**2,494.17**	**-**	**-**	**2,494.17**	**2,494.17**

As at March 31, 2017 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Trade Receivables	-	-	302.67	302.67	-	-	302.67	302.67
Cash and Cash Equivalents	-	-	58.49	58.49	-	-	58.49	58.49
Loans	-	-	9.19	9.19	-	-	9.19	9.19
Other Financial Assets	-	-	10.58	10.58	-	-	10.58	10.58
Total Financial Assets	**-**	**-**	**380.93**	**380.93**	**-**	**-**	**380.93**	**380.93**
Financial Liabilities								
Non-Current Borrowings	-	-	40.00	40.00	-	-	40.00	40.00
Current Borrowings	-	-	1,137.23	1,137.23	-	-	1,137.23	1,137.23
Trade Payables	-	-	276.78	276.78	-	-	276.78	276.78
Other Financial Liabilities	-	-	72.70	72.70	-	-	72.70	72.70
Total Financial Liabilities	**-**	**-**	**1,526.70**	**1,526.70**	**-**	**-**	**1,526.70**	**1,526.70**

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

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

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Note 38 : Financial Risk Management

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

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 Group's Board of Directors are responsible for the day to day working of the management and the overall working of the Group'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 Group. Credit Risk arises from Group's outstanding receivables from Customers.

The Group'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 Group 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 Group's standard payment and delivery terms and conditions are offered. Further for domestic sales, the Group segments its Customers into Super Stockiest/ Distributors and Others, for credit monitoring.

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

The Group monitors each Loan and Advance given and makes any specific provision, as and when required.

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

Ageing of Trade Receivables are as follows:

(Rs. in million)

Due from the date of Invoice	31-Mar-2018	31-Mar-2017
0-3 months	1,052.28	280.66
3-6 months	3.86	15.19
6 months to 12 months	123.58	4.75
beyond 12 months	8.56	2.06
Total	**1,188.28**	**302.67**

ii) Liquidity Risk
Liquidity Risk arises from the Group'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 Group'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.

As of March 31, 2018 and 2017, the Group had unutilized credit limits from banks of Rs. 132.25 million and Rs. 171.56 million respectively.

The Current Ratio of the Group as at 31st March, 2018 is 1.50 times (as at 31st March, 2017 is 0.49 times) whereas the Liquid Ratio of the Company as at 31st March, 2018 is 1.52 times (as at 31st March, 2017 is 0.50 times).

Exposure to liquidity risk
The following table shows the maturity analysis of the group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the reporting date:

(Rs. in million)

PARTICULARS	As at March 31,2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	499.59	249.59	499.61	484.06	-	1,732.85
Trade Payables	612.64	-	-	-	-	612.64
Other Financial Liabilities	57.91	33.03	56.68	-	-	147.62
	1,170.14	**282.62**	**556.29**	**484.06**	**-**	**2,493.12**
Derivative Liabilities	1.05	-	-	-	-	1.05
TOTAL	**1,171.19**	**282.62**	**556.29**	**484.06**	**-**	**2,494.17**

Note 38 : Financial Risk Management

(Rs. in million)

PARTICULARS	As at March 31,2017					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	568.60	568.62	26.67	13.33	-	1,177.23
Trade Payables	276.78	-	-	-	-	276.78
Other Financial Liabilities	21.85	50.85	-	-	-	72.70
	867.23	**619.47**	**26.67**	**13.33**	**-**	**1,526.70**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**867.23**	**619.47**	**26.67**	**13.33**	**-**	**1,526.70**

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

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Borrowings		
Loan from Banks	594.42	133.45
Unsecured Loan from Directors & their relatives	1,138.44	1,043.78
Total	**1,732.85**	**1,177.23**

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

Particulars	31-Mar-2018	31-Mar-2017
1% Change in increase in Interest Rate	1.65	0.61
1% Change in decrease in Interest Rate	(1.65)	(0.61)

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

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

(Rs. in million)

As at 31 March 2018	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	319.70	19.92	1.33	-
Other Assets	36.18	32.23	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	41.28	31.82	0.17	4.90
Other Liabilities	25.36	-	-	-
Net Exposure	**289.24**	**20.33**	**1.16**	**(4.90)**

(Rs. in million)

As at 31 March 2017	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	-	-	-	-
Other Assets	26.57	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	7.44	-	-	-
Other Liabilities	-	-	-	-
Net Exposure	**19.13**	**-**	**-**	**-**

Note 38 : Financial Risk Management

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

As at 31 March 2018 **(Rs. in million)**

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.89	0.20	0.01	(0.05)
Total	**2.89**	**0.20**	**0.01**	**(0.05)**
1% appreciation in INR				
Impact on Profit & Loss	(2.89)	(0.20)	(0.01)	0.05
Total	**(2.89)**	**(0.20)**	**(0.01)**	**0.05**

As at March 31, 2017 **(Rs. in million)**

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	0.19	-	-	-
Total	**0.19**	**-**	**-**	**-**
1% appreciation in INR				
Impact on Profit & Loss	(0.19)	-	-	-
Total	**(0.19)**	**-**	**-**	**-**

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 Group's principle raw material(s) are a variety of Plastic Polymers which are primarily derivatives of Crude Oil. Group 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 Group. Group effectively manages availability of material as well as price volatility by expanding its source base, having appropriate contracts and commitments in place and planning its procurement and inventory strategy. The Risk Committee of the Group comprising of members from the Board of Directors and the operations, have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 39: Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31, 2018

(Rs. In million)

Particulars	As at April 1, 2017	Transfer on Account of Merger	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Deferred Tax Assets (Net) in relation to :						
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-	-
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowable on payment basis	4.01	2.07	4.02	-	-	10.10
others	33.91	20.72	(23.12)	-	(20.17)	11.33
						-
Deferred Tax Assets (A)	41.97	22.78	(19.21)	4.25	(20.17)	29.62
Deferred Tax Liabilities (Net) in relation to :						
Property, Plant and Equipment and other Intangibles Assets	(75.97)	(17.58)	(11.39)	-	10.43	(94.51)
Provision for Gratuity	-	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-	-
others	(0.06)	-	0.06	-	-	-
Deferred Tax Liabilities (B)	(76.03)	(17.58)	(11.33)	-	10.43	(94.51)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(34.06)**	**5.20**	**(30.54)**	**4.25**	**(9.74)**	**(64.90)**
AMT/MAT Credit Receivables*	37.65	98.35	(31.79)	-	-	104.21
Net Deferred tax Asset/ (Liabilities)	**3.59**	**103.55**	**(62.33)**	**4.25**	**(9.74)**	**39.31**

Movement in Deferred Tax balances for the period August 12, 2016 to March 31,2017

(Rs. In million)

Particulars	As at August 12, 2016	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2017
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	4.35	-	(0.31)	-	4.04
Expenses allowable on payment basis	0.22	3.80	-	-	4.01
others	-	33.91	-	-	33.91
Deferred Tax Assets (A)	4.56	37.71	(0.31)	-	41.97
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	11.88	(98.60)	-	10.74	(75.97)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	-	-	-	(0.06)	(0.06)
Deferred Tax Liabilities (B)	11.88	(98.60)	-	10.69	(76.03)
Net Deferred tax Asset/ (Liabilities) (A+B)	**16.45**	**(60.89)**	**(0.31)**	**10.69**	**(34.06)**
AMT/MAT Credit Receivables*	-	37.65	-	-	37.65
Net Deferred tax Asset/ (Liabilities)	**16.45**	**(23.24)**	**(0.31)**	**10.69**	**3.59**

* The above movement in Unused Tax credit includes adjustment of MAT/AMT i.e. net of created and utilised. MAT/AMT utilised of Rs. 31.79 for the years ended March 31, 2018 respectively is not reflected in Restated Statement of Profit and Loss.

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

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

Note 40 : Income Tax Expense

(a) Amounts recognised in Profit and Loss

(Rs. in million)

Particulars	For the Year Ended 31st March 2018	For the Period August 12, 2016 to March 31,2017
Current Tax	168.93	105.90
Deferred Income Tax Liability / (Asset), Net		
Origination and reversal of temporary differences	30.54	60.89
Deferred Tax charge/ (credit)	30.54	60.89
Less: AMT-MAT Credit Entitlement	-	37.65
Add: Adjustments in respect of current income tax of previous years	(8.48)	0.72
Tax Expense	**190.99**	**129.86**

(b) Amounts recognised in Other Comprehensive Income

Particulars	For the Year Ended 31st March 2018	For the Period August 12, 2016 to March 31,2017
Re-measurement on defined benefit liability		
Before tax	(14.59)	0.89
Tax (expense)/ benefit	4.25	(0.31)
Net of tax	**(10.34)**	**0.58**

(c) Reconciliation of Effective Income Tax Rate

Particulars	For the Year Ended 31st March 2018	For the Period August 12, 2016 to March 31,2017
Profit Before Tax	690.99	375.90
Company's Domestic Tax Rate	34.61%	34.61%
Income tax using the Company's Tax Rate	239.14	130.09
Tax effect of:		
Permanent disallowances	(0.54)	(0.65)
Tax on exempted income	(43.38)	-
Adjustments in respect of current income tax of previous years	(8.48)	0.72
Income tax related to items that will not be reclassified to profit or loss	4.25	(0.31)
Total	**190.99**	**129.86**
Income Tax expense as per Restated Consolidated Statement of Profit and Loss		
Current tax	168.93	105.90
Deferred tax	30.54	60.89
AMT/MAT Credit Entitlement	-	(37.65)
Income tax adjustment related to earlier years	(8.48)	0.72
Total	**190.99**	**129.86**

Note 41 : Related Party Disclosure

As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosures as defined are given below :

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

	Nature of Relationship	Name of Related Party
(i)	**Key Managerial Personnel (KMP)**	Khubilal Rathod
		Vimalchand Rathod
		Mohit Rathod
		Rajesh Rathod
		Sumit Rathod
		Mayur Gala
(ii)	**Relatives of Key Managerial Personnel**	Nirmala Rathod
		Manjula Rathod
		Sangeeta Rathod
		Shalini Rathod
		Sonal Rathod
		Keimaya Rathod
		Sunita Jain
		Khubilal Rathod (HUF)
		Vimalchand Rathod (HUF)
		Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence:**	Flair Pens Ltd.
		Flair Kenya Ltd.
		Stypen Manufacturing Company (India) Pvt. Ltd.
		Pentel Stationery (India) Pvt. Ltd.
		Europa Metaltech Industries
		Flair Pen & Plastic Industries
		Flair Writing Aids
		Hauser Lifestyle Products
		Rathod N Rathod

(b) Transactions with Related Parties

(Rs. in million)

Sr. No.	Nature of Transaction	Relationship	For the Year Ended 31st March 2018	For the Period August 12, 2016 to March 31,2017
1	**Sale of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	20.97	13.25
	Hauser Lifestyle Products	Other Related Party	5.58	-
	Flair Kenya Ltd.	Other Related Party	3.97	-
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	321.44
	Flair Pens Ltd	Other Related Party	-	90.05
	Flair Pen & Plastic (UK) Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	5.96
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	30.81
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	46.63
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	2.37
2	**Purchase of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	22.66	5.04
	Flair Pens Ltd.	Other Related Party	4.99	1.47
	Hauser Lifestyle Products	Other Related Party	3.12	0.03
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	186.51
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	35.66
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	5.12
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	65.36
3	**Purchase of Fixed Assets**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.45
	Flair Pens Ltd.	Other Related Party	12.00	21.91
4	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.25	-
	Vimalchand J. Rathod	Key Managerial Personnel	0.25	-
	Flair Pens Ltd.	Other Related Party	4.51	0.45
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.60	-
	Flair Writing Aids	Other Related Party	0.15	-
	Flair Pen & Plastic Industries	Other Related Party	7.88	3.80
	Rathod N Rathod	Other Related Party	0.18	0.11
	Nirmala Rathod	Key Managerial Personnel	2.31	1.15
	Manjula Rathod	Key Managerial Personnel	2.31	1.15
	Vimalchand Rathod (HUF)	Relative of KMP	0.96	-
5	**Advertisement and Sales promotion expenses**			
	Hauser Lifestyle Products	Other Related Party	4.19	-
6	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Other Related Party	0.92	-

Note 41 : Related Party Disclosure

7	**Re-imbursement of Expenses (Paid)**			
	Flair Pens Ltd.	Other Related Party	16.19	0.13
	Hauser Lifestyle Products	Other Related Party	-	1.92
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.08	-
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.09
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	4.35
8	**Re-imbursement of Expenses (Received)**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	0.04	-
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.10	-
	Hauser Lifestyle Products	Other Related Party	0.02	-
	Flair Pens Ltd.	Other Related Party	-	0.14
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.02
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.06
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.10
9	**Interest Expenses**			
	Khubilal Rathod	Key Managerial Personnel	20.67	14.33
	Vimalchand Rathod	Key Managerial Personnel	12.60	7.97
	Rajesh Rathod	Key Managerial Personnel	18.93	7.01
	Mohit Rathod	Key Managerial Personnel	19.61	8.86
	Sumit Rathod	Key Managerial Personnel	20.22	9.47
	Nirmala Rathod	Relative of KMP	7.18	2.88
	Manjula Rathod	Relative of KMP	4.73	2.77
	Sangeeta Rathod	Relative of KMP	10.13	2.39
	Shalini Rathod	Relative of KMP	10.37	1.81
	Sonal Rathod	Relative of KMP	4.64	0.12
	Sunita Jain	Relative of KMP	0.36	-
	Keimaya Rathod	Relative of KMP	0.16	-
10	**Director/Managerial Remuneration**			
	Khubilal Rathod	Key Managerial Personnel	1.80	-
	Vimalchand Rathod	Key Managerial Personnel	1.80	-
	Rajesh Rathod	Key Managerial Personnel	1.80	-
	Mohit Rathod	Key Managerial Personnel	1.80	-
	Sumit Rathod	Key Managerial Personnel	1.80	-
	Mayur Gala	Key Managerial Personnel	2.28	-
	Jayesh Jain	Relative of KMP	2.14	-
11	**Loan Taken**			
	Khubilal Rathod	Key Managerial Personnel	108.78	45.89
	Vimalchand Rathod	Key Managerial Personnel	44.47	47.09
	Rajesh Rathod	Key Managerial Personnel	88.22	63.09
	Mohit Rathod	Key Managerial Personnel	59.11	51.77
	Sumit Rathod	Key Managerial Personnel	64.04	12.21
	Nirmala Rathod	Relative of KMP	13.01	3.06
	Manjula Rathod	Relative of KMP	17.36	6.63
	Sangeeta Rathod	Relative of KMP	18.93	32.18
	Shalini Rathod	Relative of KMP	21.07	26.12
	Sonal Rathod	Relative of KMP	18.76	14.05
12	**Loan Repaid**			
	Khubilal Rathod	Key Managerial Personnel	227.33	74.41
	Vimalchand Rathod	Key Managerial Personnel	120.49	83.31
	Rajesh Rathod	Key Managerial Personnel	182.57	4.38
	Mohit Rathod	Key Managerial Personnel	137.04	30.47
	Sumit Rathod	Key Managerial Personnel	117.04	8.94
	Nirmala Rathod	Relative of KMP	53.94	15.13
	Manjula Rathod	Relative of KMP	68.70	31.26
	Sangeeta Rathod	Relative of KMP	69.13	19.09
	Shalini Rathod	Relative of KMP	50.76	5.10
	Sonal Rathod	Relative of KMP	42.55	8.57
13	**Issue of Shares**			
	Khubilal Rathod	Key Managerial Personnel	80.02	-
	Vimalchand Rathod	Key Managerial Personnel	60.02	-
	Rajesh Rathod	Key Managerial Personnel	40.01	-
	Mohit Rathod	Key Managerial Personnel	40.01	-
	Sumit Rathod	Key Managerial Personnel	40.01	-
	Nirmala Rathod	Relative of KMP	40.01	-
	Manjula Rathod	Relative of KMP	40.01	-
	Sangeeta Rathod	Relative of KMP	20.01	-
	Shalini Rathod	Relative of KMP	20.01	-
	Sonal Rathod	Relative of KMP	20.01	-

Note 41 : Related Party Disclosure

(c) Outstanding balances as at the year/period end

(Rs. in million)

Sr. No.	Nature of Transaction	Relationship	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017
1	**Trade Payables**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	4.80	0.47
	Flair Pen & Plastic Industries	Other Related Party	1.36	0.54
	Flair Pens Ltd.	Other Related Party	11.42	24.58
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.01	-
	Hauser Lifestyle Products	Other Related Party	2.42	0.09
	Rathod N Rathod	Other Related Party	0.03	0.03
	Flair Pens and Stationery Industries Pvt Ltd. (now merged with FWIPL)	Other Related Party	-	22.40
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.91
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	8.52
2	**Trade Receivables**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	2.78	0.26
	Flair Pens Ltd.	Other Related Party	-	2.39
	Hauser Lifestyle Products	Other Related Party	6.22	-
	Flair Kenya Ltd.	Other Related Party	2.70	-
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	32.33
	Flair Pen & Plastic (UK) Pvt Ltd.(Now merged with FWIPL)	Other Related Party	-	2.21
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	4.42
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	13.58
3	**Loan Outstanding (Liability)**			
	Khubilal Rathod	Key Managerial Personnel	167.31	221.70
	Vimalchand Rathod	Key Managerial Personnel	99.90	101.72
	Mohit Rathod	Key Managerial Personnel	178.98	169.84
	Rajesh Rathod	Key Managerial Personnel	177.35	142.76
	Sumit Rathod	Key Managerial Personnel	199.36	166.98
	Nirmala Rathod	Relative of KMP	56.62	43.72
	Manjula Rathod	Relative of KMP	22.41	43.83
	Sangeeta Rathod	Relative of KMP	92.46	57.04
	Shalini Rathod	Relative of KMP	102.12	79.57
	Sonal Rathod	Relative of KMP	37.03	16.60
	Sunita Jain	Relative of KMP	3.05	-
	Keimaya Rathod	Relative of KMP	1.87	-
4	**Rent Payable**			
	Khubilal Rathod	Key Managerial Personnel	0.14	-
	Vimalchand Rathod	Key Managerial Personnel	0.14	-
	Nirmala Rathod	Relative of KMP	0.72	0.14
	Manjula Rathod	Relative of KMP	0.68	0.14

Note 42 : Capital Management

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

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
Gross Debt		
Long Term Debt	983.67	40.00
Short Term Debt	749.18	1,137.23
Current Maturities of Long-Term Debt	13.33	14.51
Less: Cash and Cash Equivalents	14.54	58.49
Net Debt (A)	**1,731.64**	**1,133.25**
Total Equity (B)	**1,537.45**	**197.76**
Net Gearing Ratio (A/B)	**1.13**	**5.73**

Note 43 : Segment Reporting

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

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

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

Note 44 : Corporate Social Responsibility Expenditure (CSR)

As per Section 135 (1) of the Companies Act, 2013, Company has formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.

Sub section (5) of section 135 states that "The Board of every company referred to in sub-section (1) shall ensure that the company spends in every financial year at least two per cent of the average net profits of the company, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".

The Group has been advised that, sub section (5) of section 135 of the Act is not applicable to the Company in the relevant financial year and hence the Company has not made any provision for CSR Expenditure.

Note 45 : Scheme of Amalgamation

The Board of Directors of Flair Pen and Plastic Industries Private Limited ("Transferor Company 1"), Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens and Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), Flair Impex Industries Private Limited ("Transferor Company 5") and Flair Writing Industries Private Limited ("Transferee Company" or the "Company") in their meeting held on December 1, 2017 had approved a Scheme of Amalgamation ("Scheme") for merger of the transferor companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018. The Transferee Company and all the transferor companies are engaged in the business of manufacturing and dealing of writing instruments and its allied.

In accordance with the said Scheme and the approval of the Honourable Members of National Company Law Tribunal, Mumbai.

The entire business and the whole of the undertaking of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, as a going concern stood transferred to and vested in the Company with effect from April 01, 2017, being the Appointed Date

- **Accounting for Amalgamation:**
  1. The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

2 The Group has recorded all the assets and liabilities previously recorded in the Books of Account of the respective Transferor Company and which are transferred to and vested in the Company pursuant to the scheme, at their book values as on the Appointed Date.

3 Inter-company balances, investments and transactions if any, stood cancelled.

4 In case of any differences in the accounting policies between the Company and the respective Transferee Company, the impact of the same till the Appointed Date of amalgamation was to be quantified and adjusted in the Free/General Reserves of the Company, to ensure that the Restated Consolidated Financial Information of the Group reflect the financial position on the basis of consistent accounting policies; however there were no such instances.

5 The bank accounts, agreements, licences and immovable properties of the respective Transferor Company were transferred in the name of the Company.

The Company has issued 1 (One) Equity Share of Rs 10 each to all the Equity Shareholders of the respective Transferor Company whose names appear in the Register of Members, on the record date, for every I (One) Equity Share of Rs 10 each held by them. The said issue and allotment had been done on May 26, 2018 and accordingly, in the Restated Consolidated Financial Information, the same has been shown under "Equity Share Suspense".

The figures for financial year ended March 31, 2018 include the figures of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, which are amalgamated with the Company with effect from April 1, 2017 and are therefore to that extent not comparable with those of the previous period

Note 46 : Leases
The Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The company has paid sub-lease consideration in Advance. The said lease being operating in nature, the advance lease payments are recognized as an expense in the Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

Note 47 : Government Grant

The Group has received following government grants:

Refund of Excise Duty
Under Export Promotion Capital Goods (EPCG) scheme, the Group has received a refund of excise duty for the assets purchased. The assets are recorded excluding excise duty and refund receivable is recognised as Current Financial Assets in books of account.

Grant of Subsidy
The Group has received a subsidy for the assets purchased. The subsidy received is recognized as "Government Grants" and the same has being amortised over the useful life of the respective Capital assets.

Note 48 : Goods and Service Tax
The Group has been advised to take Transition Credit on Capital Asset acquired in earlier years under the provisions of Goods and Service Tax Act,2017. Such Credit taken amounted to Rs 18.52 million.

Note 49 : Reconciliation between Previous GAAP and Restated Consolidated Financial Information as on March 31, 2018

This note explains the principal adjustments made by the Group in restating its Audited Consolidated Financial Statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Restated Consolidated Financial Information has affected the Group's financial position, financial performance and cash flows.

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3 = 1+2
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		-		1,405.96	-	1,405.96
Capital Work In Progress		-	-	83.10	-	83.10
Intangible Assets		-		32.57	-	32.57
Financial Assets						
I) Loans	2	-		1.77	-	1.77
Ii) Other Financial Assets		-		15.26	(1.78)	13.48
Deferred Tax Assets (Net)	4	-		58.79	(19.48)	39.31
Other Non-Current Assets	5	-	-	243.59	1.40	244.99
Total Non-Current Assets		**-**	**-**	**1,841.04**	**(19.86)**	**1,821.18**
Current Assets						
Inventories		-	-	912.05		912.05
Financial Assets						
I) Trade Receivables		-		1,190.95	(2.68)	1,188.28
Ii) Cash and Cash Equivalents		-		14.54		14.54
Iii) Loans	2	-		8.86	-	8.86
Iv) Other Financial Assets	7	-		2.50	-	2.50
Other Current Assets	5	-	-	222.74	0.38	223.13
Total Current Assets		**-**	**-**	**2,351.66**	**(2.29)**	**2,349.37**
Total Assets		**-**	**-**	**4,192.70**	**(22.15)**	**4,170.55**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		-		2.18		2.18
Equity Share Suspense		-		27.00		27.00
Other Equity		-		1,556.89	(48.63)	1,508.26
Total Equity		**-**	**-**	**1,586.07**	**(48.63)**	**1,537.45**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
I) Borrowings		-	-	997.00	(13.33)	983.67
Ii) Other Financial Liabilities		-	-	55.93	0.75	56.68
Provisions	1	-	-	25.34	-	25.34
Government Grant	6	-	-	4.78	-	4.78
Total Non-Current Liabilities		**-**	**-**	**1,083.06**	**(12.58)**	**1,070.48**
Current Liabilities						
Financial Liabilities						
I) Borrowings		-	-	691.58	57.60	749.18
Ii) Trade Payables		-	-	612.29	0.35	612.64
Iii) Other Financial Liabilities	7	-	-	98.88	(6.89)	91.99
Government Grant	6	-	-	0.83	-	0.83
Other Current Liabilities		-	-	50.90	19.78	70.68
Provisions	1	-	-	34.89	-	34.89
Current Tax Liabilities (Net)		-	-	34.19	(31.79)	2.41
Total Current Liabilities		**-**	**-**	**1,523.56**	**39.06**	**1,562.62**
Total Liabilities		**-**	**-**	**2,606.62**	**26.48**	**2,633.11**
Total Equity and Liabilities		**-**	**-**	**4,192.70**	**(22.15)**	**4,170.55**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Consolidated Financial Statements for the year ended March 31, 2018.

Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements for the year ended March 31, 2018.

*As the Group has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Reconciliation between Previous GAAP and Restated Consolidated Financial Information as on March 31, 2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		881.41	-	881.41	(43.39)	838.03
Capital Work In Progress		23.47	-	23.47	(2.68)	20.79
Intangible Assets		24.12	-	24.12	-	24.12
Financial Assets						
i) Loans	2	0.09	-	0.09	-	0.09
ii) Other Financial Assets		9.71	-	9.71	-	9.71
Deferred Tax Assets (Net)	4	-	-	-	3.59	3.59
Other Non-Current Assets	5	214.12	-	214.12	-	214.12
Total Non-Current Assets		**1,152.92**	**-**	**1,152.92**	**(42.48)**	**1,110.44**
Current Assets						
Inventories		377.38	-	377.38	-	377.38
Financial Assets						
I) Trade Receivables		318.15	-	318.15	(15.48)	302.67
Ii) Cash And Cash Equivalents		58.49	-	58.49	-	58.49
Iii) Loans	2	9.10	-	9.10	-	9.10
Iv) Other Financial Assets	7	0.87	-	0.87	-	0.87
Other Current Assets	5	52.43	-	52.43	11.16	63.59
Total Current Assets		**816.42**	**-**	**816.42**	**(4.32)**	**812.09**
Total Assets		**1,969.34**	**-**	**1,969.34**	**(46.80)**	**1,922.54**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		2.00	-	2.00	-	2.00
Other Equity		252.12	(19.98)	232.14	(36.37)	195.76
Total Equity		**254.12**	**(19.98)**	**234.14**	**(36.37)**	**197.76**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
I) Borrowings		-	54.51	54.51	(14.51)	40.00
Ii) Other Financial Liabilities		-	-	-	-	-
Provisions	1	0.93	-	0.93	11.77	12.70
Deferred Tax Liabilities (Net)		72.31	6.35	78.66	(78.66)	-
Government Grant	6	-	-	-	1.71	1.71
Other Non-Current Liabilities		-	-	-	-	-
Total Non-Current Liabilities		**73.24**	**60.86**	**134.10**	**(79.69)**	**54.41**
Current Liabilities						
Financial Liabilities						
I) Borrowings		1,134.13	(54.51)	1,079.62	57.61	1,137.23
Ii) Trade Payables		276.78	-	276.78	-	276.78
Iii) Other Financial Liabilities	7	94.42	-	94.42	(21.72)	72.70
Government Grant	6	-	-	-	0.30	0.30
Other Current Liabilities		44.81	-	44.81	36.34	81.15
Provisions	1	19.26	13.63	32.89	(11.77)	21.12
Current Tax Liabilities (Net)		72.59	-	72.59	8.50	81.09
Total Current Liabilities		**1,641.98**	**(40.88)**	**1,601.11**	**69.26**	**1,670.36**
Total Liabilities		**1,715.23**	**19.98**	**1,735.21**	**(10.43)**	**1,724.78**
Total Equity and Liabilities		**1,969.34**	**0.00**	**1,969.34**	**(46.80)**	**1,922.54**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Restated Consolidated Financial Information, as explained in note 49.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Consolidated Financial Statements for the period ended 31 March 2017

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Reconciliation of Total Comprehensive Income for the year 2017 - 2018

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3=1+2
INCOME						
Revenue from Operations	3	-	-	5,723.79	12.18	5,735.97
Other Income		-	-	68.20	-	68.20
Total Income (A)		**-**	**-**	**5,791.99**	**12.18**	**5,804.17**
EXPENSES						
Cost of Material Consumed		-	-	2,434.98	(4.77)	2,430.21
Purchase of Stock-in-Trade		-	-	898.42	-	898.42
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		-	-	(111.16)	-	(111.16)
Excise Duty on Sales	8	-	-	7.93	-	7.93
Employee Benefits Expense		-	-	791.02	(0.11)	790.91
Finance Costs		-	-	172.21	-	172.21
Depreciation/Amortisation Expense		-	-	152.80	-	152.80
Other Expenses		-	-	773.48	(1.60)	771.88
Total Expenses (B)		**-**	**-**	**5,119.66**	**(6.47)**	**5,113.18**
Profit Before Tax (C = A-B)		**-**		**672.34**	**18.65**	**690.99**
Income Tax Expense						
Current Tax		-	-	168.93	-	168.93
Less: Amt-Mat Credit Entitlement		-	-	-	-	-
Net Current Tax		-	-	168.93	-	168.93
Deferred Tax	4	-	-	7.14	23.40	30.54
Tax Adjustments for earlier years		-	-	(37.63)	29.15	(8.48)
Total Tax Expense (D)		**-**	**-**	**138.45**	**52.54**	**190.99**
Profit for the Year (E = C-D)		**-**	**-**	**533.89**	**(33.89)**	**500.00**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss		-	-	-	-	-
Remeasurements of Defined Benefit Obligations		-	-	(14.59)	-	(14.59)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-	4.25	-	4.25
Other Comprehensive Income for the Year (Net of Tax) (F)		**-**	**-**	**(10.34)**	**-**	**(10.34)**
Total Comprehensive Income for the Year (G = E+F)		**-**	**-**	**523.55**	**(33.89)**	**489.66**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Consolidated Financial Statements for the year ended March 31, 2018.
Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements for the year ended March 31, 2018.
*As the Group has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Restated Consolidated Financial Information and the Previous GAAP.

Reconciliation of Total Comprehensive Income for the year 2016 - 2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
INCOME						
Revenue from Operations	3	1,496.52	22.46	1,518.98	(15.48)	1,503.50
Other Income		229.70	-	229.70	0.37	230.07
Total Income (A)		**1,726.22**	**22.46**	**1,748.68**	**(15.11)**	**1,733.57**
EXPENSES						
Cost of Material Consumed		799.92	-	799.92	4.77	804.68
Purchase of Stock-In-Trade		-	-	-	-	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		(55.75)	-	(55.75)	-	(55.75)
Excise Duty on Sales	8	-	22.46	22.46	-	22.46
Employee Benefits Expense		250.91	1.96	252.86	0.11	252.97
Finance Costs		3.87	-	3.87	57.65	61.52
Depreciation/Amortisation Expense		45.34	-	45.34	-	45.34
Other Expenses		225.56	-	225.56	0.87	226.43
Total Expenses (B)		**1,269.84**	**24.42**	**1,294.26**	**63.41**	**1,357.66**
Profit Before Tax (C = A-B)		**456.38**	**(1.96)**	**454.42**	**(78.52)**	**375.90**
Income Tax Expenses						
Current Tax		97.40	-	97.40	8.50	105.90
Less: Amt-Mat Credit Entitlement		-	-	-	37.65	37.65
Net Current Tax		97.40		97.40	(29.15)	68.25
Deferred Tax	4	83.14	11.66	94.80	(33.91)	60.89
Tax Adjustments for earlier years		-	-	-	0.72	0.72
Total Tax Expense (D)		**180.54**	**11.66**	**192.20**	**(62.34)**	**129.86**
Profit After Tax (E = C-D)		**275.84**	**(13.62)**	**262.22**	**(16.18)**	**246.04**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined Benefit Obligations		-	0.89	0.89	-	0.89
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	(0.31)	(0.31)	-	(0.31)
Other Comprehensive Income for the period (Net of Tax) (F)		**-**	**0.58**	**0.58**	**-**	**0.58**
Total Comprehensive Income for the Year (G=E+F)		**275.84**	**(13.04)**	**262.80**	**(16.18)**	**246.62**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Restated Consolidated Financial Information, as explained in note 49.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Restated Consolidated Financial Information and the Previous GAAP.

Note 49.1: Explanation of adjustments for transition from Previous GAAP to Ind AS

Note 1: Re-measurements of post employment benefit obligations
Under the previous GAAP, costs relating to post employment benefit obligations including actuarial gain/losses were recognised in the Profit & Loss A/c. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Profit &Loss A/c.

Note 2: Employee Loans
Under the previous GAAP, interest free loans are recorded at transaction cost. Under Ind AS All financial assets are required to be recognised at Fair Value. Accordingly, the Group has Fair Valued the loans at amortised cost using effective rate of interest and the difference between the Fair Value and transaction value of the loans has been recognised as Interest.

Note 3: Revenue Recognition
Under the previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. However, under Ind AS, Revenue is recognised at the Fair Value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash discounts and incentives given to customers which have been reclassified from 'advertising and business promotion' and 'sales scheme expenses' within other expenses under previous GAAP and netted from revenue under Ind AS. Consequently, the revenue has decreased; however, there is no impact on profit.

Note 4: Deferred taxes
Under previous GAAP, Deferred Taxes were recognised based on Profit &Loss Approach i.e. tax impact on difference between the Accounting Income and Taxable Income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet Approach i.e. tax impact on temporary difference between the carrying value of Asset and Liabilities in the books and their respective tax base.

Note 5: Leasehold Land
Under previous GAAP, arrangement for lease of land was not covered as part of Accounting Standard 19 "Leases" and was treated as Property, Plant and Equipment in the Books of Accounts. However, under Ind AS, Leasehold Land is governed by Ind AS 17 "Leases" and needs to be classified as an Operating or Finance Lease depending on fulfilment of certain conditions. The Group has evaluated such conditions for classification of Leases and is of the view that certain Leasehold Land of the Group are in the nature of an Operating Lease and Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

Note 6: Government Grants
Under previous GAAP, Government Grant received towards Capital Assets has been reduced from the cost of respective Capital Assets, however, as per Ind AS, it has been recognised as "**Government Grants**" and the same shall be amortised over the useful life of the respective Capital Assets.

Note 7: Derivative Instruments - Foreign Exchange Forward Contracts
Under the previous GAAP, unrealized net gain/ (loss) on Foreign Exchange Forward Contract(s), if any, as at each Balance Sheet date were provided for. Under Ind AS, Foreign Exchange Forward Contracts are accounted for, on mark-to-market basis, as at Balance Sheet date and unrealized net gain/ (loss) is recognised in the Statement of Profit and Loss

Note 8: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of Excise Duty. However, under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Excise Duty paid, being an expense, is shown as a separate line item in the Statement of Profit and Loss. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Note 9: Other Comprehensive Income
Under Ind AS, all items of Income and Expense transacted in a period ought to be provided while determining the Profit or Loss for the period, unless otherwise stated or provided by some specific standard. Items of Income and Expense that are not recognised in Profit or Loss but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' includes re-measurements of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Consolidated Financial Information

Note 50 : Capital and Other Commitments

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	138.27	1.27

Note 51 : Contingent Liability
Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Entity.

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
a) Disputed Excise and Service Tax matters	1.21	-
b) Income Tax matters	2.12	2.12
c) Bank Guarantee outstanding	0.45	0.73

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.

Note 52 : Arrangement of Sales made to Reynolds Pens India Private Limited (RIPL) by the Company and corresponding purchases made by Flair Distributor Private Limited (the 'Subsidiary') from Reynolds India Private Limited (RIPL)

As per the agreement(s) entered between the Company, RIPL and the Subsidiary, the Company manufactures products under the brand name 'Reynolds' ('Goods') and sells them to RIPL. The Subsidiary thereafter buys the said Goods from RIPL for sales and distribution. All these transactions are at arms length price. In these Restated Consolidated Financial Information, for financial year March 31, 2018 the sale of these goods are considered, both by the Company and the Subsidiary. If the sale of goods made by the Company to RIPL are excluded then the, 'Sale of Goods – Manufactured Domestic' as referred to in Note 26 would be Rs 3151.82 million instead of Rs 3720.36 million, consequently 'Revenue from Operations' would be Rs 5167.43 million instead of Rs. 5735.97 million and 'Total Income' would be Rs.5235.63 million instead of Rs.5804.17 million. The inclusion and/or exclusion of the sale of these Goods, however, has no impact on the consolidated results of the Group.

Note 53 : Events after Reporting Period

1) The Company is in the process of closing down commercial activities at its units at Sachin, Surat, Gujarat. All moveable assets have been transferred to the Company's other units in the first quarter of F.Y. 2018-19.

2) The Company has been converted to "Public Limited Company" on May 30, 2018 as per the provisions of Companies Act, 2013.

3) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

Note 54 :
The financial statements for 'March 31, 2017' are only for period beginning August 12, 2016 (being date of conversion of the Company from partnership firm to private limited company) to March 31, 2017 and hence not comparable to the financial statements for year ended March 31, 2018

Note 55 : Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as Subsidiary Company:

Name of the Entity	As At March 31,2018							
	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
Parent								
Flair Writing Industries Ltd (Formerly Known as Flair Writing Industries Pvt Ltd)	100%	1,536.49	100%	499.00	100%	(10.34)	100%	488.66
Indian Subsidiary								
Flair Distributor Private Limited	0%	0.95	0%	1.00	-	-	0.00	1.00
TOTAL	**100%**	**1,537.45**	**100%**	**500.00**	**100%**	**(10.34)**	**100%**	**489.66**
Non Controlling Interest	-	-	-	-	-	-	-	-

Name of the Entity	As At March 31,2017							
	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
Parent								
Flair Writing Industries Ltd(Formerly Known as Flair Writing Industries Pvt Ltd)	100%	197.80	100%	247.08	100%	0.58	100%	247.66
Indian Subsidiary								
Flair Distributor Private Limited	0%	(0.04)	0%	(1.04)	-	-	(0.00)	(1.04)
TOTAL	**100%**	**197.76**	**100%**	**246.04**	**100%**	**0.58**	**100%**	**246.62**
Non Controlling Interest	-	-	-	-	-	-	-	-

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

Note 55 : Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as Subsidiary Company:

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]

(Rs in million)

Name of Subsidiary	Flair Distributor Private Limited	
The Date since which Subsidiary was acquired	21-Feb-17	21-Feb-17
Reporting Currency	INR	INR
Financial Year	2017-18	2016-17
Equity Share Capital	1.00	1.00
Other Equity	(0.05)	(1.04)
Total Assets	78.57	2.59
Total Liabilities	78.57	2.59
Investments	-	-
Revenue from Operation	715.66	-
Profit Before Tax	1.52	(1.59)
Provision for Tax	0.53	(0.55)
Profit After Tax	1.00	(1.04)
Other Comprehensive Income	-	-
Total Comprehensive Income	1.00	(1.04)
Proposed Dividend	-	-
% of Share Holding	100%	100%

This is the Notes to Restated Consolidated Financial Information referred to in our report of even date

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

K.L.Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Consolidated Financial Statements

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for the year ended March 31, 2018 and for the period ended 2017 and their impact on the profit/(loss) of the Group:

(Rs. in million)

Sr.No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	Net profit after tax as per Audited Previous GAAP / Ind AS	533.89	275.84
B	**Ind AS Adjustments**		
	Aggregate impact of all Ind AS adjustments (refer notes 49 and 49.1 for detailed explanation of transition from Previous GAAP to Ind AS), net of tax	-	(13.62)
C	**Restatement Adjustments**		
	Material Restatement Adjustments		
	(Excluding those on account of changes in accounting policies)		
	(i) Audit Qualifications : None	-	-
	(ii) Other material adjustments		
	Prior period items	18.65	(78.52)
	Others	-	-
		18.65	(78.52)
D	**Tax Adjustments**		
	Income tax adjustment related to earlier years	(29.15)	28.42
	Deferred tax impact on above restatement adjustments	(23.40)	33.91
		(52.54)	62.34
E	**Total impact of Adjustments**	(33.89)	(29.80)
	Net Profit as per Restated Consolidated Statement of Profit and Loss	**500.00**	**246.04**

Notes to Adjustments

(a) In the Consolidated Financial Statements, certain expense provisions not made, have now been made in their respective year(s).

(b) Sales Returns received in the subsequent year(s) have been duly accounted for and considered in the respective year in which the sales were made. Thereby reducing the sales of the respective year(s).The same has resulted in a corresponding impact on Cost of Materials consumed and Trade Receivables.

(c) These Adjustment(s) include, rectification of calculations of Deferred Tax and Impact of Restatement Adjustments made as detailed above. For the purpose of the Restated Consolidated Financial Information, Deferred Taxes have been appropriately adjusted in the Restated Profits and Loss of the respective years to which they relate.

(d) The Tax Rate applicable for the next Financial Year has been used to determine the impact of Deferred Tax on the restatement adjustments.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Consolidated Financial Statements

Material Regrouping

Appropriate Adjustments have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity, wherever required, by reclassifying the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Consolidated Audited Financials of the Group as at and for the year ended March 31, 2018.

Non - Adjusting Items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the Consolidated Financial Statements as at and for the period ended March 31, 2017 and for the year ended 2018 respectively. Certain statements/comments included in the CARO in the Consolidated Financial Statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Financial Year 2017-18

Clause (vii) (b) of CARO 2016 Order

Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	311,891	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	554,793	2013-14	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	56,047	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Excise Act, 1944	Service Tax	283,679	07.01.2013 to 30.06.2014	Commissioner of Central Excise **(Appeals)**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VIII - Restated Consolidated Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
Interest Income	Recurring	1.82	0.49
Net Gain On Foreign Currency Transaction And Translation (Other Than Considered As Finance Cost)	Recurring	42.46	-
Miscellaneous Income	Non- recurring	23.91	229.58
Total other income		**68.20**	**230.07**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Restated Consolidated Statement of Accounting Ratios

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	Net Profit after Tax as restated	500.00	246.04
B	Add: Expense recognized in reserves	39.20	31.04
C	Net Profit after Tax as restated (A+B)	539.20	277.09
D	Net Worth at the end of the year - as restated	1,537.45	197.76
E	Total Adjusted Number of Equity Shares outstanding at the end of the year	2,906,133	200,000
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period#	2,906,133	200,000
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period#	2,906,133	200,000
H	Net Worth for equity shareholders	1,537.45	197.76
I	Accounting Ratios:		
	Earning Per Share (Refer note 35)		
	Basic Earnings Per Share	185.54	1,385.43
	Diluted Earnings Per Share	185.54	1,385.43
	Return on Net Worth (%) (C/D)	35.07	140.11
	Net Asset Value per share of Rs. 10 each	526.81	988.81

Note:

1 The above ratios are calculated as under:

Basic Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Shares outstanding during the year.

Diluted Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Shares outstanding during the year.

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net Worth / Number of equity shares as at the end of year.

2 The figures disclosed above are based on the Restated Consolidated Financial Information.

3 Earning Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities premium and Remeasurements of defined benefit obligations).

The Company has allotted 18,400 equity shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 Equity Shares issued to shareholders of Transferors' Companies.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Restated Consolidated Statement of Accounting Ratios

b) After considering the impact of bonus shares and sub-division of shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	Net Profit after Tax as restated	500.00	246.04
B	Add: Expense recognized in reserves	39.20	31.04
C	Net Profit after Tax as restated (A+B)	539.20	277.09
D	Net Worth at the end of the year - as restated	1,537.45	197.76
E	Total Adjusted Number of Equity Shares outstanding at the end of the year	23,334,933	20,628,800
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period#	23,334,933	20,628,800
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period#	23,334,933	20,628,800
H	Net Worth for equity shareholders	1,537.45	197.76
I	Accounting Ratios:		
	Earning Per Share (Refer note 35)		
	Basic Earnings Per Share	23.11	13.43
	Diluted Earnings Per Share	23.11	13.43
	Return on Net Worth (%) (C/D)	35.07	140.11
	Net Asset Value per share of Rs. 10 each	65.85	9.59

Note:

1 The above ratios are calculated as under:

Basic Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Shares outstanding during the year.

Diluted Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Shares outstanding during the year.

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net Worth / Number of equity shares as at the end of year.

2 The figures disclosed above are based on the Restated Consolidated Financial Information.

3 Earning Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities premium and Remeasurements of defined benefit obligations).

The Company has allotted 18,400 equity shares to eligible holders of equity shares on November 30, 2017 towards right issue.

Including 27,00,000 Equity Shares issued to shareholders of Transferors' Companies.

5 Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

6 Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Restated Consolidated Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure X - Restated Consolidated Statement of Capitalisation (Prior to IPO)

(Rs. in million)

Particulars	**Pre-issue as at March 31, 2018 (without considering bonus issue)**	**Pre-issue as at March 31, 2018 (considering bonus issue)**
Debt:		
Long Term Borrowings **(A)**	983.67	983.67
Short Term Borrowings	749.18	749.18
Current Portion of Secured Long Term Borrowings included in Other Current Liabilities	13.33	13.33
Shareholders Funds:		
Equity Share Capital	2.18	206.47
Equity Share Suspense	27.00	27.00
Reserves and Surplus	1,508.26	1,303.97
Equity (B)	**1,537.45**	**1,537.45**
Long Term Debt / Equity ratio (A/B)	**0.64:1**	**0.64:1**

Notes:

1) The above has been computed on the basis of the Restated Consolidated Financial Information - Annexure I & Annexure II.

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

3) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XI - Restated Consolidated Statement of Dividend paid

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
Number of equity shares	218,400	200,000
Face value per equity share (Rs.)	10	10
Rate of Dividend (%)	-	-
Dividend paid	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XII - Restated Statement of Tax Shelter

(Rs. in million)

Sr. No	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	**Restated Profit Before Taxes**	690.99	375.90
B	Company's domestic tax rate	34.61%	34.61%
C	Income tax using the Company's tax rate	**239.14**	**130.09**
	Tax effect of:		
	Permanent Disallowances	(0.54)	(0.65)
	Tax on Deductions Under Chapter VI A and Section 10 AA/80-IC of Income Tax Act	(43.38)	-
D	**Total Tax Impact of Permanent Differences**	**(43.91)**	**(0.65)**
	Tax Impact of Timing Differences Due to:		
	Property, Plant and Equipment and other Intangibles Assets	(11.39)	(98.60)
	Provision for Gratuity	4.14	(0.31)
	Expenses allowable on payment basis	4.02	3.80
	AMT/MAT Credit Entitlement	-	37.65
	Other temporary differences	(23.07)	33.91
E	**Total Tax Impact of Timing Differences**	**(26.29)**	**(23.55)**
F	Net Adjustments	**(70.20)**	**(24.19)**
G	**Adjusted Tax Liability (C+F)**	**168.93**	**105.90**
	Minimum Alternate Tax under Sec 115JB of Income Tax Act Including Other Taxes		
	Tax rate as per Minimum Alternate Tax under Sec 115JB of Income Tax Act	21.34%	21.34%
H	Tax liability as per Minimum Alternate Tax under Sec 115JB of Income Tax Act including other Taxes	147.46	80.22
I	**Net Liability (Higher of G and H)**	**168.93**	**105.90**
J	MAT credit entitlement recognised	-	(37.65)
K	Deferred Tax Charge/(Income)	30.54	60.89
L	Adjustments in respect of current income tax of previous years	(8.48)	0.72
M	**Tax Expenses as per Restated Consolidated Statement of Profit & Loss**	**190.99**	**129.86**

To,
The Board of Directors
Flair Writing Industries Limited
63 B/C, Government Industrial Estate,
Charkop, Kandivali (W),
Mumbai - 400 067

Independent Auditor's Report on the Restated Standalone Financial Information of Flair Writing Industries Limited (the "Company to be included in the Draft Red Herring Prospectus (DRHP) in connection with the proposed Initial Public Offering of the

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of **Flair Writing Industries Limited (the "Company")(Formerly known as Flair Writing Industries Private Limited),** which comprise of the Restated Standalone Statement of Assets and Liabilities as at March 31, 2018 and 2017, the Restated Standalone Statement of Profit and Loss and Other Comprehensive Income, the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 and read together with the summary of significant accounting policies, the annexures and notes thereto and restated standalone other financial information explained in paragraph 6 below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering of equity shares. The Restated Standalone Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations")and
    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI") (the"Guidance Note").

2. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments'("Firm") under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm

was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018

The board of directors of, the Company and together with each of the Flair Pen and Plastic Industries Private Limited ("Transferor Company 1"), Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens and Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), and Flair Impex Industries Private Limited ("Transferor Company 5"), referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018

3. The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, Guidance Note, and SEBI ICDR Regulations.

4. We have examined such Restated Standalone Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 2, 2018 in connection with the proposed offering of equity shares of the Company; and

    b) The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").

5. The Restated Standalone Financial Information has been compiled by the Management of the Company from;

    i. The Audited Standalone Financial Statements of the Company as of and for the financial year ended March 31, 2018 prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, which have been approved by the Board of Directors at their Board meeting held on July 30, 2018;

ii. The "Proforma Ind AS Standalone Financial Information" which has been compiled from the Audited Standalone Financial Statements of the Company as of and for the period August 12, 2016 to March 31, 2017, which was prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (approved by the Board of Directors of the Company at their Board meeting held on September 4, 2017) and now compiled under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, to align with accounting policies, exemptions and disclosures as adopted for preparation of first Ind AS Financial Statement for the financial year ended March 31, 2018.

6. Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a) The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2018 and 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII of the Restated Standalone Financial Information.

b) The Restated Standalone Statement of Profit and Loss of the Company for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII of the Restated Standalone Financial Information.

c) The Restated Standalone Statement of Cash Flows of the Company for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VII of the Restated Standalone Financial Information.

d) The Restated Standalone Statement of Changes in Equity of the Company for the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31,2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Standalone Financial Statements appearing in Annexure VII of the Restated Standalone Financial Information.

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information:

   i) have been prepared after incorporating adjustments for changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per changed accounting policy for all the reporting years/period;

   ii) have been prepared after incorporating adjustments for the material amounts in the respective financial years/period to which they relate; and

   iii) do not contain any extra-ordinary or exceptional items that need to be disclosed separately in the respective financial years/period and do not contain any qualification requiring adjustments.

7. We have also examined the following Restated Standalone Financial Information of the Company as set out in the Annexures prepared by the Managementof the Company and approved by the Board of Directors of the Company, on August 27, 2018 for each of the financial year ended March 31, 2018 and for the period August 12, 2016 to March 31, 2017:

   (i) Basis of preparation and significant accounting policies as enclosed in Annexure V;

   (ii) Notes to the Restated Standalone Financial Information as enclosed in Annexure VI;

   (iii) Statement of Adjustments to Audited Standalone Financial Statements as enclosed inAnnexure VII;

   (iv) Restated Standalone Statement of Other Income, as enclosed in Annexure VIII;

   (v) Restated Standalone Statement of Accounting Ratios, as enclosed in Annexure IX;

   (vi) Restated Standalone Statement of Capitalisation, as enclosed in Annexure X;

   (vii) Restated Standalone Statement of Dividend paid, as enclosed in Annexure XI;

   (viii) Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XII.

8. According to the information and explanation given to us, the Restated Standalone Financial Information of the Company examined by us, including the above mentioned other restated standalone financial information contained in Annexures VI to XII, read with basis of preparation and summary of significant accounting policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and as more fully described in note no 50 appearing in Annexure VI : Notes to Restated Standalone Financial Information and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations and the Guidance Note.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Management of the Company and for inclusion in the offer document to be filed with Securities and Exchange Board of India, and Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed offering of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

K L Rathore
Partner
(M No.012807)

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Restated Standalone Statement of Assets and Liabilities

(Rs. in million)

	Particulars	Notes No to Annexure VI	As at 31st March	
			2018	2017 Proforma Ind AS
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	1	1,405.84	838.03
b)	Capital Work In Progress	1	83.10	20.65
c)	Intangible Assets	1	32.57	24.12
d)	Financial Assets			
	i) Investments	2	1.00	1.00
	ii) Loans	3	1.77	0.09
	iii) Other Financial Assets	4	13.45	9.68
e)	Deferred Tax Assets (Net)	5	38.96	3.04
f)	Other Non-Current Assets	6	244.99	214.12
	Total Non-Current Assets		**1,821.69**	**1,110.73**
	Current Assets			
a)	Inventories	7	880.69	377.38
b)	Financial Assets			
	i) Trade Receivables	8	1,150.38	302.67
	ii) Cash And Cash Equivalents	9	11.74	57.66
	iii) Loans	10	8.82	9.10
	iv) Other Financial Assets	11	2.35	0.87
c)	Other Current Assets	12	221.51	63.58
	Total Current Assets		**2,275.49**	**811.26**
	Total Assets		**4,097.18**	**1,921.99**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity Share Capital	13	2.18	2.00
b)	Equity Share Suspense	14	27.00	-
c)	Other Equity	15	1,508.31	196.80
	Total Equity		**1,537.49**	**198.80**
	Liabilities			
	Non-Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	17	983.67	40.00
	ii) Other Financial Liabilities	18	56.68	-
b)	Provisions	19	25.34	12.70
c)	Government Grant	23	4.78	1.71
	Total Non-Current Liabilities		**1,070.48**	**54.42**
	Current Liabilities			
a)	Financial Liabilities			
	i) Borrowings	20	749.18	1,137.21
	ii) Trade Payables	21	551.34	276.64
	iii) Other Financial Liabilities	22	85.45	71.46
b)	Government Grant	23	0.83	0.30
c)	Other Current Liabilities	24	66.86	80.95
d)	Provisions	25	33.38	21.12
e)	Current Tax Liabilities (Net)	26	2.17	81.09
	Total Current Liabilities		**1,489.21**	**1,668.77**
	Total Liabilities		**2,559.69**	**1,723.18**
	Total Equity and Liabilities		**4,097.18**	**1,921.99**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Assets and Liabilities referred to in our 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**	
K. L. Rathore **(Partner)** **M.No. 012807**	**Khubilal Rathod** **Director** **(DIN. 00122867)**	**Vimalchand Rathod** **Director** **(DIN. 00123007)**
	Mayur D. Gala **Chief Financial Officer**	**Vishal Chanda** **Company Secretary**
Place: Mumbai **Date: August 27, 2018**	**Place: Mumbai** **Date: August 27, 2018**	

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure II : Restated Standalone Statement of Profit and Loss

(Rs. in million)

Particulars	Notes to Annexure VI	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
INCOME			
Revenue from Operations	27	5,053.24	1,503.50
Other Income	28	68.20	230.07
Total Income (A)		**5,121.44**	**1,733.57**
EXPENSES			
Cost of Material Consumed	29	2,430.20	804.68
Purchase of Stock-in-Trade	30	262.68	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	31	(79.80)	(55.75)
Excise Duty on Sales		7.93	22.46
Employee Benefits Expense	32	741.61	252.97
Finance Costs	33	172.19	61.52
Depreciation/Amortisation Expense	34	152.75	45.34
Other Expenses	35	744.42	224.84
Total Expenses (B)		**4,431.97**	**1,356.07**
Profit Before Tax (C=A-B)		**689.47**	**377.50**
Tax Expense			
Current Tax		168.61	105.90
Less: Amt-Mat Credit Entitlement		-	37.65
Net Current Tax		168.61	68.25
Deferred Tax	5	30.34	61.44
Tax Adjustments for earlier years		(8.48)	0.72
Total Tax Expense (D)		**190.46**	**130.41**
Profit for the Year (E=C-D)		**499.00**	**247.08**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Re-measurements of Defined Benefit Plans		(14.59)	0.89
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		4.25	(0.31)
Other Comprehensive Income for the Year (Net of Tax) (F)		**(10.34)**	**0.58**
Total Comprehensive Income for the Year (G=E+F)		488.66	247.66
Earnings Per Share In Rs.			
Basic Earnings Per Equity Share of INR 10 each/-	36	23.06	13.48
Diluted Earnings Per Equity Share of INR 10 each/-	36	23.06	13.48

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Profit and Loss referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure III : Restated Standalone Statement of Cash Flows

(Rs. in million)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxes	**689.47**	**377.50**
	Adjusted for:		
	Depreciation and Amortisation Expense	152.75	45.34
	(Profit)/Loss on sale of Fixed Assets	1.60	0.03
	Interest Paid	172.19	61.57
	Effect of change in Method of Depreciation	-	(228.73)
	Provision for GST Receivables	(6.73)	-
	Deferred Income -Government Grant	(0.88)	(0.37)
	Interest Income	(1.82)	(0.49)
	Operating Profit before Working Capital Changes	**1,006.57**	**254.85**
	Adjusted for:		
	Trade Receivables	(86.33)	52.89
	Inventories	(132.47)	(134.32)
	Other Assets	36.49	(25.25)
	Trade Payable	(142.37)	(14.24)
	Other Liabilities and Provisions	15.40	101.70
	Cash Generated from Operating Activities	**697.29**	**235.63**
	Taxes Paid (Net)	(244.83)	(58.13)
	Net Cash Flow from Operating Activities	**452.46**	**177.49**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(531.67)	(208.26)
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.58	0.07
	Investments in Subsidiaries	-	(1.00)
	Interest received	1.82	0.49
	Net Cash from/(used in) Investing Activities	**(512.27)**	**(208.70)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Issuance of Equity Share Capital	400.11	-
	Proceeds/ (repayment) from Non-Current Borrowings (net)	(144.77)	7.42
	Proceeds/ (repayment) from Current Borrowings (net)	(82.60)	135.38
	Interest paid	(172.19)	(61.57)
	Net Cash from/(used in) Financing Activities	**0.55**	**81.23**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(59.26)**	**50.02**
	Opening Balance of Cash and Cash Equivalents	57.66	7.64
	Add: Cash and Cash Equivalents transferred as per Scheme of Amalgamation	13.33	-
	Net Opening Balance of Cash and Cash Equivalents	71.00	7.64
	Closing Balance of Cash and Cash Equivalents	**11.74**	**57.66**
	Components of Cash and Cash Equivalents		
	Cash on Hand	1.92	0.51
	Balances with scheduled banks		
	- in Current Accounts	3.78	3.39
	- in Cash Credit	5.98	53.77
	- in EEFC Account	0.06	-
	Total Cash and Cash Equivalents	**11.74**	**57.66**

Scheme of Amalgamation/Arrangement is not considered in the above Cash Flow Statement, being a non-cash transaction.

Notes:

1 The above Restated Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows ".

2 Figures in brackets represent out flow of Cash and Cash Equivalents

3 The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Cash Flows referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IV : Restated Standalone Statement of Changes in Equity

a. Equity Share Capital: **(Rs. in million)**

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
i) Equity shares of INR 10 each issued, subscribed and fully paid		
Balance at the beginning of the period/year	2.00	2.00
Changes in equity share capital during the year	0.18	-
Balance at the end of the year	**2.18**	**2.00**

b. Equity Share Suspense

Particulars	**As at 31st March 2018**	**As at March 31, 2017 Proforma Ind AS**
Equity Share Suspense [Refer Note 14]	27.00	-
	27.00	**-**

c. Other Equity

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
i)Reserves and Surplus		
a) Retained Earnings		
Balance at the beginning of the year	196.22	(30.67)
Profit/(loss) for the year	499.00	247.08
Less : Effect of change in Depreciation due to change in machine utilization	35.83	31.04
Add : Income Tax on the above	10.43	10.74
Add : Deferred Income of earlier years	1.52	0.17
Less : Income Tax on the above	0.44	0.06
Add : Amalgamations reserves	470.34	-
Less : Amortization Expense of Lease Deposit of earlier years	3.38	-
Add : Income Tax on the above	0.98	-
Less : Deferred Tax on earlier years	20.72	-
Balance at the end of the year	**1,118.14**	**196.22**
b) Securities Premium		
Balance at the beginning of the year	-	-
Add: Issuance of Right Shares	399.92	-
Balance at the end of the year	**399.92**	**-**
Total Reserves and Surplus (a+b)	**1,518.07**	**196.22**
ii) Other Items of Other Comprehensive Income		
Balance at the beginning of the year	0.58	-
Re-measurement gains/ (losses) on defined benefit plans	(10.34)	0.58
Balance at the end of the year	**(9.76)**	**0.58**
Balance at the end of the year of Other Equity (i+ii)	**1,508.31**	**196.80**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Changes in Equity referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Finance Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Annexure V - Basis of preparation and Significant Accounting Policies for the financial year ended March 31, 2018 and the period ending March 31, 2017

1. CORPORATE INFORMATION

Flair Writing Industries Limited ("the Company") **(Formerly known as Flair Writing Industries Private Limited)** is a Company domiciled in India, with its registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments'("Firm") under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018. The Company is engaged in the business of 'Manufacturing and Dealing of writing instruments and its allied'

The board of directors of, the Company and together with each of the Flair Pen and Plastic Industries Private Limited ("Transferor Company 1"), Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens and Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), and Flair Impex Industries Private Limited ("Transferor Company 5"), referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018.

2. Basis of Preparation and Presentation of Restated Standalone Financial Information

a) The Restated Standalone Statement of Assets and Liabilities of the Company as at and for the financial year ended March 31, 2018, and for the period August 12, 2016 to March 31, 2017, the Restated Standalone Statement of Profit and Loss and Other Comprehensive Income, the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for the financial year ended March 31, 2018, and for the period August 12, 2016 to March 31, 2017and restated standalone other financial information, (collectively referred to as "**Restated Standalone Financial Information"**) have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable

The "Proforma Ind AS Standalone Financial Information" has been compiled from the Audited Standalone Financial Statements of the Company as at and for the period August 12, 2016 to March 31, 2017 which was prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and now compiled under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable, to align with accounting policies, exemptions and disclosures as adopted for preparation of first Ind AS Financial Statement for the financial year ended March 31, 2018.

The financial statements for the financial year ended March 31, 2018, are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

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

The Restated Standalone Financial Information has been compiled by the Management of the Company from;

i. The Audited Standalone Financial Statements of the Company as of and for the year ended March 31, 2018 prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable

ii. The Proforma Ind AS Standalone Financial Information as of and for the period August 12, 2016 to March 31 2017.

Business Combination

- The entire business and the whole of the undertaking of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, as a going concern stood transferred to and vested in the Company with effect from April 01, 2017, being the Appointed Date.

- **Accounting for Amalgamation**

  The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

  For the purposes of the Restated Standalone Financial Information

  i. The Company has recorded all the assets and liabilities previously recorded in the Books of Account of the respective Transferor Company and which are transferred to and vested in the Company pursuant to the scheme, at their book values as on the Appointed Date.

  ii. Inter-company balances, investments and transactions if any, stood cancelled

  iii. In case of any differences in the accounting policies between the Company and the respective Transferee Company, the impact of the same till the Appointed Date of amalgamation was to be quantified and adjusted in the Free/General Reserves of the Company, to ensure that the Restated Standalone Financial Information of the Company reflect the financial position on the basis of consistent accounting policies; however there were no such instances.

  iv. The bank accounts, agreements, licences and immovable properties of the respective Transferor Company were transferred in the name of the Company.

  The Company has issued One Equity Share of Rs. 10 each to all the Equity Shareholders of the respective Transferor Company whose names appeared in the Register of Members, on the record date, for every One Equity Share of Rs. 10 each held by them. The said issue and allotment had been done on May 26, 2018

  These Restated Standalone Financial Information have been extracted by the Management of the Company from, the Audited Standalone Financial Statements of the Company as of and for the financial year ended March 31, 2018 and the Proforma Ind AS Standalone Financial Information as of and for the period August 12, 2016 to March 31, 2017 and:

  - there were no material audit qualifications on these financial statements,
  - there were no changes in accounting policies during the years of these financial statements,

- material amounts relating to adjustments for previous years (if any) in arriving at the profit/loss of the years to which they relate, have been appropriately adjusted, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

The Restated Standalone Financial Information have been prepared by the Management of the Company in connection with the proposed Initial Public Offering (the "IPO") of Equity Shares, to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations"); and

iii. The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").

b) Historical Cost Convention

The Restated Standalone Financial Information has been prepared on a historical cost basis, except for the following:

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

c) Functional and Presentation Currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Use Of Estimates, Judgements and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

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

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

- **Recognition Defined Benefit Plans**
  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, save and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

- **Impairment of Non-Financial Assets**

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

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

- **Impairment of Financial Assets**

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

3.2 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. <u>Intangible assets</u>

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. <u>Capital Work-in-Progress:</u>

Capital Work-in-Progress including 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. <u>Depreciation/Amortisation</u> :

The Company was a partnership firm till August 11, 2016 and followed the written down value method of depreciation as per the provisions of Income Tax Act, 1961. However, on conversion to the company, the Company followed the depreciation method as specified and permitted by the Companies Act, 2013.

For the Audited Standalone Financial Statements for the period August 12, 2016 to March 31, 2017, depreciation on Fixed Assets was provided on life assigned to each asset in accordance with the Schedule – II of the Companies Act, 2013and taking the useful life of its Fixed Assets as reassessed on the basis of technical evaluation. Consequent to the reduction in the useful life of Fixed Assets based on transitional provisions given in Schedule II, Rs. 34.34 million (Deferred Tax input of Rs. 10.61 million) was adjusted against Retained Earnings on August 12, 2016

In the Audited Standalone Financial Statements for the period August 12, 2016 to March 31, 2017, the Company had changed method of providing depreciation from Written Down Value (WDV) to Straight Line Method (SLM) for more appropriate preparation or presentation of the financial statements. During that period depreciation was recalculated in accordance with the SLM Method from the date of put to use of the asset. Due to the change of method, surplus of depreciation in respect of past years of Rs. 228.73 million had been credited to the profit and loss account

For the purposes of these Restated Standalone Financial Information, Depreciation on Property, Plant and Equipment is provided using straight-line method based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013and taking the useful life of its Fixed Assets as reassessed on the basis of technical evaluation

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
Motor Vehicles	8
Two Wheelers	10

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 management's estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Standalone Statement of Profit and Losswhen the asset is derecognized.

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

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

An impairment loss is recognised in the Restated Standalone Statement of Profit and Lossto 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.

3.3 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. For the purposes of Restated Standalone Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loansavailed from Promoters, Directors and their relatives, in period August 12, 2016 to March 31, 2017

3.4 Foreign Currency Transactions and Translation

The Restated Standalone Financial Informationare presented in INR, which is also 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 the Restated Standalone Statement of Profit and Loss and costs that are directly attributable to the acquisition assets, are capitalized as cost of assets.

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

3.5 Investments in Subsidiary

Investment in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

3.6 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

3.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

Export Entitlements

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

Other Income

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

3.8 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Restated Standalone Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

- **Current Tax**

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

- **Deferred Tax**

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under Alternate Minimum Tax (AMT)/Minimum Alternate Tax (MAT), during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Restated Standalone Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

3.9 Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

3.10 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Restated Standalone Statement of Profit and Loss on straight-line basis over the lease term.

3.11 Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is not recognised but disclosed in the Restated Standalone Financial Informationwhere an inflow of economic benefit is probable.

3.12 Provisions

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

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

3.13 Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

I. **Defined Contribution Plans**

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

II. **Defined Benefit Plans**

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

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) **Compensated Absences**

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

d) **Payment of Bonus**

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

3.14 Financial Instruments

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

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

(i) Financial assets

a. **Initial Recognition and Measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

b. **Subsequent Measurement**

1) **Financial assets 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) **<u>Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)</u>**

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) **<u>Financial assets at Fair Value Through Profit or Loss (FVTPL)</u>**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

c. **<u>Loans, Deposits and Receivable</u>**

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. **<u>Investment in Subsidiary</u>**

The Company accounts for its investments in Subsidiary 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. **<u>Impairment of financial assets</u>**

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)

<u>Expected credit losses are measured through a loss allowance at an amount equal to</u>

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

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

Trade Receivables

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

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

Other financial assets mainly consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.
Following is the policy for specific financial assets: -

Type of financial asset	**Policy**
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) <u>Financial liabilities</u>

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

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Restated Standalone 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. <u>Subsequent Measurement</u>

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

c. <u>De-recognition of Financial Instruments</u>

The Company de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Restated Standalone Financial Informationwhen 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 Restated Standalone Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.15 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.

3.16 Cash Flow Statement

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

3.17 Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

3.18 Segment Reporting

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

3.19 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Restated Standalone Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

3.20 Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Company w.e.f. April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
II. Ind AS 40 - Investment Property
III. Ind AS 12 - Income Taxes
IV. Ind AS 28 - Investments in Associates and Joint Ventures and
V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Company's Restated Standalone Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)					Depreciation/Amortisation					Net Block	
		As at 1st April 2017	Transfer on account of Amalgamation	Addition/ Adjustments	Deductions /Adjustments	As at 31st March 2018	As at 1st April 2017	For the year	Deductions /Adjustments	As at 31st March 2018	Transfer to Retained Earnings	As at 31st March 2018	As at 1st April 2017
	TANGIBLE ASSETS												
	PROPERTY, PLANT & EQUIPMENT												
1	Freehold Land	38.96	-	-	-	38.96	-	-	-	-	-	38.96	38.96
2	Freehold Building	173.19	29.73	31.72	-	234.64	3.48	7.59	-	11.07	2.80	220.77	169.72
3	Furniture & Fixtures	16.16	12.48	15.05	-	43.69	1.01	4.01	-	5.02	(0.01)	38.68	15.15
4	Electrical Installation	28.24	11.39	5.95	0.02	45.55	1.92	5.58	-	7.51	(0.06)	38.11	26.31
5	Office Equipments	8.65	3.75	6.60	-	18.99	1.52	4.58	-	6.11	0.16	12.72	7.12
6	Plant & Equipment	596.16	284.44	323.77	6.72	1,197.64	35.45	119.94	5.63	149.76	34.92	1,012.96	560.70
7	Vehicles	21.85	14.79	19.53	7.81	48.36	1.79	7.01	4.58	4.22	0.50	43.64	20.07
	Total (1 to 7)	**883.19**	**356.59**	**402.60**	**14.55**	**1,627.83**	**45.17**	**148.73**	**10.21**	**183.68**	**38.31**	**1,405.84**	**838.03**
	Capital Work-in-Progress	20.65	-	82.50	20.05	83.10	-	-	-	-		83.10	20.65
	Intangible Assets												
1	Patent and Trade Mark	23.75	9.95	2.46	-	36.16	0.13	3.95	-	4.07	(0.01)	32.10	23.62
2	Web Designing	0.54	0.05	-	-	0.59	0.04	0.07	-	0.11	-	0.47	0.50
	Total (1 to 2)	**24.29**	**10.00**	**2.46**	**-**	**36.75**	**0.17**	**4.02**	**-**	**4.19**	**(0.01)**	**32.57**	**24.12**
	GRAND TOTAL	**928.13**	**366.59**	**487.56**	**34.60**	**1,747.68**	**45.34**	**152.75**	**10.21**	**187.87**	**38.30**	**1,521.51**	**882.80**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)						Depreciation/Amortisation				Net Block	
		As at August 12, 2016 *	Surplus/Deficit on account of	Addition/ Adjustments	Deductions /Adjustments	Transfer to Retained	As at 31st March 2017	As at August 12, 2016	For the year	Deductions /Adjustments	As at 31st March 2017	As at March 31,2017	As at August 12, 2016
	TANGIBLE ASSETS												
	PROPERTY, PLANT & EQUIPMENT												
1	Freehold Land	38.96	-	-	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	136.54	21.34	15.46	-	0.16	173.19	-	3.48	-	3.48	169.72	157.88
3	Furniture & Fixtures	8.84	3.47	3.85	-	-	16.16	-	1.01	-	1.01	15.15	12.31
4	Electrical Installation	18.33	9.32	0.59	-	-	28.24	-	1.92	-	1.92	26.31	27.65
5	Office Equipments	3.66	2.48	2.50	-	(0.01)	8.65	-	1.52	-	1.52	7.12	6.13
6	Plant & Equipment	304.19	183.95	136.25	-	28.23	596.16	-	35.45	-	35.45	560.70	488.13
7	Vehicles	7.71	8.17	6.24	0.10	0.18	21.85	-	1.79	0.01	1.78	20.07	15.89
	Total (1 to 7)	**518.23**	**228.73**	**164.88**	**0.10**	**28.5445**	**883.19**	**-**	**45.17**	**0.01**	**45.16**	**838.03**	**746.96**
	Capital Work-in-Progress	-	-	20.65	-	-	20.65	-	-	-	-	20.65	-
	Intangible Assets												
1	Patent and Trade Mark	1.02	-	22.73	-	-	23.75	-	0.13	-	0.13	23.62	1.02
2	Web Designing	0.54	-	-	-	-	0.54	-	0.04	-	0.04	0.50	0.54
	Total (1 to 2)	**1.56**	**-**	**22.73**	**-**	**-**	**24.29**	**-**	**0.17**	**-**	**0.17**	**24.12**	**1.56**
	GRAND TOTAL	**519.78**	**228.73**	**208.26**	**0.10**	**28.54**	**928.13**	**-**	**45.34**	**0.01**	**45.33**	**882.80**	**748.51**

1) On July 28, 2016, certain portions at one of the Company's unit's (then the erstwhile Partnership Firm) at Daman caught Fire resulting in loss of, Inventories totaling to Rs.104.13 million, Building valuing Rs 9.54 million, Electrical Installation valuing Rs. 2.85 million ,Machineries totaling to Rs. 22.83 million and Furniture and Fixture valuing to Rs. 3.00 million.

2) Insurance claim receivable on account of the said loss amounting to Rs. 142.39 million is appearing in the Financial Statements under the grouping **"Other Non Current Assets"** Refer Note 6 Restated Standalone Financial information.

3) The Group has availed the Deemed Cost Exemption in relation to the Property, Plant and Equipment on the date of transition and hence the Net Block Carrying amount as on August 12 ,2016 has been considered as the Gross Block Carrying amount on that date. Refer note below for the Gross Block Value and the accumulated depreciation on August 12, 2016 under the previous GAAP.

* The details of Gross Block of the Company as on August 12, 2016 (conversion date) is as below

	Particulars	Carrying value as of August 12,2016	Accumulated depreciation as of August 12,2016	Transitional to schedule II	Written off /Deletion	Deemed Cost for August 12,2016
1	Freehold Land	38.96	-	-	-	38.96
2	Building	166.58	30.28	0.25	-	136.54
3	Plant & Equipment	696.33	376.30	(15.84)	-	304.19
4	Office Equipment	10.02	4.79	(1.58)	-	3.66
5	Furniture & Fixtures	14.41	2.11	(3.46)	-	8.84
6	Electrical Installation	31.48	5.55	(7.60)	-	18.33
7	Vehicles	26.88	12.49	(6.67)	-	7.71
8	Intangible Assets	2.80	1.82	0.57	-	1.56
	Total	**987.47**	**433.35**	**(34.34)**	**-**	**519.78**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 2 : Non Current Investments		
In Equity Shares of Subsidiary Company carried at cost		
Unquoted, fully paid up		
Flair Distributor Private Limited	1.00	1.00
(1,00,000 Equity shares of Rs. 10/- each, fully paid)		
Total	**1.00**	**1.00**
Aggregate value of Quoted Investments	-	-
Aggregate value of Unquoted Investments	1.00	1.00
Category-wise investments		
Investments carried at cost	1.00	1.00
Investments carried at fair value through Profit and Loss	-	-
Note 3 : Non Current Long Term Loans and Advances		
(unsecured and considered good, unless stated otherwise)		
Loans to Employees	1.77	0.09
Total	**1.77**	**0.09**

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

Particulars	2018	2017 Proforma Ind AS
Note 4: Other Non Current Financial Assets		
(unsecured and considered good, unless stated otherwise)		
Security and Other Deposits	12.71	7.80
Fixed Deposit original maturity more than 12 months #	0.74	1.88
Total	**13.45**	**9.68**
# out of the above deposits, deposits having restrictive use on account of:		
Pledged with Government authorities	0.26	1.78
Held as Security Deposit against Bank Guarantee	0.45	0.10
	0.71	**1.88**

Note 5 : Deferred Tax (Liabilities) / Assets :

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

(Rs In million)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets / (Liabilities)	38.96	3.04
	38.96	**3.04**

2017-18

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Transfer on Account of Merger	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing balance
Property, Plant and Equipment	(75.97)	(17.58)	(11.39)	-	10.43	(94.51)
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowed on payment basis	4.01	2.07	4.01	-	-	10.09
Others	33.30	20.72	(22.85)	-	(20.17)	10.99
	(34.61)	**5.20**	**(30.34)**	**4.25**	**(9.74)**	**(65.25)**
AMT/MAT Credit Receivables	37.65	98.35	(31.79)	-	-	104.21
Total	**3.04**	**103.55**	**(62.12)**	**4.25**	**(9.74)**	**38.96**

2016-17

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	As at August 12, 2016	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing balance
Property, Plant and Equipment	11.88	(98.60)	-	10.74	(75.97)
Provision for Gratuity	4.35	-	(0.31)	-	4.04
Expenses allowed on payment basis	0.22	3.80	-	-	4.01
Others	-	33.36	-	(0.06)	33.30
	16.45	**(61.44)**	**(0.31)**	**10.69**	**(34.61)**
AMT/MAT Credit Receivables	-	37.65	-	-	37.65
Total	**16.45**	**(23.79)**	**(0.31)**	**10.69**	**3.04**

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 6 : Other Non Current Assets		
(unsecured, considered good unless otherwise stated)		
Balances with Statutory Authorities	31.99	37.74
Capital Advances	69.20	34.00
Other Receivable*	142.39	142.38
Prepaid Expenses	1.40	-
Total	**244.99**	**214.12**

* Other Receivable includes Insurance Claim Receivables amounting to Rs. 142.39 million. (Refer Note 1 of Annexure VI to Restated Standalone Financial Information)

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 7 : Inventories		
Raw Materials	319.06	150.28
Raw Material - Goods-in-transit	0.25	-
Packing Materials & Others	53.97	28.25
Semi-Finished Goods	320.17	134.61
Finished Goods	181.11	64.24
Finished Goods - Goods-in-transit	2.64	-
Stock-in-trade	3.48	-
Total	**880.69**	**377.38**

The Inventories has been valued as per Note 3.9 of Significant Accounting Policies.
Inventories are hypothecated to Citi Bank N.A. against Working capital facility.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 8 : Trade Receivables		
(unsecured and considered good unless stated otherwise)		
- Others	1,138.42	247.48
- Related Parties *	11.96	55.19
Total	**1,150.38**	**302.67**

Refer Note 39 to Restated standalone other financial information for Ageing of Trade Receivable
* Refer Note 42 for Related Parties outstanding balance
Trade Receivables are hypothecated to bank against Working Capital facility.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 9 : Cash and Bank Balances		
Cash on Hand	1.92	0.51
Balances with Banks:		
- in Current Accounts	3.78	3.39
- in Cash Credit	5.98	53.77
- in EEFC Account	0.06	-
Total	**11.74**	**57.66**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on hand	1.92	0.51
Balances with banks:		
- in Current Accounts	3.78	3.39
- in Cash Credit	5.98	53.77
- in EEFC Account	0.06	-
Total	**11.74**	**57.66**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 10 : Current Loans		
(unsecured, considered good unless otherwise stated)		
Loan to Employees	7.46	4.04
Loans & Advances	1.36	5.06
Total	**8.82**	**9.10**
Note 11: Other Current Financial Assets		
Security and Other Deposits	2.22	0.47
Interest accrued on Fixed Deposits	0.13	0.40
Total	**2.35**	**0.87**
Note 12 : Other Current Assets		
(unsecured, considered good unless otherwise stated)		
Advances To Suppliers		
- Other	23.78	9.18
- Related Parties *	0.03	1.70
Balances With Statutory Authorities	170.69	27.45
Other Receivable	19.17	2.96
Prepaid Expenses	7.84	22.28
Total	**221.51**	**63.58**

* Refer Note 42 for Related Parties outstanding balance.

Note 13 : Equity Share Capital

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Authorised Share Capital #		
2,20,000 Equity Shares of Rs 10/- each	**2.20**	**2.00**
Issued, Subscribed and fully paid up	2.18	2.00
2,18,400 Equity Shares of Rs 10/- each		
	2.18	**2.00**

#Pursuant to the scheme of Amalgamation as explained in Note 46 of Annexure VI, the authorised share capital of the Company stands increased to Rs. 29.20 million.

a) Reconciliation of Number of Shares outstanding

(Amount - Rs. in million)

Particulars	**As at 31st March 2018**		**As at 31st March 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity Shares :				
Balance as at the beginning of the year	200,000	2.00	200,000	2.00
Add: Shares issued during the year	18,400	0.18	-	-
Balance as at the end of the year	**218,400**	**2.18**	**200,000**	**2.00**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	**As at 31st March 2018**		**As at 31st March 2017**	
	Number of shares	**% of share holding**	**Number of shares**	**% of share holding**
Equity shares				
Khubilal J. Rathod	43,680	20%	40,000	20%
Vimalchand J. Rathod	32,760	15%	30,000	15%
Rajesh K. Rathod	21,840	10%	20,000	10%
Mohit K. Rathod	21,840	10%	20,000	10%
Sumitkumar V. Rathod	21,840	10%	20,000	10%
Nirmala K. Rathod	21,840	10%	20,000	10%
Manjula V. Rathod	21,840	10%	20,000	10%

c) For the period immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) Rights/Preference/Restriction attached to Equity Shares
The Company has one class of Equity Shares with face value of Rs. 10 each. Each Shareholder has a voting right in proportion to his/her Holding of the paid-up Equity share capital of the Company. Where Dividend is proposed by the Board of Directors, it is subject to the approval of the Shareholders in the Annual General Meeting (AGM), and in the case of Interim Dividend, it is ratified by the Shareholders at the Annual General Meeting.

d) The Company does not have any Holding Company.
e) There are no Shares reserved for issue under Option and Contract/Commitment for the sale of Shares/Disinvestment.
f) The Company has issued 18,400 Equity Shares of Rs. 10/- each towards Rights Issue to the Existing Shareholders at a price of Rs. 21,745/- per share (including premium of Rs. 21,735/-) aggregating to Rs. 400.11 million.

Note 14 : Equity Share Suspense

(Amount - Rs. in million)

Particulars	**As at 31st March 2018**		**As at 31st March 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity Share Suspense#	2,700,000	27.00	-	-
	2,700,000	**27.00**	**-**	**-**

#27,00,000 Equity Shares of Rs 10/- each fully paid up are to be issued to the Equity share holders of the merged Companies, without payment being received in cash. Pending the allotment, the face value of such Shares has been shown as "**Equity Share Suspense**". The Company has since allotted the Shares on May 26, 2018.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Note 15 : Other Equity

Particulars	As at 31st March	
	2018	2017
		Proforma Ind AS
i)Reserves and Surplus		
a) Retained Earnings		
Balance at the beginning of the year	196.22	(30.67)
Profit/(loss) for the year	499.00	247.08
Less : Effect of change in Depreciation due to change in machine utilization	35.83	31.04
Add : Income Tax on the above	10.43	10.74
Add : Deferred Income of earlier years	1.52	0.17
Less : Income Tax on the above	0.44	0.06
Add : Amalgamations reserves	470.34	-
Less : Amortization Expense of Lease Deposit of earlier years	3.38	-
Add : Income Tax on the above	0.98	-
Less : Deferred Tax on earlier years	20.72	-
Balance at the end of the year	**1,118.14**	**196.22**
b) Securities Premium		
Balance at the beginning of the year	-	-
Add: Issuance of Right Shares	399.92	-
Balance at the end of the year	**399.92**	**-**
Total Reserves and Surplus (a+b)	**1,518.07**	**196.22**
ii) Other Items of Other Comprehensive Income		
Balance at the beginning of the year	0.58	-
Re-measurement gains/ (losses) on defined benefit plans	(10.34)	0.58
Balance at the end of the year	**(9.76)**	**0.58**
Balance at the end of the year of Other Equity (i+ii)	**1,508.31**	**196.80**

Note 16 : Analysis of accumulated Other Comprehensive Income (OCI), Net of Tax

(Rs. in million)

Items of OCI	As at 31st March	
	2018	2017 Proforma Ind AS
Remeasurement of Defined Benefit Liability (Asset)	(10.34)	0.58
Remeasurement of Defined Benefit Liability (Asset)		
Opening Balance	0.58	-
Remeasurement of Defined Benefit Liability (Asset)	(10.34)	0.58
Closing Balance	**(9.76)**	**0.58**

Remeasurement of Defined Benefit Liability (Asset) comprises actuarial gains and losses.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 17 : Non-Current Borrowings		
Secured		
Term Loans		
Rupee Loan from Banks		
Term Loan	140.00	54.51
	140.00	54.51
Unsecured		
From Other Parties *		
Loan from Promoters	213.76	-
Loan from Directors	400.94	-
Loan from Related Parties	242.30	-
	857.00	-
Less: Current maturities of long-term debt (Refer Note 22)	13.33	14.51
Total	**983.67**	**40.00**

* Refer Note 42 for Related Parties outstanding balance

(Refer Note 39 to Restated Standalone other financial information for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	40.00	11% (Subsidised rate 6%)	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	100.00	9%	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.
There have been no breaches in the financial covenants with respect to the borrowings.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 18 : Other Non-Current Financial Liabilities		
Security and Other Deposits	0.75	-
Revenue Received in Advance	55.93	-
Total	**56.68**	**-**

(Refer Note 39 to Restated Standalone other financial information for information on Company's exposure to liquidity risk.)

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 19 : Non-Current Provisions		
Provision for Employee Benefits (Refer Note 37)	25.34	12.70
Total	**25.34**	**12.70**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 20 : Current Borrowings		
Secured - At Amortised Cost		
Working Capital Loans		
From Banks		
Rupee Loans		
Cash Credit	217.75	93.44
Packing Credit	250.00	-
	467.75	**93.44**
Unsecured		
From Other Parties (Refer Note 42)		
Loans From Promoters	53.44	323.42
Loans From Directors	154.75	479.58
Loans From Related Parties	73.25	240.76
	281.43	**1,043.76**
Total	**749.18**	**1,137.21**

(Refer Note 39 for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

Working Capital Loans from Banks are secured by hypothecation of all present and future stock, receivables, all present and future movable fixed assets and equitable mortgage on immovable property.

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	107 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	117 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	82 days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	104 days
Cash Credit from Bank	Citi Bank N.A.	Cash Credit	INR	217.75	9.50%	Revolving 365 days

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 21 : Trade Payables		
i) Micro, Small and Medium Enterprises	54.59	6.64
ii) Related Parties (Refer Note 42)	20.71	57.81
iii) Others	476.04	212.20
Total	**551.34**	**276.64**

(Refer Note 39 for information on Company's exposure to foreign currency and liquidity risks.)

1) Trade payables are non-interest bearing and are normally settled on 90 days terms.

2) Total outstanding dues of Micro Enterprises and Small Enterprises:

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

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Principal amount remaining unpaid to suppliers at the end of the period	54.59	6.64
Interest accrued and due to suppliers on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end.	-	-
Total	**54.59**	**6.64**

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 22 : Other Current Financial Liabilities		
Security and Other Deposits	0.90	18.20
Current Maturities of Long-Term Debt (Refer Note 17)	13.33	14.51
Other Payables#	71.22	38.75
Total	**85.45**	**71.46**

#Other Payables includes Mark to Market Value of Derivatives.
Refer Note 39 to Restated Standalone other financial information for information on Company's exposure to interest rate, foreign currency and liquidity risks.

(Rs. in million)

Particulars	**As at 31st March**	
	2018	**2017 Proforma Ind AS**
Note 23 : Government Grants		
Current	0.83	0.30
Non-current	4.78	1.71
	5.61	**2.01**

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 24 : Other Current Liabilities		
Statutory Remittances	22.84	6.35
Revenue Received In Advance	24.32	38.26
Capital Creditors	19.70	36.34
Total	**66.86**	**80.95**
Note 25 : Current Provisions		
Provision For Employee Benefits (Refer Note 37)*	33.38	21.12
Total	**33.38**	**21.12**

* Provision for Employee Benefits includes Leave Entitlement and Bonus on accrual basis.

(Rs. in million)

Particulars	As at 31st March	
	2018	2017 Proforma Ind AS
Note 26 : Current Tax Liabilities (Net)		
Current Tax Payable	136.82	107.03
Less : Advance Tax	134.65	25.95
Total	**2.17**	**81.09**

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Note 27 : Revenue from Operations		
Operating Income		
Sale of Goods (Including Excise Duty)		
Manufactured		
Domestic	3,753.29	1,276.68
Export	1,028.68	212.15
Sale of Services	0.94	0.06
Traded		
Domestic	46.69	-
Export	114.46	-
Other Operating Income		
Sales - Scrap	22.02	14.61
Export Incentive	87.15	-
Total	**5,053.24**	**1,503.50**
Note 28 : Other Income		
Interest Income on		
- Bank deposits	0.02	-
- Others	1.81	0.49
Other Non-Operating Income	66.37	229.58
Total	**68.20**	**230.07**
Other Non-Operating Revenue of Previous Year includes Rs. 228.73 millions Effect of Change in Depreciation Method.		
Note 29 : Cost of materials consumed		
Opening Stock	178.53	99.96
Opening Stock (on account of merger)	136.19	-
Add : Purchases	2,488.77	883.25
Less : Goods Destroyed	-	-
Less : Closing stock	373.28	178.53
Total	**2,430.20**	**804.68**
Note 30 : Purchase of Stock-in-Trade		
Purchase of Stock-in-Trade	262.68	-
	262.68	**-**
Note 31 : Changes in Inventories		
Opening Stock		
Semi- Finished Goods	134.61	81.44
Finished Goods	64.24	61.66
Opening Stock (on account of merger)	228.75	-
Total (A)	**427.60**	**143.10**
Closing Stock		
Semi- finished goods	320.17	134.61
Finished goods	183.76	64.24
Stock-in-Trade	3.48	-
Total (B)	**507.41**	**198.85**
(Increase)/Decrease in Inventories **Total (A-B)**	**(79.80)**	**(55.75)**
Note 32 : Employee benefits expenses		
Salaries, Wages and Bonus *	680.41	231.14
Contribution to Provident and other Funds (Refer note : 37)	40.63	16.77
Leave Salary	8.91	-
Staff Welfare Expenses	11.66	5.06
Total	**741.61**	**252.97**
* Refer Note 42 for Payments to Key Managerial Personnel		
Note 33 : Finance costs		
Interest on Loans from Banks	34.92	3.17
Other Borrowing Cost	137.26	58.36
Total	**172.19**	**61.52**

#Bank Interest is net of Interest Subsidy Received/Receivable under the respective Government Schemes.
* Refer Note 42 for Interest paid to Related Parties

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Note 34 : Depreciation/Amortisation expense		
Depreciation/Amortisation Expense	152.75	45.34
Total	**152.75**	**45.34**
Note 35 : Other expenses		
Manufacturing Expenses		
Consumable Expenses	25.98	13.21
Electric Power, Fuel and Water	92.95	26.17
Factory Rent	14.88	6.04
Freight Inward	16.59	5.75
Job Work and Other Related Expenditure	188.10	40.86
Loading and Unloading Expenses	2.60	1.86
Machine and Mould Maintenance	41.54	9.69
Other Factory Expenses	12.86	2.38
	395.48	**105.95**
Establishment Expenses		
Charity Expenses	0.25	1.69
Electricity Charges	4.72	1.06
Insurance Expenses	9.50	1.82
Legal and Professional Fees	12.68	1.56
Legal Expenses	0.34	0.05
Postage and Courier	1.27	0.86
Printing and Stationery	3.37	1.47
Rent	4.53	0.56
Miscellaneous Expenses	2.01	0.79
Office and General Expenses	6.94	0.93
Repairs and Maintenance		
Computer	2.09	0.77
Others	8.70	1.76
Vehicles	4.90	1.44
Telephone and Communication Charges	3.30	2.83
Travelling and Conveyance	19.11	26.06
Miscellaneous Expenses		
Merger Expenses	0.86	-
Share Issue Expenditure	0.53	-
Payment to Auditors (Refer Note 35.1)	6.44	2.23
	91.53	**45.87**
Selling and Distribution expenses		
Advertisement Expenses	35.07	37.02
Sales Promotion and Marketing Expenses	29.17	10.40
Commission and Brokerage	12.82	2.06
Marketing Expenses	64.96	-
Freight, Clearing and Forwarding Charges	32.14	0.30
Freight outward	74.47	21.88
Service Tax Expenses	2.23	1.26
Export Expenses	6.55	0.10
	257.42	**73.02**
Total	**744.42**	**224.84**

Refer Note 42 for Related Party Transactions

Note 35.1 : Payment to Auditors

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
As Auditors		
- Statutory Audit	4.50	1.56
- Tax Audit	1.93	0.67
Total	**6.44**	**2.23**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Note 36 : Earnings Per Share (EPS)

As per Indian Accounting Standard 33 "Earnings Per Share", the disclosures as defined are given below :

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	As at March 31, 2018	As at March 31, 2017 Proforma Ind AS
Face Value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	185.20	1,390.64
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs. in million)	538.20	278.13
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS#	2,906,133	200,000
Diluted Earnings per Share (Rs)	185.20	1,390.64
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs. in million)	538.20	278.13
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS#	2,906,133	200,000
Reconciliation of weighted average number of shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	200,000
Total Weighted Average Potential Equity Shares	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	200,000
Reconciliation of Net Profit after Tax attributable to Equity Shareholders (Rs in million)		
Net Profit after Tax as restated	499.00	247.08
Add: Expense recognized in reserves	39.20	31.04
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	538.20	278.13

The Company has allotted 18,400 Equity Shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 equity shares issued to shareholders of Transferor's Companies.

Note 36 : Earnings Per Share (EPS)

As per Indian Accounting Standard 33 "Earnings Per Share", the disclosures as defined are given below :

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	As at March 31, 2018	As at March 31, 2017 Proforma Ind AS
Face Value per Equity Share (Rs)	10.00	10.00
Basic Earnings per Share (Rs)	23.06	13.48
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs. in million)	538.20	278.13
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS#	23,334,933	20,628,800
Diluted Earnings per Share (Rs)	23.06	13.48
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs. in million)	538.20	278.13
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS#	23,334,933	20,628,800
Reconciliation of weighted average number of shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	20,628,800
Total Weighted Average Potential Equity Shares	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	20,628,800
Reconciliation of Net Profit after Tax attributable to Equity Shareholders (Rs in million)		
Net Profit after Tax as restated	499.00	247.08
Add: Expense recognized in reserves	39.20	31.04
Net Profit after Tax as per Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	538.20	278.13

The Company has allotted 18,400 Equity Shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 equity shares issued to shareholders of Transferor's Companies.

Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Restated Standalone Financial Information.

Note 37 : 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 has been recognized as an expense in Restated Standalone Statement of Profit and Loss on account of Provident Fund and other Funds.

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Employer's Contribution to Provident Fund	14.93	6.68
Employer's Contribution to Employee State Insurance Scheme	3.71	0.23
Employer's Contribution to Pension Scheme	21.98	9.86

(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, an 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 his/her retirement age. Every Employee who has completed five years or more of service gets Gratuity on departure/exit @ 15 days Salary (last drawn Salary) for each completed year of service, in accordance with provision of the Payment of Gratuity Act, 1972.

The following table summaries the components of net benefit expense recognised in Restated Standalone Statement of Profit and Loss and the unfunded status and amounts recognised in Restated Standalone Statement of Assets and Liabilities for the Gratuity plan.

Defined Benefit Plan

I) **Reconciliation of opening and closing balances of Defined Benefit Obligation.**

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Defined Benefit Obligation at the beginning of the year	13.63	12.56
Add: Current Service Cost	3.01	1.37
Interest Cost	0.95	0.59
Past Service Cost	0.32	-
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(1.04)	(0.89)
Actuarial loss / (gain) arising on account of experience changes	15.63	-
Benefits paid	3.54	-
Defined Benefit Obligation at end of the year	**28.96**	**13.63**

Net Liability is bifurcated as follows :		
Current	3.62	0.93
Non-current	25.34	12.70
Net Liability	**28.96**	**13.63**

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

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Fair Value of Plan Assets at the beginning of the year	-	-
Add: Current Service Cost	-	-
Interest Cost	-	-
Remeasurement during the period due to :	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
	-	-
Benefits paid	-	-
Fair Value of Plan Asset end of the year	**-**	**-**

Note 37 : Gratuity and Other Post Employment Benefit Plans

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Fair Value of Plan Assets	-	-
Present Value of Obligation	28.96	13.63
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(28.96)**	**(13.63)**

IV) Expenses recognised during the year

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
In Income Statement		
Current Service Cost	3.01	1.37
Interest Cost	0.95	0.59
Past Service Cost	0.32	-
Return on Plan Assets	-	-
Net Cost	**4.28**	**1.96**
In Other Comprehensive Income		
Actuarial (Gain)/Loss	14.59	(0.89)
Return on Plan Assets	-	-
Net (Income)/Expenses for the year recognised in Other Comprehensive Income	**14.59**	**(0.89)**

V) Investments details

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Government Securities	-	-
Public Securities	-	-
Others	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	31-Mar-2018 (Ultimate)	31-Mar-2017 (Ultimate)
Discount Rate (p.a.)	7.55%	7.20%
Expected Rate of Return on Plan Assets (p.a.)	0.00%	0.00%
Salary Escalation (p.a.)	4.50%	4.50%

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 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.

The Gratuity liabilities of the Company are unfunded and hence there are no Assets held to meet the Liabilities.

VII) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are Discount Trade, expected Salary Increase and Employee Turnover. The Sensitivity Analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

Indian Gratuity Plan:

Particulars	31-Mar-2018	31-Mar-2017
Changes in Discount Rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	(29.75)	(12.99)
Impact of Decrease in 50 dps on defined benefit obligation	32.86	14.33
Changes in rate of Salary increase		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	32.83	14.28
Impact of Decrease in 50 dps on defined benefit obligation	(29.75)	(13.04)

Note 37 : Gratuity and Other Post Employment Benefit Plans

VIII) These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government Bonds.

Actuarial Risk:
It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates and variability in withdrawal rates.

Salary Risk :
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Market Risk:
Market Risk is the collective term for the risks that are related to the changes and fluctuations of the financial market. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.

Legislative Risk:
Legislative Risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. This will affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

IX) The following payments are expected contributions to the defined benefit plan in

(Rs. in million)

Particulars	**31-Mar-2018**	**31-Mar-2017**
Within the next 12 months (next annual reporting period)	3.23	0.93
Between 2 and 5 years	6.82	3.68
Beyond 10 years	11.72	5.47
Total Expected Payments	**21.77**	**10.09**
The weighted average duration of the Defined Benefit Plan Obligation at the end of the reporting period	11.36 Years	10.66 Years

Note 38 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2018 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	1.00	1.00	-	-	1.00	1.00
Trade Receivables	-	-	1,150.38	1,150.38	-	-	1,150.38	1,150.38
Cash and Cash Equivalents	-	-	11.74	11.74	-	-	11.74	11.74
Loans	-	-	10.59	10.59	-	-	10.59	10.59
Other Financial Assets	-	-	15.80	15.80	-	-	15.80	15.80
Total Financial Assets	**-**	**-**	**1,189.51**	**1,189.51**	**-**	**-**	**1,189.51**	**1,189.51**
Financial Liabilities								
Non-Current Borrowings	-	-	983.67	983.67	-	-	983.67	983.67
Current Borrowings	-	-	749.18	749.18	-	-	749.18	749.18
Trade Payables	-	-	551.34	551.34	-	-	551.34	551.34
Other Financial Liabilities	-	-	142.13	142.13	-	-	142.13	142.13
Total Financial Liabilities	**-**	**-**	**2,426.32**	**2,426.32**	**-**	**-**	**2,426.32**	**2,426.32**

As at March 31, 2017 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	1.00	1.00	-	-	1.00	1.00
Trade Receivables	-	-	302.67	302.67	-	-	302.67	302.67
Cash and Cash Equivalents	-	-	57.66	57.66	-	-	57.66	57.66
Loans	-	-	9.19	9.19	-	-	9.19	9.19
Other Financial Assets	-	-	10.55	10.55	-	-	10.55	10.55
Total Financial Assets	**-**	**-**	**381.08**	**381.08**	**-**	**-**	**381.08**	**381.08**
Financial Liabilities								
Non-Current Borrowings	-	-	40.00	40.00	-	-	40.00	40.00
Current Borrowings	-	-	1,137.21	1,137.21	-	-	1,137.21	1,137.21
Trade Payables	-	-	276.64	276.64	-	-	276.64	276.64
Other Financial Liabilities	-	-	71.46	71.46	-	-	71.46	71.46
Total Financial Liabilities	**-**	**-**	**1,525.31**	**1,525.31**	**-**	**-**	**1,525.31**	**1,525.31**

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the short term maturities of these Instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

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

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Note 39 : Financial Risk Management

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

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

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

i) Credit Risk
Credit Risk is the risk that a customer or counterparty to a Financial Instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit Risk arises from Company's outstanding receivables from Customers.
The Company's exposure to Credit Risk is influenced mainly by the individual characteristics of each Customer. Credit Risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the Customers, to whom the Company grants credit in accordance with the terms and conditions and in ordinary course of its business.
The Risk Management Committee has established a Credit Policy under which each new customer is analysed individually for creditworthiness, before the Company's standard payment and delivery terms and conditions are offered. Further for domestic sales, the Company segments its Customers into Super Stockiest/ Distributors and Others, for credit monitoring.
For Trade Receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such Trade Receivables, wherever required and monitors the same at periodic intervals.
The Company monitors each Loan and advance given and makes any specific provision, as and when required.
The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables and Loans and Advances

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

Ageing of Trade Receivables are as follows:

(Rs. in million)

Due from the date of Invoice	31-Mar-2018	31-Mar-2017
0-3 months	1,014.38	280.66
3-6 months	3.86	15.19
6 months to 12 months	123.58	4.75
beyond 12 months	8.56	2.06
Total	**1,150.38**	**302.67**

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.

As of March 31, 2018 and 2017, the Company had unutilized credit limits from banks of Rs. 132.25 million and Rs. 171.56 million respectively.
The Current Ratio of the Company as at 31st March, 2018 is 1.53 times (as at 31st March, 2017 is 0.49 times) whereas the Liquid Ratio of the Company as at 31st March, 2018 is 0.82 times (as at 31st March, 2017 is 0.23 times).

Exposure to liquidity risk
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:

(Rs. in million)

PARTICULARS	As at March 31,2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	499.59	249.59	499.61	484.06	-	1,732.85
Trade Payables	551.34	-	-	-	-	551.34
Other Financial Liabilities	70.17	14.23	56.68	-	-	141.08
	1,121.10	**263.82**	**556.29**	**484.06**	**-**	**2,425.27**
Derivative Liabilities	1.05	-	-	-	-	1.05
TOTAL	**1,122.15**	**263.82**	**556.29**	**484.06**	**-**	**2,426.32**

Note 39 : Financial Risk Management

(Rs. in million)

PARTICULARS	As at March 31,2017					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	568.60	568.60	26.67	13.33	-	1,177.21
Trade Payables	276.64	-	-	-	-	276.64
Other Financial Liabilities	38.75	32.71	-	-	-	71.46
	884.00	**601.31**	**26.67**	**13.33**	**-**	**1,525.31**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**884.00**	**601.31**	**26.67**	**13.33**	**-**	**1,525.31**

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

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017
Borrowings		
Loan from Banks	594.42	133.45
Unsecured Loan from Directors & their relatives	1,138.44	1,043.76
Total	**1,732.85**	**1,177.21**

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

Particulars	31-Mar-2018	31-Mar-2017
1% Change in increase in Interest Rate	1.65	0.61
1% Change in decrease in Interest Rate	(1.65)	(0.61)

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

iv) Market risk - Currency Risk

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

Exposure to currency risk

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

(Rs. in million)

As at 31 March 2018	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	319.70	19.92	1.33	-
Other Assets	36.18	32.23	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	41.28	31.82	0.17	4.90
Other Liabilities	25.36	-	-	-
Net Exposure	**289.24**	**20.33**	**1.16**	**(4.90)**

(Rs. in million)

As at 31 March 2017	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	-	-	-	-
Other Assets	26.57	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	7.44	-	-	-
Other Liabilities	-	-	-	-
Net Exposure	**19.13**	**-**	**-**	**-**

Note 39 : Financial Risk Management

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

As at 31 March 2018 **(Rs. in million)**

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.89	0.20	0.01	(0.05)
Total	**2.89**	**0.20**	**0.01**	**(0.05)**
1% appreciation in INR				
Impact on Profit & Loss	(2.89)	(0.20)	(0.01)	0.05
Total	**(2.89)**	**(0.20)**	**(0.01)**	**0.05**

As at March 31, 2017 **(Rs. in million)**

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	0.19	-	-	-
Total	**0.19**	**-**	**-**	**-**
1% appreciation in INR				
Impact on Profit & Loss	(0.19)	-	-	-
Total	**(0.19)**	**-**	**-**	**-**

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

Note 40 : Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31, 2018

(Rs. In million)

Particulars	As at April 1, 2017	Transfer on Account of Merger	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Deferred Tax Assets (Net) in relation to :						
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-	-
Provision for Gratuity	4.04	-	(0.10)	4.25	-	8.19
Expenses allowable on payment basis	4.01	2.07	4.01	-	-	10.09
others	33.36	20.72	(22.91)	-	(20.17)	10.99
						-
Deferred Tax Assets (A)	41.41	22.78	(19.01)	4.25	(20.17)	29.26
Deferred Tax Liabilities (Net) in relation to :						
Property, Plant and Equipment and other Intangibles Assets	(75.97)	(17.58)	(11.39)	-	10.43	(94.51)
Provision for Gratuity	-	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-	-
others	(0.06)	-	0.06	-	-	-
Deferred Tax Liabilities (B)	(76.03)	(17.58)	(11.33)	-	10.43	(94.51)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(34.61)**	**5.20**	**(30.34)**	**4.25**	**(9.74)**	**(65.25)**
AMT/MAT Credit Receivables*	37.65	98.35	(31.79)	-	-	104.21
Net Deferred tax Asset/ (Liabilities)	**3.04**	**103.55**	**(62.12)**	**4.25**	**(9.74)**	**38.96**

Movement in Deferred Tax balances for the period August 12, 2016 to March 31,2017

(Rs. In million)

Particulars	As at August 12, 2016	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2017
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	4.35	-	(0.31)	-	4.04
Expenses allowable on payment basis	0.22	3.80	-	-	4.01
others	-	33.36	-	-	33.36
Deferred Tax Assets (A)	4.56	37.16	(0.31)	-	41.41
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	11.88	(98.60)	-	10.74	(75.97)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	-	-	-	(0.06)	(0.06)
Deferred Tax Liabilities (B)	11.88	(98.60)	-	10.69	(76.03)
Net Deferred tax Asset/ (Liabilities) (A+B)	**16.45**	**(61.44)**	**(0.31)**	**10.69**	**(34.61)**
AMT/MAT Credit Receivables*	-	37.65	-	-	37.65
Net Deferred tax Asset/ (Liabilities)	**16.45**	**(23.79)**	**(0.31)**	**10.69**	**3.04**

* The above movement in Unused Tax credit includes adjustment of MAT/AMT i.e. net of created and utilised. MAT/AMT utilised of Rs. 31.79 for the years ended March 31, 2018 respectively is not reflected in Restated Statement of Profit and Loss.

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

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

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

Note 41 : Income Tax Expense

(a) Amounts recognised in Profit and Loss

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
Current Tax	168.61	105.90
Deferred Income Tax Liability / (Asset), Net		
Origination and reversal of temporary differences	30.34	61.44
Deferred Tax charge/ (credit)	30.34	61.44
Less: AMT-MAT Credit Entitlement	-	37.65
Add: Adjustments in respect of current income tax of previous years	(8.48)	0.72
Tax Expense	**190.46**	**130.41**

(b) Amounts recognised in Other Comprehensive Income

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
Re-measurement on Defined Benefit Liability		
Before tax	(14.59)	0.89
Tax (expense)/ benefit	4.25	(0.31)
Net of Tax	**(10.34)**	**0.58**

(c) Reconciliation of Effective Income Tax Rate

(Rs. in million)

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31, 2017 Proforma Ind AS
Profit Before Tax	689.47	377.50
Company's Domestic Tax Rate	34.61%	34.61%
Income tax using the Company's Tax Rate	238.61	130.64
Tax effect of:		
Permanent disallowances	(0.54)	(0.65)
Tax on exempted income	(43.38)	-
Adjustments in respect of current income tax of previous years	(8.48)	0.72
Income tax related to items that will not be reclassified to profit or loss	4.25	(0.31)
Total	**190.46**	**130.41**
Income Tax Expense as per Restated Standalone Statement of Profit and Loss		
Current Tax	168.61	105.90
Deferred Tax	30.34	61.44
AMT/MAT Credit Entitlement	-	37.65
Income Tax adjustment related to earlier years	(8.48)	0.72
Total	**190.46**	**130.41**

Note 42 : Related Party Disclosure

As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosures as defined are given below :

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

	Nature of Relationship	Name of Related Party
(i)	Subsidiary Company	Flair Distributor Private Limited

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

	Nature of Relationship	Name of Related Party
(i)	**Key Managerial Personnel (KMP)**	Khubilal Rathod Vimalchand Rathod Mohit Rathod Rajesh Rathod Sumit Rathod Mayur Gala
(ii)	**Relatives of Key Managerial Personnel**	Nirmala Rathod Manjula Rathod Sangeeta Rathod Shalini Rathod Sonal Rathod Keimaya Rathod Sunita Jain Khubilal Rathod (HUF) Vimalchand Rathod (HUF) Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence:**	Flair Pens Ltd. Flair Kenya Ltd. Stypen Manufacturing Company (India) Pvt. Ltd. Pentel Stationery (India) Pvt. Ltd. Europa Metaltech Industries Flair Pen & Plastic Industries Flair Writing Aids Hauser Lifestyle Products Rathod N Rathod

(c) Transactions with Related Parties

(Rs. in million)

Sr. No.	Nature of Transaction	Relationship	For the year ended 31st March 2018	For the period August 12, 2016 to March 31,2017
1	**Sale of Goods**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	20.97	13.25
	Hauser Lifestyle Products	Other Related Party	5.58	-
	Flair Kenya Ltd.	Other Related Party	3.97	-
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	321.44
	Flair Pens Ltd	Other Related Party	-	90.05
	Flair pen & Plastic (UK) Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	5.96
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	30.81
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	46.63
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	2.37
2	**Purchase of Goods**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	33.01	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	22.66	5.04
	Flair Pens Ltd.	Other Related Party	4.99	1.47
	Hauser Lifestyle Products	Other Related Party	3.12	0.03
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	186.51
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	35.66
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	5.12
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	65.36
3	**Purchase of Fixed Assets**			
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.45
	Flair Pens Ltd.	Other Related Party	12.00	21.91
4	**Rent Expense**			
	Khubilal J. Rathod	Key Managerial Personnel	0.25	-
	Vimalchand J. Rathod	Key Managerial Personnel	0.25	-
	Flair Pens Ltd.	Other Related Party	4.47	0.45
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.60	-
	Flair Writing Aids	Other Related Party	0.15	-
	Flair Pen & Plastic Industries	Other Related Party	7.88	3.80
	Rathod N Rathod	Other Related Party	0.18	0.11
	Nirmala Rathod	Key Managerial Personnel	2.18	1.12
	Manjula Rathod	Key Managerial Personnel	2.18	1.12
	Vimalchand Rathod (HUF)	Relative of KMP	0.96	-

Note 42 : Related Party Disclosure

5	**Advertisement and Sales promotion expenses**	Other Related Party		
	Hauser Lifestyle Products		4.19	-
6	**Labour and Moulding Charges (Received)**			
	Hauser Lifestyle Products	Other Related Party	0.92	-
7	**Re-imbursement of Expenses (Paid)**			
	Flair Pens Ltd.	Other Related Party	16.17	0.13
	Hauser Lifestyle Products	Other Related Party	-	1.92
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.08	-
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.09
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	4.35
8	**Re-imbursement of Expenses (Received)**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	0.44	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	0.04	-
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.10	-
	Hauser Lifestyle Products	Other Related Party	0.02	-
	Flair Pens Ltd.	Other Related Party	-	0.14
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.02
	Flair Pens and Stationery Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.06
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.10
9	**Interest Expenses**			
	Khubilal Rathod	Key Managerial Personnel	20.67	14.33
	Vimalchand Rathod	Key Managerial Personnel	12.60	7.97
	Rajesh Rathod	Key Managerial Personnel	18.92	7.01
	Mohit Rathod	Key Managerial Personnel	19.61	8.86
	Sumit Rathod	Key Managerial Personnel	20.21	9.47
	Nirmala Rathod	Relative of KMP	7.18	2.88
	Manjula Rathod	Relative of KMP	4.73	2.77
	Sangeeta Rathod	Relative of KMP	10.13	2.39
	Shalini Rathod	Relative of KMP	10.37	1.81
	Sonal Rathod	Relative of KMP	4.64	0.12
	Sunita Jain	Relative of KMP	0.36	-
	Keimaya Rathod	Relative of KMP	0.16	-
10	**Investment in Subsidiary Company**			
	Flair Distributor Private Limited	Subsidiary Company	-	1.00
11	**Director/Managerial Remuneration**			
	Khubilal Rathod	Key Managerial Personnel	1.80	-
	Vimalchand Rathod	Key Managerial Personnel	1.80	-
	Rajesh Rathod	Key Managerial Personnel	1.80	-
	Mohit Rathod	Key Managerial Personnel	1.80	-
	Sumit Rathod	Key Managerial Personnel	1.80	-
	Mayur Gala	Key Managerial Personnel	2.28	-
	Jayesh Jain	Relative of KMP	2.14	-
12	**Loan Taken**			
	Khubilal Rathod	Key Managerial Personnel	108.78	45.89
	Vimalchand Rathod	Key Managerial Personnel	44.47	47.09
	Rajesh Rathod	Key Managerial Personnel	88.22	63.09
	Mohit Rathod	Key Managerial Personnel	59.11	51.77
	Sumit Rathod	Key Managerial Personnel	64.04	12.21
	Nirmala Rathod	Relative of KMP	13.01	3.06
	Manjula Rathod	Relative of KMP	17.36	6.63
	Sangeeta Rathod	Relative of KMP	18.93	32.18
	Shalini Rathod	Relative of KMP	21.07	26.12
	Sonal Rathod	Relative of KMP	18.76	14.05
13	**Loan Repaid**			
	Khubilal Rathod	Key Managerial Personnel	227.33	74.41
	Vimalchand Rathod	Key Managerial Personnel	120.49	83.31
	Rajesh Rathod	Key Managerial Personnel	182.57	4.38
	Mohit Rathod	Key Managerial Personnel	137.04	30.47
	Sumit Rathod	Key Managerial Personnel	117.04	8.94
	Nirmala Rathod	Relative of KMP	53.94	15.13
	Manjula Rathod	Relative of KMP	68.70	31.26
	Sangeeta Rathod	Relative of KMP	69.13	19.09
	Shalini Rathod	Relative of KMP	50.76	5.10
	Sonal Rathod	Relative of KMP	42.55	8.57
14	**Issue of Shares**			
	Khubilal Rathod	Key Managerial Personnel	80.02	-
	Vimalchand Rathod	Key Managerial Personnel	60.02	-
	Rajesh Rathod	Key Managerial Personnel	40.01	-
	Mohit Rathod	Key Managerial Personnel	40.01	-
	Sumit Rathod	Key Managerial Personnel	40.01	-
	Nirmala Rathod	Relative of KMP	40.01	-
	Manjula Rathod	Relative of KMP	40.01	-
	Sangeeta Rathod	Relative of KMP	20.01	-
	Shalini Rathod	Relative of KMP	20.01	-
	Sonal Rathod	Relative of KMP	20.01	-

Note 42 : Related Party Disclosure

(d) Outstanding balances as at the year/period end

(Rs. in million)

Sr. No.	Nature of Transaction	Relationship	As at 31st March	
			2018	2017
1	**Investment**			
	Flair Distributor Private Limited	Subsidiary Company	1.00	1.00
2	**Trade Payables**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	4.58	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	4.80	0.47
	Flair Pen & Plastic Industries	Other Related Party	1.36	0.54
	Flair Pens Ltd.	Other Related Party	11.40	24.58
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.01	-
	Hauser Lifestyle Products	Other Related Party	2.42	0.09
	Rathod N Rathod	Other Related Party	0.03	0.03
	Flair Pens and Stationery Industries Pvt Ltd. (now merged with FWIPL)	Other Related Party	-	22.40
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	0.91
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	8.52
3	**Trade Receivables**			
	Flair Distributor Pvt. Ltd.	Subsidiary Company	0.29	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	2.78	0.26
	Flair Pens Ltd.	Other Related Party	-	2.39
	Hauser Lifestyle Products	Other Related Party	6.22	-
	Flair Kenya Ltd.	Other Related Party	2.70	-
	Flair Pen and Plastic Industries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	32.33
	Flair pen & Plastic (UK) Pvt Ltd.(Now merged with FWIPL)	Other Related Party	-	2.21
	Flair Impex Industries Pvt Ltd (Now merged with FWIPL)	Other Related Party	-	4.42
	Flair Stationeries Pvt Ltd. (Now merged with FWIPL)	Other Related Party	-	13.58
4	**Loan Outstanding (Liability)**			
	Khubilal Rathod	Key Managerial Personnel	167.31	221.70
	Vimalchand Rathod	Key Managerial Personnel	99.90	101.72
	Mohit Rathod	Key Managerial Personnel	177.13	167.99
	Rajesh Rathod	Key Managerial Personnel	179.20	144.61
	Sumit Rathod	Key Managerial Personnel	199.36	166.98
	Nirmala Rathod	Relative of KMP	56.62	43.72
	Manjula Rathod	Relative of KMP	22.41	43.83
	Sangeeta Rathod	Relative of KMP	92.46	57.04
	Shalini Rathod	Relative of KMP	102.12	79.57
	Sonal Rathod	Relative of KMP	37.03	16.60
	Sunita Jain	Relative of KMP	3.05	-
	Keimaya Rathod	Relative of KMP	1.87	-
5	**Rent Payable**			
	Khubilal Rathod	Key Managerial Personnel	0.14	-
	Vimalchand Rathod	Key Managerial Personnel	0.14	-
	Nirmala Rathod	Relative of KMP	0.72	0.14
	Manjula Rathod	Relative of KMP	0.68	0.14

Note 43 : Capital Management

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

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
Gross Debt		
Long Term Debt	983.67	40.00
Short Term Debt	749.18	1,137.21
Current Maturities of Long-Term Debt	13.33	14.51
Less: Cash and Cash Equivalents	11.74	57.66
Net Debt (A)	**1,734.45**	**1,134.06**
Total Equity (B)	**1,537.49**	**198.80**
Net Gearing Ratio (A/B)	**1.13**	**5.70**

Note 44 : Segment Reporting

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

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

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

Note 45 : Corporate Social Responsibility Expenditure (CSR)

As per Section 135 (1) of the Companies Act, 2013, Company has a formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.

Sub section (5) of section 135 states that "The Board of every company referred to in sub-section (1) shall ensure that the company spends in every financial year at least two percent of the average net profits of the company, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".

The Company has been advised that, sub section (5) of section 135 of the Act is not applicable to the Company in the relevant financial year and hence the Company has not made any provision for CSR Expenditure

Note 46 : Scheme of Amalgamation

The Board of Directors of Flair Pen And Plastic Industries Private Limited ("Transferor Company 1"),Flair Stationeries Private Limited ("Transferor Company 2"), Flair Pens And Stationery Industries Private Limited ("Transferor Company 3"), Flair Pen And Plastic (UK) Private Limited ("Transferor Company 4"), Flair Impex Industries Private Limited ("Transferor Company 5") and Flair Writing Industries Private Limited ("Transferee Company" or the "Company") in their meeting held on December 1, 2017 had approved a Scheme of Amalgamation ("Scheme") for merger of transferor companies with the Transferee Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018. The Transferee Company and all the transferor companies are engaged in the business of manufacturing and dealing of writing instruments and its allied.

In accordance with the said Scheme and the approval of the Honourable Members of National Company Law Tribunal, Mumbai.

The entire business and the whole of the undertaking of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, as a going concern stood transferred to and vested in the Company with effect from April 01, 2017, being the Appointed Date

- **Accounting for Amalgamation:**

1 The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

2 The Company has recorded all the assets and liabilities previously recorded in the Books of Account of the respective Transferor Company and which are transferred to and vested in the Company pursuant to the scheme, at their book values as on the Appointed Date.

3 Inter-company balances, investments and transactions if any, stood cancelled.

4 In case of any differences in the accounting policies between the Company and the respective Transferee Company, the impact of the same till the Appointed Date of amalgamation was to be quantified and adjusted in the Free/General Reserves of the Company, to ensure that the Restated Standalone Financial Information of the Company reflect the financial position on the basis of consistent accounting policies; however there were no such instances.

5 The bank accounts, agreements, licences and immovable properties of the respective Transferor Company were transferred in the name of the Company.

The Company has issued 1 (One) Equity Share of Rs 10 each to all the Equity Shareholders of the respective Transferor Company whose names appear in the Register of Members, on the record date, for every I (One) Equity Share of Rs 10 each held by them. The said issue and allotment had been done on May 26, 2018 and accordingly, in the Restated Standalone Financial Information, the same has been shown under "**Equity Share Suspense".**

The figures for financial year ended March 31, 2018 include the figures of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, and Transferor Company 5, which are amalgamated with the Company with effect from April 1, 2017 and are therefore to that extent not comparable with those of the previous period.

Note 47 : Leases

The Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The company has paid sub-lease consideration in Advance. The said lease being operating in nature, the advance lease payments are recognized as an expense in the Restated Standalone Statement of Profit and Loss on straight-line basis over the lease term.

Note 48 : Government Grant

The Company has received following government grants:

Refund of Excise Duty

Under Export Promotion Capital Goods (EPCG) scheme, the Company has received a refund of excise duty for the assets purchased. The assets are recorded excluding excise duty and refund receivable is recognised as Current Financial Assets in books of account.

Grant of Subsidy

The Company has received a subsidy for the assets purchased. The subsidy received is recognized as "Government Grants" and the same has being amortised over the useful life of the respective Capital assets.

Note 49 : Goods and Service Tax

The Company has been advised to take Transition Credit on Capital Assets acquired in earlier years under the provisions of Goods and Service Tax Act,2017. Such Credit taken amounted to Rs 18.52 million.

Note 50 : Reconciliation between Previous GAAP and Restated Standalone Financial Information as on March 31, 2018

This note explains the principal adjustments made by the Company in restating its Audited Standalone Financial Statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Restated Standalone Financial Information has affected the Company's financial position, financial performance and cash flows.

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3 = 1+2
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		-	-	1,405.84	-	1,405.84
Capital Work In Progress		-	-	83.10	-	83.10
Intangible Assets		-	-	32.57	-	32.57
Financial Assets						
i) Investments		-	-	1.00	-	1.00
ii) Loans	2	-	-	1.77	-	1.77
iii) Other Financial Assets		-	-	15.24	(1.78)	13.45
Deferred Tax Assets (Net)	4	-	-	58.44	(19.48)	38.96
Other Non-Current Assets	5	-	-	243.59	1.40	244.99
Total Non-Current Assets		**-**	**-**	**1,841.55**	**(19.86)**	**1,821.69**
Current Assets						
Inventories		-	-	880.69	-	880.69
Financial Assets						
i) Trade Receivables		-	-	1,153.72	(3.34)	1,150.38
ii) Cash And Cash Equivalents		-	-	11.74	-	11.74
iii) Loans	2	-	-	8.82	-	8.82
iv) Other Financial Assets	7	-	-	2.35	-	2.35
Other Current Assets	5	-	-	221.13	0.38	221.51
Total Current Assets		**-**	**-**	**2,278.44**	**(2.96)**	**2,275.49**
Total Assets		**-**	**-**	**4,120.00**	**(22.82)**	**4,097.18**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		-	-	2.18	-	2.18
Equity Share Suspense		-	-	27.00	-	27.00
Other Equity		-	-	1,556.94	(48.63)	1,508.31
Total Equity		**-**	**-**	**1,586.12**	**(48.63)**	**1,537.49**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	997.00	(13.33)	983.67
ii) Other Financial Liabilities		-	-	55.93	0.75	56.68
Provisions	1	-	-	25.34	-	25.34
Government Grant	6	-	-	4.78	-	4.78
Total Non-Current Liabilities		**-**	**-**	**1,083.06**	**(12.58)**	**1,070.48**
Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	691.58	57.60	749.18
ii) Trade Payables		-	-	551.34		551.34
iii) Other Financial Liabilities	7	-	-	92.57	(7.12)	85.45
Government Grant	6	-	-	0.83	-	0.83
Other Current Liabilities		-	-	47.16	19.70	66.86
Provisions	1	-	-	33.38		33.38
Current Tax Liabilities (Net)		-	-	33.96	(31.79)	2.17
Total Current Liabilities		**-**	**-**	**1,450.81**	**38.39**	**1,489.21**
Total Liabilities		**-**	**-**	**2,533.88**	**25.81**	**2,559.69**
Total Equity and Liabilities		**-**	**-**	**4,120.00**	**(22.82)**	**4,097.18**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Standalone Financial Statements for the year ended March 31, 2018.

Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements for the year ended March 31, 2018.

*As the Company has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Reconciliation between Previous GAAP and Restated Standalone Financial Information as on March 31, 2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		881.41	-	881.41	(43.39)	838.03
Capital Work In Progress		23.33	-	23.33	(2.68)	20.65
Intangible Assets		24.12	-	24.12	-	24.12
Financial Assets						
i) Investments		1.00	-	1.00	-	1.00
ii) Loans	2	0.09	-	0.09	-	0.09
iii) Other Financial Assets		9.68	-	9.68	-	9.68
Deferred Tax Assets (Net)	4	-	-	-	3.04	3.04
Other Non-Current Assets	5	214.12	-	214.12	-	214.12
Total Non-Current Assets		**1,153.76**	**-**	**1,153.76**	**(43.03)**	**1,110.73**
Current Assets						
Inventories		377.38	-	377.38	-	377.38
Financial Assets						
i) Trade Receivables		318.15	-	318.15	(15.48)	302.67
ii) Cash and Cash Equivalents		57.66	-	57.66	-	57.66
iii) Loans	2	9.10	-	9.10	-	9.10
iv) Other Financial Assets	7	0.87	-	0.87	-	0.87
Other Current Assets	5	50.82	-	50.82	12.75	63.58
Total Current Assets		**813.99**	**-**	**813.99**	**(2.73)**	**811.26**
Total Assets		**1,967.75**	**-**	**1,967.75**	**(45.76)**	**1,921.99**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		2.00	-	2.00	-	2.00
Other Equity		252.12	(19.98)	232.13	(35.33)	196.80
Total Equity		**254.12**	**(19.98)**	**234.13**	**(35.33)**	**198.80**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-	54.51	54.51	(14.51)	40.00
ii) Other Financial Liabilities		-	-	-	-	-
Provisions	1	0.93	-	0.93	11.77	12.70
Deferred Tax Liabilities (Net)		72.31	6.35	78.66	(78.66)	-
Government Grant	6	-	-	-	1.71	1.71
Total Non-Current Liabilities		**73.24**	**60.86**	**134.10**	**(79.69)**	**54.42**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,134.11	(54.51)	1,079.60	57.61	1,137.21
ii) Trade Payables		276.64	-	276.64	-	276.64
iii) Other Financial Liabilities	7	93.18	-	93.18	(21.72)	71.46
Government Grant	6	-	-	-	0.30	0.30
Other Current Liabilities		44.61	-	44.61	36.34	80.95
Provisions	1	19.26	13.63	32.89	(11.77)	21.12
Current Tax Liabilities (Net)		72.59		72.59	8.50	81.09
Total Current Liabilities		**1,640.39**	**(40.88)**	**1,599.51**	**69.26**	**1,668.77**
Total Liabilities		**1,713.63**	**19.98**	**1,733.62**	**(10.43)**	**1,723.19**
Total Equity and Liabilities		**1,967.75**	**(0.00)**	**1,967.75**	**(45.76)**	**1,921.99**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Standalone Financial Statements for the period ended March 31, 2017.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)

Annexure VI : Notes to Restated Standalone Financial Information

Reconciliation of Total Comprehensive Income for the year 2017 - 2018

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3=1+2
INCOME						
	3					
Revenue from Operations		-	-	5,041.07	12.18	5,053.24
Other Income		-	-	68.20	-	68.20
Total Income (A)		**-**	**-**	**5,109.27**	**12.18**	**5,121.44**
EXPENSES						
Cost of Material Consumed		-	-	2,434.98	(4.77)	2,430.20
Purchase of Stock-In-Trade		-	-	262.68	-	262.68
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-In-Trade		-	-	(79.80)	-	(79.80)
Excise Duty on Sales	8	-	-	7.93	-	7.93
Employee Benefits Expense		-	-	741.72	(0.11)	741.61
Finance Costs		-	-	172.19	-	172.19
Depreciation/Amortisation Expense		-	-	152.75	-	152.75
Other Expenses		-	-	744.42	-	744.42
Total Expenses (B)		**-**	**-**	**4,436.86**	**(4.88)**	**4,431.97**
Profit Before Tax (C=A-B)		**-**	**-**	**672.41**	**17.06**	**689.47**
Income Tax Expense						
Current Tax		-	-	168.61	-	168.61
Less: Amt-Mat Credit Entitlement		-	-	-	-	-
Net Current Tax		-	-	168.61	-	168.61
Deferred Tax	4	-	-	7.49	22.85	30.34
Tax Adjustments for earlier years		-	-	(37.63)	29.15	(8.48)
Total Tax Expenses (D)		**-**	**-**	**138.47**	**52.00**	**190.46**
Profit After Tax (E=C-D)		**-**	**-**	**533.94**	**(34.94)**	**499.00**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss		-	-	-	-	-
Remeasurements of Defined Benefit Plans		-	-	(14.59)	-	(14.59)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-	4.25	-	4.25
Other Comprehensive Income for the period (Net of Tax) (F)		**-**	**-**	**(10.34)**	**-**	**(10.34)**
Total Comprehensive Income for the period (G=E+F)		**-**	**-**	**523.60**	**(34.94)**	**488.66**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Standalone Financial Statements for the year ended March 31, 2018.

Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements for the year ended March 31, 2018.

*As the Company has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Restated Standalone Financial Information and the Previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Reconciliation of Total Comprehensive Income for the year 2016 - 2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
INCOME						
Revenue from Operations	3	1,496.52	22.46	1,518.98	(15.48)	1,503.50
Other Income		229.70	-	229.70	0.37	230.07
Total Income (A)		**1,726.22**	**22.46**	**1,748.68**	**(15.11)**	**1,733.57**
EXPENSES						
Cost of Material Consumed		799.92	-	799.92	4.77	804.68
Purchase of Stock-In-Trade		-		-	-	-
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-In-Trade		(55.75)		(55.75)		(55.75)
Excise Duty on Sales	8	-	22.46	22.46		22.46
Employee Benefits Expense		250.91	1.96	252.86	0.11	252.97
Finance Costs		3.87	-	3.87	57.66	61.52
Depreciation and Amortisation Expenses		45.34	-	45.34	-	45.34
Other Expenses		225.56	-	225.56	(0.72)	224.84
Total Expenses (B)		**1,269.84**	**24.42**	**1,294.26**	**61.81**	**1,356.07**
Profit Before Tax (C=A-B)		**456.38**	**(1.96)**	**454.42**	**(76.92)**	**377.50**
Income Tax Expenses						
Current Tax		97.40	-	97.40	8.50	105.90
Less: Amt-Mat Credit Entitlement		-	-	-	37.65	37.65
Net Current Tax		97.40	-	97.40	(29.15)	68.25
Deferred Tax	4	83.14	11.66	94.80	(33.36)	61.44
Tax Adjustments for earlier years		-	-	-	0.72	0.72
Total Tax Expenses (D)		**180.54**	**11.66**	**192.20**	**(61.78)**	**130.41**
Profit After Tax (E=C-D)		**275.84**	**(13.62)**	**262.22**	**(15.14)**	**247.08**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined Benefit Plans		-	0.89	0.89	-	0.89
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-	(0.31)	(0.31)	-	(0.31)
Other Comprehensive Income for the period (Net of Tax) (F)		**-**	**0.58**	**0.58**	**-**	**0.58**
Total Comprehensive Income for the period (G=E+F)		**275.84**	**(13.04)**	**262.80**	**(15.14)**	**247.66**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Information prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Restated Standalone Financial Information and the Previous GAAP.

Note 50.1: Explanation of adjustments for transition from Previous GAAP to Ind AS

Note 1: Re-measurements of post employment benefit obligations
Under the previous GAAP, costs relating to post employment benefit obligations including actuarial gain/losses were recognised in the Profit & Loss A/c. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Profit &Loss A/c.

Note 2: Employee Loans
Under the previous GAAP, interest free loans are recorded at transaction cost. Under Ind AS All financial assets are required to be recognised at Fair Value. Accordingly, the Company has Fair Valued the loans at amortised cost using effective rate of interest and the difference between the Fair Value and transaction value of the loans has been recognised as Interest.

Note 3: Revenue Recognition
Under the previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. However, under Ind AS, Revenue is recognised at the Fair Value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash discounts and incentives given to customers which have been reclassified from 'advertising and business promotion' and 'sales scheme expenses' within other expenses under previous GAAP and netted from revenue under Ind AS. Consequently, the revenue has decreased; however, there is no impact on profit.

Note 4: Deferred taxes
Under previous GAAP, Deferred Taxes were recognised based on Profit &Loss Approach i.e. tax impact on difference between the Accounting Income and Taxable Income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet Approach i.e. tax impact on temporary difference between the carrying value of Asset and Liabilities in the books and their respective tax base.

Note 5: Leasehold Land
Under previous GAAP, arrangement for lease of land was not covered as part of Accounting Standard 19 "Leases" and was treated as Property, Plant and Equipment in the Books of Accounts. However, under Ind AS, Leasehold Land is governed by Ind AS 17 "Leases" and needs to be classified as an Operating or Finance Lease depending on fulfilment of certain conditions. The Company has evaluated such conditions for classification of Leases and is of the view that certain Leasehold Land of the Company are in the nature of an Operating Lease and Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

Note 6: Government Grants
Under previous GAAP, Government Grant received towards Capital Assets has been reduced from the cost of respective Capital Assets, however, as per Ind AS, it has been recognised as "**Government Grants**" and the same shall be amortised over the useful life of the respective Capital Assets.

Note 7: Derivative Instruments - Foreign Exchange Forward Contracts
Under the previous GAAP, unrealized net gain/ (loss) on Foreign Exchange Forward Contract(s), if any, as at each Balance Sheet date were provided for. Under Ind AS, Foreign Exchange Forward Contracts are accounted for, on mark-to-market basis, as at Balance Sheet date and unrealized net gain/ (loss) is recognised in the Statement of Profit and Loss

Note 8: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of Excise Duty. However, under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Excise Duty paid, being an expense, is shown as a separate line item in the Statement of Profit and Loss. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Note 9: Other Comprehensive Income
Under Ind AS, all items of Income and Expense transacted in a period ought to be provided while determining the Profit or Loss for the period, unless otherwise stated or provided by some specific standard. Items of Income and Expense that are not recognised in Profit or Loss but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' includes re-measurements of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Restated Standalone Financial Information

Note 51 : Capital and Other Commitments

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	138.27	1.27

Note 52 : Contingent Liability
Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Entity.

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017
a) Disputed Excise and Service Tax Matters	1.21	-
b) Income Tax matters	2.12	2.12
c) Bank Guarantee outstanding	0.45	0.73

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.

Note 53 : Events after Reporting Period
1) The Company is in the process of closing down commercial activities at its units at Sachin, Surat, Gujarat. All moveable assets have ben transferred to the Company's other units in the first quarter of F.Y 2018-19.

2) The Company has been converted to "Public Limited Company" on May 30, 2018 as per the provisions of Companies Act, 2013.
3) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

Note 54 :
The financial statements for 'March 31, 2017' are only for period beginning August 12, 2016 (being date of conversion of the Company from partnership firm to private limited company) to March 31, 2017 and hence not comparable to the financials statements for year ended March 31, 2018.

This is the Notes to Restated Standalone Financial Information referred to in our report of even date

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

K.L.Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Standalone Financial Statements

Summarized below are the restatement adjustments made to the Audited Standalone Financial Statements for each of the year ended March 31, 2018 and for the period ended 2017 and their impact on the profit/(loss) of the Company:

(Rs. in million)

Sr.No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
A	Net profit after tax as per Audited Previous GAAP / Ind AS	533.94	275.84
B	**Ind AS Adjustments**		
	Aggregate impact of all Ind AS adjustments (refer notes 50 and 50.1 for detailed explanation of transition from Previous GAAP to Ind AS), net of tax	-	(13.62)
C	**Restatement Adjustments**		
	Material Restatement Adjustments		
	(Excluding those on account of changes in accounting policies)		
	(i) Audit Qualifications : None	-	-
	(ii) Other material adjustments		
	Prior period items	17.06	(76.92)
	Others	-	-
		17.06	(76.92)
D	**Tax Adjustments**		
	Income Tax adjustment related to earlier years	(29.15)	28.42
	Deferred Tax impact on above restatement adjustments	(22.85)	33.36
		(52.00)	61.78
E	**Total Impact of Adjustments**	(34.94)	(28.76)
	Net Profit as per Restated Standalone Statement of Profit and Loss	**499.00**	**247.08**

Notes to Adjustments

(a) In the Standalone Financial Statements, certain expense provisions not made, have now been made in their respective year(s).

(b) Sales Returns received in the subsequent year(s) have been duly accounted for and considered in the respective year in which the sales were made. Thereby reducing the sales of the respective year(s).The same has resulted in a corresponding impact on Cost of Materials consumed and Trade Receivables.

(c) These Adjustment(s) include, rectification of calculations of Deferred Tax and Impact of Restatement Adjustments made as detailed above. For the purpose of the Restated Standalone Financial Information, Deferred Taxes have been appropriately adjusted in the Restated Profits and Loss A/cs of the respective years to which they relate.

(d) The Tax Rate applicable for the next Financial Year has been used to determine the impact of Deferred Tax on the restatement adjustments.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Standalone Financial Statements

Material Regrouping

Appropriate Adjustments have been made in the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss, Restated Standalone Statement of Cash Flows and Restated Standalone Statement of Changes in Equity, wherever required, by reclassifying the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the standalone audited financials of the Company as at and for the year ended March 31, 2018.

Non - Adjusting Items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the Standalone Financial Statements as at and for the period ended March 31, 2017 and for the year ended 2018 respectively. Certain statements/comments included in the CARO in the Standalone Financial Statements, which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Financial Year 2017-18

Clause (vii) (b) of CARO 2016 Order

Name of the Statute	Name of Dispute	Amount (In Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	311,891	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	554,793	2013-14	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	56,047	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Excise Act, 1944	Service Tax	283,679	07.01.2013 to 30.06.2014	Commissioner of Central Excise **(Appeals)**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VIII - Restated Standalone Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Interest Income	Recurring	1.82	0.49
Net Gain On Foreign Currency Transaction And Translation (Other Than Considered As Finance Cost)	Recurring	42.46	-
Miscellaneous Income	Non- recurring	23.91	229.58
Total other income		**68.20**	**230.07**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Restated Standalone Statement of Accounting Ratios

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
A	Net Profit after Tax as restated	499.00	247.08
B	Add: Expense recognized in reserves	39.20	31.04
C	Net Profit after Tax as restated (A+B)	538.20	278.13
D	Net Worth at the end of the year - as restated	1,537.49	198.80
E	Total Adjusted Number of Equity Shares outstanding at the end of the year	2,906,133	200,000
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period#	2,906,133	200,000
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period#	2,906,133	200,000
H	Net Worth for equity shareholders	1,537.49	198.80
I	Accounting Ratios:		
	Earning Per Share (Refer note 36)		
	Basic Earnings Per Share	185.20	1,390.64
	Diluted Earnings Per Share	185.20	1,390.64
	Return on Net Worth (%) (C/D)	35.01	139.90
	Net Asset Value per share of Rs. 10 each	526.83	994.02

Note:

1 The above ratios are calculated as under:

Basic Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Shares outstanding during the year.

Diluted Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Shares outstanding during the year.

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net Worth / Number of equity shares as at the end of year.

2 The figures disclosed above are based on the Restated Standalone Financial Information.

3 Earning Per Share (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities premium and Remeasurements of defined benefit obligations).

The Company has allotted 18,400 Equity Shares to eligible holders of equity shares on November 30, 2017 towards right issue.

Including 27,00,000 equity shares issued to shareholders of Transferors' Companies.

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
A	Net Profit after Tax as restated	499.00	247.08
B	Add: Expense recognized in reserves	39.20	31.04
C	Net Profit after Tax as restated (A+B)	538.20	278.13
D	Net Worth at the end of the year - as restated	1,537.49	198.80
E	Total Adjusted Number of Equity Shares outstanding at the end of the year	23,334,933	20,628,800
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period#	23,334,933	20,628,800
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period#	23,334,933	20,628,800
H	Net Worth for equity shareholders	1,537.49	198.80
I	Accounting Ratios:		
	Earning Per Share (Refer note 36)		
	Basic Earnings Per Share	23.06	13.48
	Diluted Earnings Per Share	23.06	13.48
	Return on Net Worth (%) (C/D)	35.01	139.90
	Net Asset Value per share of Rs. 10 each	65.85	9.64

Note:

1 The above ratios are calculated as under:

Basic Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Shares outstanding during the year.

Diluted Earnings per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Shares outstanding during the year.

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net Worth / Number of equity shares as at the end of year.

2 The figures disclosed above are based on the Restated Standalone Financial Information.

3 Earning Per Share (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities premium and Remeasurements of defined benefit obligations).
The Company has allotted 18,400 Equity Shares to eligible holders of equity shares on November 30, 2017 towards right issue.
Including 27,00,000 equity shares issued to shareholders of Transferors' Companies.

5 Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

6 Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Restated Standalone Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure X - Restated Standalone Statement of Capitalisation (Prior to IPO)

(Rs. in million)

Particulars	Pre-issue as at March 31, 2018 (without considering bonus issue)	Pre-issue as at March 31, 2018 (considering bonus issue)
Debt:		
Long Term Borrowings **(A)**	983.67	983.67
Short Term Borrowings	749.18	749.18
Current Portion of Secured Long Term Borrowings included in Other Current Liabilities	13.33	13.33
Shareholders Funds:		
Equity Share Capital	2.18	206.47
Equity Share Suspense	27.00	27.00
Reserves and Surplus	1,508.31	1,304.02
Equity (B)	**1,537.49**	**1,537.49**
Long Term Debt/ Equity ratio (A/B)	**0.64:1**	**0.64:1**

Notes:

1) The above has been computed on the basis of the Restated Standalone Financial Information - Annexure I & Annexure II.

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

3) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XI - Restated Standalone Statement of Dividend paid

Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
Number of equity shares	218,400	200,000
Face value per equity share (Rs.)	10	10
Rate of Dividend (%)	-	-
Dividend paid	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XII - Restated statement of Tax Shelter

(Rs. in Million)

Sr. No	Particulars	For the Year Ended March 31, 2018	For the period August 12, 2016 to March 31,2017 Proforma Ind AS
A	**Restated Profit Before Taxes**	689.47	377.50
B	Company's domestic tax rate	34.61%	34.61%
C	Income tax using the Company's tax rate	**238.61**	**130.64**
	Tax effect of:		
	Permanent Disallowances	(0.54)	(0.65)
	Tax on Deductions Under Chapter VI A and Section 10 AA/80-IC of Income Tax Act	(43.38)	-
D	**Total Tax Impact of Permanent Differences**	**(43.91)**	**(0.65)**
	Tax Impact of Timing Differences Due to:		
	Property, Plant and Equipment and other Intangibles Assets	(11.39)	(98.60)
	Provision for Gratuity	4.14	(0.31)
	Expenses allowable on payment basis	4.01	3.80
	AMT/MAT Credit Entitlement	-	37.65
	Other temporary differences	(22.85)	33.36
E	**Total Tax Impact of Timing Differences**	**(26.09)**	**(24.10)**
F	Net Adjustments	**(70.00)**	**(24.74)**
G	**Adjusted Tax Liability (C+F)**	**168.61**	**105.90**
	Minimum Alternate Tax under Sec 115JB of Income Tax Act Including Other Taxes		
	Tax rate as per Minimum Alternate Tax under Sec 115JB of Income Tax Act	21.34%	21.34%
H	Tax liability as per Minimum Alternate Tax under Sec 115JB of Income Tax Act including other Taxes	147.13	80.56
I	**Net liability (Higher of G and H)**	**168.61**	**105.90**
J	MAT credit entitlement recognised	-	(37.65)
K	Deferred Tax Charge/(Income)	30.34	61.44
L	Adjustments in respect of current income tax of previous years	(8.48)	0.72
M	**Tax Expenses As per Restated Standalone Statement of Profit & Loss**	**190.46**	**130.41**

SPECIAL PURPOSE RESTATED FINANCIAL INFORMATION

[The remainder of this page has been intentionally left blank.]

To,

The Board of Directors
Flair Writing Industries Limited
63 B/C, Government Industrial Estate,
Charkop, Kandivali (W),
Mumbai - 400 067

Independent Auditor's Examination Report on the Special Purpose Restated Consolidated Financial Information of Flair Writing Industries Limited (the "Company") and its subsidiary, Flair Distributor Private Limited to be included in the Draft Red Herring Prospectus (DRHP) in connection with the proposed Initial Public Offering of the Company

Dear Sir(s),

1. We have undertaken our audit and assurance engagement to report on the Special Purpose Restated Consolidated Financial Information of **Flair Writing Industries Limited, (the "Company") (Formerly known as Flair Writing Industries Private Limited)** and its Subsidiary - Flair Distributor Private Limited, (the Company and the Subsidiary together referred to as "the **Group**") by the Management of the Company. The Special Purpose Restated Consolidated Financial Information consists of the Special Purpose Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014, the Special Purpose Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Consolidated Statement of Changes in Equity and the Special Purpose Restated Consolidated Statement of Cash Flows in each case for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and special purpose restated consolidated other financial information (collectively referred to as "**Special Purpose Restated Consolidated Financial Information"**). The applicable criteria on the basis of which the Management of the Company has prepared and compiled the Special Purpose Restated Consolidated Financial Information are set out in Note 2 of Annexure V- 'Basis of Preparation' of the Special Purpose Restated Consolidated Financial Information.

2. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments' ("Firm") under the provisions of Chapter XXI of Companies Act, 2013. For the purposes of the Special Purpose Restated Consolidated Financial Information, it has been presumed that the Company was in existence as a company since April 1, 2013. National Pen & Plastic Industries, National Impex Corporation, Flair Pens & Stationery Ind; National Pen & Plastic Industries (UK) and Flair Impex Corporation, each a partnership firm engaged in the business of manufacturing and dealing of writing instruments and its allied have been individually referred to as "Entity" and collectively along with the Firm have been referred to as "Entities".

3. **The Special Purpose Restated Consolidated Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the Group for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013**. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. For history of the Group, the Entities, respective date of conversion of the Entities, and Scheme of Amalgamation, reference may be drawn to Note 1 of Annexure V – Group Overview and Note 2 (a) of Annexure V, of the Special Purpose Restated Consolidated Financial Information

4. As part of this process of preparing the Special Purpose Restated Consolidated Financial Information, information about the Group's financial position and financial performance have been extracted by the Management of the Company from the:
   a) Audited Consolidated Financial Statements of the Group for the financial year ended March 31, 2018,
   b) Combined Financial Statements, as described herein under for the financial year ended March 31, 2017,
   c) Audited Financial Statements of the Subsidiary for the period, December 30, 2016 to March 31, 2017, and
   d) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014

For the financial statements as of and for the financial year ended March 31, 2017, the financial statements of the Entities as of and for the period beginning April 1, 2016 upto their respective date of conversion into the relevant Transferor Company and the financial statements of the Company and Transferor Companies as of and for the period from the respective date of conversion upto March 31, 2017, have been combined and re-casted by the Management of the Company, to conform to the format prescribed for companies under Companies Act, 2013 in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable (the "Combined Financial Statements"). For this process, information about, the Entities financial position and financial performance, the Company's and the Transferor Companies, financial position and financial performance, have been extracted by the Management of the Company from the Audited Financial Statements of the Entities as of and for the period beginning April 1, 2016 until the date of conversion of each such entity, Audited Standalone Financial Statements of the Company as of and for the period beginning August 12, 2016 to March 31, 2017, and Audited Financial Statements of each of the Transferor Company, as of and for the period following such conversion and until March 31, 2017

5. The Special Purpose Restated Consolidated Financial Information have been prepared by the Management of the Company under Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable in accordance with the requirements of:

    i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

    ii. The Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations");

    iii. The Guidance Note on Reports in Company's Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI")

    iv. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI.

    v. Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI

6. For 'Basis and Procedures of Consolidation' reference may be drawn to Note 2(b) of Annexure V of Special Purpose Restated Consolidated Financial Information

Managements' Responsibility for the Special Purpose Restated Consolidated Financial Information

7. The Management of the Company is responsible for compiling the Special Purpose Restated Consolidated Financial Information on the basis set out in Note 2 and 3 of Annexure V to the Special Purpose Restated Consolidated Financial Information and the same have been approved by the Board of Directors of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Group 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 designing, implementing and maintaining adequate internal controls, relevant for compiling the Special Purpose Restated Consolidated Financial Information on the basis set out in Note 2 and 3 of Annexure V to the Special Purpose Restated Consolidated Financial Information, that is free from material misstatement, whether due to fraud or error. The Management of the Company is also responsible for identifying and ensuring that the Group complies with the laws and regulations applicable to its activities, including

compliance with the provisions of the laws and regulations for the compilation of Special Purpose Restated Consolidated Financial Information.

Auditor's Responsibilities

8. Our responsibility is to express an opinion, as required by the SEBI ICDR Regulations, about whether the Special Purpose Restated Consolidated Financial Information as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 of the Group have been compiled, in all material respects, by the Management of the Company on the basis set out herein above and in Note 2 of Annexure V to the Special Purpose Restated Consolidated Financial Information.

9. We have conducted our engagement in accordance with the Guidance Note on Reports or Certificates for Special Purpose and the Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), both issued by the Institute of Chartered Accountants of India. This Guidance Note and Standard requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India and plan and perform procedures to obtain reasonable assurance about whether the Management of the Company has compiled, in all material respects, the Special Purpose Restated Consolidated Financial Information on the basis set out herein above and in Note 2 of Annexure V to the Special Purpose Restated Consolidated Financial Information.

10. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / standalone financial information, used in compiling the Special Purpose Restated Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Special Purpose Restated Consolidated Financial Information. For our audit and assurance engagement, we have placed reliance on the following:
    a. the Audited Consolidated Financial Statements of the Group for the financial year ended March 31, 2018
    b. Combined Financial Statements, as referred to para 4 above, for the financial year ended March 31, 2017
    c. the Audited Financial Statements of the Subsidiary for the period, December 30, 2016 to March 31, 2017, and
    d. the Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014.

In accordance with the requirements of explanation III of regulation 26 of Part I of Chapter III of the SEBI ICDR Regulations, we report that audited financial statements of the Firm were duly certified by us and that the accounts and the disclosures made were in accordance with the provisions of Schedule VI of the Companies Act, 1956 and/ or in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the accounting standards of the Institute of Chartered Accountants of India were followed and the audited financial statements presented a true and fair view of the Firm's accounts.

11. The purpose of Special Purpose Restated Consolidated Financial Information included in the offer document is solely to illustrate the financial position and financial performance of the Group for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013 ("Event"). Accordingly, we do not provide any assurance that the actual outcome of this particular Event, at April 1, 2017 would have been as presented.

12. A reasonable audit and assurance engagement to report on whether the Special Purpose Restated Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management of the Company in the compilation of the Special Purpose Restated Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Event. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Group, the Event in respect of which the Special Purpose Restated Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

13. The engagement also involves evaluating the overall presentation of the Special Purpose Restated Consolidated Financial Information.

14. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

15. An audit and assurance engagement involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Restated Consolidated Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Restated Consolidated Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the Special Purpose Restated Consolidated Financial Information that give a fairly stated view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit and assurance engagement also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management of the Company

16. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

17. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

18. In our opinion the Special Purpose Restated Consolidated Financial Information have been compiled, in all material respects, on the basis set out herein above and in the Note 2 of Annexure V to the Special Purpose Restated Consolidated Financial Information.

Other Matters

19. We draw your attention to Note 2 of Annexure V- 'Basis of Preparation' of the Special Purpose Restated Consolidated Financial Information which describes the basis of presentation.

Restrictions on use

20. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

21. Our report is intended solely for use of the Management of the Company in connection with the proposed Initial public offering by way of fresh issue of equity shares and an offer for sale of equity shares by the existing shareholders of the Company and is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

K. L. Rathore
Partner
(M No.012807)

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Special Purpose Restated Consolidated Statement of Assets and Liabilities

(Rs. in million)

	Particulars	Note No. to Annexure VI	As at 31st March				
			2018	2017	2016	2015	2014
	ASSETS						
	Non-Current Assets						
a)	Property, Plant and Equipment	1	1,405.70	1,156.91	1,094.88	904.37	686.49
b)	Capital Work In Progress	1	83.10	20.79	-	124.48	100.68
c)	Intangible Assets	1	32.57	33.98	11.16	10.65	2.81
d)	Financial Assets						
	i) Loans	2	1.77	1.45	4.29	4.89	3.48
	ii) Other Financial Assets	3	13.48	20.27	21.44	20.00	19.20
e)	Deferred Tax Assets (Net)	4	103.00	161.18	76.62	50.16	28.03
f)	Other Non-Current Assets	5	244.99	271.75	121.97	78.88	42.97
	Total Non-Current Assets		**1,884.62**	**1,666.33**	**1,330.37**	**1,193.42**	**883.66**
	Current Assets						
a)	Inventories	6	912.05	754.76	625.32	516.40	345.30
b)	Financial Assets						
	i) Investment	7	-	-	-	-	10.00
	ii) Trade Receivables	8	1,188.19	861.71	789.11	693.22	573.92
	iii) Cash and Cash Equivalents	9	14.54	68.30	15.35	4.04	9.14
	iv) Bank Balance Other than (iii) above	10	-	0.13	0.14	0.58	-
	v) Loans	11	175.83	31.62	9.04	3.34	5.07
	vi) Other Financial Assets	12	2.50	5.26	3.15	4.52	4.38
c)	Other Current Assets	13	223.13	152.68	136.49	132.59	97.67
	Total Current Assets		**2,516.25**	**1,874.47**	**1,578.60**	**1,354.69**	**1,045.47**
	Total Assets		**4,400.86**	**3,540.80**	**2,908.97**	**2,548.11**	**1,929.13**
	EQUITY AND LIABILITIES						
	Equity						
a)	Equity Share Capital	14	29.18	29.00	29.00	29.00	28.30
b)	Other Equity	15	2,590.52	1,705.26	1,195.75	668.56	278.30
	Total Equity		**2,619.70**	**1,734.26**	**1,224.75**	**697.56**	**306.60**
	Liabilities						
1	**Non-Current Liabilities**						
a)	Financial Liabilities						
	i) Borrowings	17	355.93	40.00	54.51	2.29	3.29
	ii) Other Financial Liabilities	18	56.68	0.45	0.45	0.30	0.80
b)	Provisions	19	25.34	16.00	20.55	16.69	9.97
c)	Government Grant	23	4.78	5.61	6.49	3.94	-
	Total Non-Current Liabilities		**442.74**	**62.06**	**82.00**	**23.22**	**14.06**
	Current Liabilities						
a)	Financial Liabilities						
	i) Borrowings	20	525.06	887.70	1,105.30	1,327.34	1,225.19
	ii) Trade Payables	21	612.64	510.27	359.80	364.02	287.67
	iii) Other Financial Liabilities	22	91.99	94.87	54.71	41.94	32.00
b)	Government Grant	23	0.83	0.88	0.93	0.77	-
c)	Other Current Liabilities	24	70.60	94.31	33.70	42.75	19.41
d)	Provisions	25	34.89	32.08	22.25	18.46	13.58
e)	Current Tax Liabilities (Net)	26	2.41	124.38	25.55	32.04	30.63
	Total Current Liabilities		**1,338.42**	**1,744.48**	**1,602.22**	**1,827.33**	**1,608.47**
	Total Liabilities		**1,781.16**	**1,806.54**	**1,684.22**	**1,850.55**	**1,622.53**
	Total Equity And Liabilities		**4,400.86**	**3,540.80**	**2,908.97**	**2,548.11**	**1,929.13**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Consolidated Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Consolidated Statement of Assets and Liabilities referred to in our 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**	
K. L. Rathore **(Partner)** **M.No. 012807**	**Khubilal Rathod** **Director** **(DIN. 00122867)**	**Vimalchand Rathod** **Director** **(DIN. 00123007)**
	Mayur D. Gala **Chief Financial Officer**	**Vishal Chanda** **Company Secretary**
Place: Mumbai **Date: August 27, 2018**	**Place: Mumbai** **Date: August 27, 2018**	

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure II : Special Purpose Restated Consolidated Statement of Profit and Loss

(Rs. in million)

Particulars	Note No. to Annexure VI	For the Year Ended 31st March 2018	2017	2016	2015	2014
INCOME						
Revenue from Operations	27	5,744.65	4,222.59	3,854.73	3,398.34	2,694.97
Other Income	28	62.08	41.80	55.79	37.89	11.02
Total Income (A)		**5,806.73**	**4,264.39**	**3,910.52**	**3,436.23**	**2,705.99**
EXPENSES						
Cost of Material Consumed	29	2,433.52	1,671.12	1,426.11	1,494.25	1,110.59
Purchase of Stock-in-Trade	30	893.65	482.51	641.25	522.49	454.39
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	31	(104.64)	(60.36)	(65.60)	(144.27)	(28.74)
Excise Duty on Sales		7.92	32.79	26.49	20.03	18.30
Employee Benefits Expense	32	790.34	511.28	398.44	337.76	286.33
Finance Costs	33	172.21	94.59	111.17	107.04	97.20
Depreciation/Amortisation Expense	34	152.54	119.19	103.76	82.46	59.38
Other Expenses	35	769.93	727.36	571.67	474.21	389.25
Total Expenses (B)		**5,115.47**	**3,578.48**	**3,213.29**	**2,893.97**	**2,386.72**
Profit Before Tax (C=A-B)		691.27	685.90	697.23	542.26	319.27
Tax Expense						
Current Tax		168.93	272.25	206.56	151.59	95.37
Less: Amt-Mat Credit Entitlement		-	51.74	26.85	15.61	37.97
Net Current Tax		168.93	220.50	179.71	135.98	57.40
Deferred Tax		29.72	(37.02)	(9.30)	(5.39)	(17.23)
Total Tax Expenses (D)		198.65	183.49	170.41	130.59	40.17
Profit for the Year (E = C-D)		**492.61**	**502.42**	**526.83**	**411.67**	**279.10**
Other Comprehensive Income						
Items that will not be reclassified to Profit or loss						
Remeasurements of Defined Benefit Plans		(10.61)	10.85	0.55	(5.78)	(1.21)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		3.33	(3.75)	(0.19)	2.01	0.41
Other Comprehensive Income for the Year (Net of Tax) (F)		**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**
Total Comprehensive Income for the Year (G = E+F)		485.33	509.51	527.19	407.90	278.30
Earnings Per Share In Rs.						
Basic Earnings Per Equity Share of INR 10 /- each.	36	21.11	21.54	22.58	17.65	12.00
Diluted Earnings Per Equity Share of INR 10/- each.	36	21.11	21.54	22.58	17.65	12.00

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Consolidated Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Consolidated Statement of Profit and Loss referred to in our 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

K. L. Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure III : Special Purpose Restated Consolidated Statement of Cash Flows

(Rs. in million)

Sr. No.	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit Before Taxes	**691.27**	**685.90**	**697.23**	**542.26**	**319.27**
	Adjusted for:					
	Depreciation and Amortisation Expense	152.54	119.19	103.76	82.46	59.38
	(Profit)/Loss on sale of Fixed Assets	0.97	0.03	2.02	0.35	0.11
	(Profit)/Loss on sale of Investments					
	Interest Paid	172.21	94.59	111.17	107.04	97.20
	Loss of Assets/Inventory due to by fire	-	16.04	-	1.57	-
	Provision for GST Receivables	(6.73)	-	-	-	-
	Deferred Income - Government Grant	(0.88)	(0.93)	(0.77)	(0.31)	-
	Interest Income	(1.83)	(2.28)	(2.22)	(4.05)	(5.69)
	Operating Profit Before Working Capital changes	**1,007.54**	**912.55**	**911.20**	**729.31**	**470.26**
	Adjusted for:					
	Trade Receivables	(330.77)	(72.61)	(95.89)	(119.30)	(99.19)
	Inventories	(157.29)	(129.45)	(108.91)	(171.11)	(75.43)
	Other Assets	(38.11)	(168.79)	(54.48)	(72.32)	(45.44)
	Trade Payable	106.86	150.49	(4.22)	76.35	92.32
	Other Liabilities and Provisions	30.99	116.88	12.06	38.60	20.63
	Cash Generated from Operating Activities	**619.23**	**809.08**	**659.75**	**481.54**	**363.15**
	Taxes Paid (Net)	(266.41)	(172.96)	(203.55)	(139.97)	(70.18)
	Net Cash Flow from Operating Activities	**352.82**	**636.12**	**456.20**	**341.57**	**292.98**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property, Plant and Equipment and Intangible Assets	(467.55)	(277.37)	(304.79)	(359.87)	(227.76)
	Government Grant received during the year	-	-	3.47	5.03	-
	Proceeds from Sale of Property, Plant and Equipment	17.48	0.77	131.08	0.57	1.17
	Disposal of Investments	-	-	-	10.00	-
	Movement in Bank Deposits	4.77	3.97	2.73	0.31	1.11
	Net Cash Flow for Other Financial Assets	(0.05)	-	-	-	-
	Interest received	1.83	2.28	2.22	4.05	5.69
	Net Cash from/(used in) Investing Activities	**(443.51)**	**(270.36)**	**(165.28)**	**(339.91)**	**(219.80)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from Issuance of Equity Share Capital	400.11	-	-	0.70	0.30
	Proceeds/ (repayment) from Non-Current Borrowings (Net)	315.93	(14.51)	52.23	(1.01)	3.29
	Proceeds/ (repayment) from Current Borrowings (Net)	(506.89)	(203.70)	(220.66)	100.59	27.20
	Interest paid	(172.21)	(94.59)	(111.17)	(107.04)	(97.20)
	Net Cash from/(used in) Financing Activities	**36.94**	**(312.81)**	**(279.61)**	**(6.76)**	**(66.41)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(53.75)**	**52.95**	**11.30**	**(5.09)**	**6.77**
	Opening Balance of Cash and Cash Equivalents	68.30	15.35	4.04	9.14	2.37
	Closing Balance of Cash and Cash Equivalents	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**
	Components of Cash and Cash Equivalents					
	Cash on Hand	1.92	2.36	1.47	1.51	1.37
	Balances with Scheduled Banks					
	- in Current Accounts	6.58	11.37	13.40	1.95	0.95
	- in Cash Credit	5.98	53.98	-	-	6.05
	- in EEFC Accounts	0.06	0.31	0.02	0.03	0.02
	- in deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
	Total Cash and Cash Equivalents	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**

Notes:

1 The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows ".

2 Figures in brackets represent out flow of Cash and Cash Equivalents

3 The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Consolidated Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure IV.

This is the Special Purpose Restated Consolidated Statement of Cash Flows referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IV : Special Purpose Restated Consolidated Statement of Changes in Equity

a. Equity Share Capital:

(Rs. in million)

Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
i) Equity shares of INR 10 each issued. subscribed and fully paid					
Balance at the beginning of the period/year	29.00	29.00	29.00	28.30	28.30
Changes in equity share capital during the year	0.18	-	-	0.70	-
Balance at the end of the year	**29.18**	**29.00**	**29.00**	**29.00**	**28.30**

Refer Accounting for Amalgamation in Note 2(a) of Annexure V - Basis of preparation and Significant Accounting Policies

b. Other Equity

Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
i) Reserves and Surplus					
a) Retained Earnings					
Balance at the beginning of the year	1,702.37	1,199.96	673.13	279.10	-
Profit/(Loss) for the year	492.61	502.42	526.83	411.67	279.10
Less: Opening Provision for Depreciation Adjusted (Retained Earnings)	-	-	-	26.97	-
Add: Deferred tax on the above	-	-	-	9.33	-
Balance at the end of the year	**2,194.99**	**1,702.37**	**1,199.96**	**673.13**	**279.10**
b) Securities Premium					
Balance at the beginning of the year	-	-	-	-	-
Add: Issue of Right Shares	399.92	-	-	-	-
Balance at the end of the year	**399.92**	**-**	**-**	**-**	**-**
Total Reserves and Surplus (a+b)	**2,594.91**	**1,702.37**	**1,199.96**	**673.13**	**279.10**
ii) Other Items Of Other Comprehensive Income					
Balance at the beginning of the year	2.89	(4.21)	(4.57)	(0.80)	-
Re-Measurement Gains/ (Losses) on Defined Benefit Plans	(7.28)	7.09	0.36	(3.77)	(0.80)
Balance at the end of the year	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**
Balance at the end of the year of Other Equity (i+ii)	**2,590.52**	**1,705.26**	**1,195.75**	**668.56**	**278.30**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Consolidated Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Consolidated Statement of Changes in Equity referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

FLAIR WRITING INDUSTRIES LIMITED

(Formerly known as Flair Writing Industries Private Limited)

Annexure V - Basis of preparation and Significant Accounting Policies for financial years ended March 31, 2018, 2017, 2016, 2015 and 2014

1. GROUP OVERVIEW

The Special Purpose Restated Consolidated Financial Information comprises restated consolidated financial information of "Flair Writing Industries Limited" (Formerly known as Flair Writing Industries Private Limited)("the Company) and its subsidiary "Flair Distributor Private Limited"("Subsidiary") (collectively referred to as "the Group") for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014**.**

The Principal activity, of the Company is "Manufacturing and Dealing of Writing instruments and its allied" and of the Subsidiary is "Dealing of Writing instruments and its allied".

Flair Writing Industries Limited ("the Company") **(Formerly known as Flair Writing Industries Private Limited)** is a Company domiciled in India, with its registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments'("Firm") under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018.

2. BASIS OF PREPARATION

a) The Special Purpose Restated Consolidated Statement of Assets and Liabilities of the Group as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Special Purpose Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Consolidated Statement of Changes in Equity and the Special Purpose Restated Consolidated Statement of Cash Flows in each case for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and special purpose restated consolidated other financial information (collectively referred to as "**Special Purpose Restated Consolidated Financial Information"**) have been prepared under Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

National Pen & Plastic Industries, National Impex Corporation, Flair Pens & Stationery Ind; National Pen & Plastic Industries (UK) and Flair Impex Corporation, each a partnership firm engaged in the business of manufacturing and dealing of writing instruments and its allied (individually referred to as "Entity" and collectively along with the Firm referred to as "Entities") were converted into private limited companies under the provisions of Chapter XXI of Companies Act 2013 as follows:

Sr. No	Name of Partnership Firm	Date of conversion	Name of Company
1	National Pen & Plastic Industries	25.04.2016	Flair Pen And Plastic Industries Private Limited ("Transferor Company 1")
2	National Impex Corporation	29.04.2016	Flair Stationeries Private Limited ("Transferor Company 2")
3	Flair Pens & Stationery Ind.	29.04.2016	Flair Pens and Stationery Industries Private Limited ("Transferor Company 3")
4	National Pen & Plastic Industries (UK)	11.05.2016	Flair Pen and Plastic (UK) Private Limited ("Transferor Company 4")
5	Flair Impex Corporation	12.05.2016	Flair Impex Industries Private Limited ("Transferor Company 5")

Scheme of Amalgamation:

The board of directors of the Company and together with each of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5, referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018.

The Special Purpose Restated Consolidated Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the Group for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

For the financial statements as of and for the financial year ended March 31, 2017, the financial statements of the Entities as of and for the period beginning April 1, 2016 upto their respective date of conversion into the relevant Transferor Company and the financial statements of the Company and Transferor Companies as of and for the period from the respective date of conversion upto March 31, 2017, have been combined and re-casted by the Management of the Company, to conform to the format prescribed for companies under Companies Act, 2013 in accordance with Ind AS prescribed under Section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards)

Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable (the "Combined Financial Statements"). For this process, information about, the Entities financial position and financial performance, the Company's and the Transferor Companies, financial position and financial performance, have been extracted by the Management of the Company from the Audited Financial Statements of the Entities as of and for the period beginning April 1, 2016 until the date of conversion of each such entity, Audited Standalone Financial Statements of the Company as of and for the period beginning August 12, 2016 to March 31, 2017, and Audited Financial Statements of each of the Transferor Company, as of and for the period following such conversion and until March 31, 2017.

As part of this process of preparing the Special Purpose Restated Consolidated Financial Information, information about the Group's financial position and financial performance have been extracted by the Management of the Company from the:

a) Audited Consolidated Financial Statements of the Group for the financial year ended March 31, 2018,
b) Combined Financial Statements, as referred to herein above, for the financial year ended March 31, 2017,
c) Audited Financial Statements of the Subsidiary for the period, December 30, 2016 to March 31, 2017, and
d) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014

In preparing these Special Purpose Restated Consolidated Financial Information, the Management of the Company has considered April 1, 2013 as the date of transition to Ind AS. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the financial statements, following accounting policies and accounting policy choices (both mandatory and optional exemptions) consistent with that used at the date of transition to Ind AS.

Accounting for Amalgamation

The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

For the purposes of the Special Purpose Restated Consolidated Financial Information

i. The assets and liabilities of the combining entities are reflected at their carrying amounts as on the Transition Date i.e. April 1, 2013.

ii. No adjustments are made to reflect fair values, or recognize any new assets or liabilities.

iii. Inter-company balances, investments and transactions if any, stood cancelled

iv. The balance of fixed capital account of the respective partners in the Entities, as on April 1, 2013 – INR 28.30 million has been taken as Equity Share Capital of the Company as on April 1, 2013.

Thereafter as a result of addition to fixed capital in financial year ended March 31, 2015, the Equity Share Capital of the Company for the financial year ended March 31, 2015 is INR 29 million. (Refer Note 14 of Annexure VI of the Special Purpose Restated Consolidated Financial Information)

v. The balance standing to the credit of the respective partner's current accounts in the Entities on April 1, 2013 have been considered as 'Unsecured Loans' under 'Current Borrowings' (Refer Note 20 of Annexure VI of the Special Purpose Restated Consolidated Financial Information)

vi. The Net Profit Before Tax for the financial years ended 2016, 2015 and 2014 and the period beginning April 1, 2016 until the date of conversion of the respective ENTITES have been transferred to 'Retained Earnings' (Refer Annexure IV(B) – Special Purpose Restated Consolidated Statement of Changes in Equity)

vii. Income Tax paid for the financial years ended 2016, 2015 and 2014 and the period beginning April 1, 2016 until the date of conversion of the respective ENTITES have been shown as 'Current Tax Liabilities(net)' (Refer Note 26 of Annexure VI of the Special Purpose Restated Consolidated Financial Information)

These Special Purpose Restated Consolidated Financial Information have been extracted by the Management of the Company from the

a) Audited Consolidated Financial Statements of the Group for the financial year ended March 31, 2018,
b) Combined Financial Statements, as referred to herein above, for the financial year ended March 31, 2017,
c) Audited Financial Statements of the Subsidiary for the period, December 30, 2016 to March 31, 2017, and
d) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014,and:

- there were no material audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years (if any) in arriving at the profit/loss of the years to which they relate have been appropriately adjusted, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate

The Special Purpose Restated Consolidated Financial Information have been prepared by the Management of the Company in connection with the proposed Initial Public Offering (the "IPO") by way of fresh issue of equity shares and an offer for sale of equity shares by the existing shareholders, to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations");

iii. The Guidance Note on Reports in Company's Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI")

iv. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI.

v. Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI.

b) Basis and Procedures of Consolidation:

The Special Purpose Restated Consolidated Financial Information comprises of the restated consolidated financial information of the Company and its Subsidiary as of and for the financial years ended March 31, 2018, 2017, 2016, 2015, and 2014.

The details of Subsidiary considered in this Special Purpose Restated Consolidated Financial Information is

Name of Entity	Country of Incorporation	Name of the parent company	Percentage of Ownership
Flair Distributor Private Limited*	India	Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)	100%

*Incorporated as a wholly-owned subsidiary during the financial year ended March 31, 2017.

Consolidation procedures:

The consolidation procedure followed is in accordance with Ind AS 27 – Consolidated and Separate Financial Statements

- The financial statements of the Company and its subsidiary 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-group balances and intra-group transactions.

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

- The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.

- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements.

c) <u>Historical Cost Convention</u>

The Special Purpose Restated Consolidated Financial Information have been prepared on a historical cost basis, except for the following:

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

d) <u>Functional and Presentation Currency</u>

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

3. <u>Significant Accounting Policies</u>

3.1 <u>Use of Estimates, Judgements and Assumptions</u>

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

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

Estimates and assumptions are required in particular for:

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

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

- **Recoverability of Trade receivables**

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

- **Provisions**

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

- **Recognition Defined Benefit Plans**

  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, save and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

- **Impairment of Non-Financial Assets**

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

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

- **Impairment of Financial Assets**

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

3.2 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 including 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** :

The Entities were following written down value method of depreciation as per the provisions of Income Tax Act, 1961 until April 1, 2013. However, for the purpose of the Special Purpose Restated Consolidated Financial Information, the Group has elected to follow the depreciation method as specified and permitted by the Companies Act.

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013.Consequently, based on the technical evaluation, the Group had reassessed the useful life of its Fixed Assets

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
Motor Vehicles	8
Two Wheelers	10

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 management's estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Special Purpose Restated Consolidated Statement of Profit and Loss when the assets is derecognized.

v. **<u>Impairment of Non-Financial Assets- Property, Plant and Equipment</u>**

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

An impairment loss is recognised in the Special Purpose Restated Consolidated Statement of Profit and Lossto 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.

3.3 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. For the purposes of Special Purpose Restated Consolidated Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loansavailed from Promoters, Directors and their relatives, in the financial years ended March 31, 2017, 2016, 2015 and 2014.

3.4 Foreign Currency Transactions and Translation

The Special Purpose Restated Consolidated Financial Informationare presented in INR, which is also the Group's functional currency.

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

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

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

3.5 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

3.6 <u>Revenue Recognition</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

Export Entitlements

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

Other Income

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

3.7 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Special Purpose Restated Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

- **Current Tax**

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

- **Deferred Tax**

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

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under AMT/MAT, during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Special Purpose Restated Consolidated Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

3.8 Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Special Purpose Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

3.10 Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is not recognised but disclosed in the Special Purpose Restated Consolidated Financial Information where an inflow of economic benefit is probable.

3.11 Provisions

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

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

3.12 Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

I. **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Employees' State Insurance Corporation. The Group's contribution is recognized as an expense in the Special Purpose Restated Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

II. **Defined Benefit Plans**

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

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) Compensated Absences

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

d) Payment of Bonus

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

3.13 Financial Instruments

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

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

(i) Financial assets

a. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

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.

b. 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.

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

Trade Receivables

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

For other assets, the 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 consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.
Following is the policy for specific financial assets: -

Type of financial asset	**Policy**
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) <u>Financial liabilities</u>

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

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Special Purpose Restated Consolidated Statement of Profit and Loss as finance cost.

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

b. Subsequent Measurement

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

c. De-recognition of Financial Instruments

The Group de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Special Purpose Restated Consolidated Financial Informationwhen 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 Special Purpose Restated Consolidated Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.14 Cash and Cash Equivalents

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

3.15 Cash Flow Statement

The Special Purpose Restated Consolidated 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.

3.16 Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

3.17 Segment Reporting

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

3.18 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Special Purpose Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

3.19 Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Group w.e.f. April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
II. Ind AS 40 - Investment Property
III. Ind AS 12 - Income Taxes
IV. Ind AS 28 - Investments in Associates and Joint Ventures and
V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Special Purpose Restated Consolidated financial information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the year	Deletions/ Adjustments	As at 31st March 2018	As at 31st March 2018	As at 1st April 2017
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	38.96	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	223.65	32.43	-	256.08	20.14	8.07	-	28.21	227.86	203.51
3	Furniture & Fixtures	37.57	15.05	-	52.63	9.94	4.01	-	13.95	38.68	27.64
4	Electrical Installation	52.98	5.95	-	58.93	17.07	5.15	-	22.22	36.70	35.91
5	Office Equipments	22.48	6.76	-	29.24	11.58	4.76	-	16.34	12.90	10.90
6	Plant & Equipment	1,253.36	323.05	5.57	1,570.84	447.36	119.53	3.15	563.74	1,006.95	806.00
7	Vehicles	53.29	19.53	7.45	65.37	19.29	7.01	4.58	21.73	43.64	34.00
	Total (1 to 7)	**1,682.29**	**402.77**	**13.03**	**2,072.04**	**525.38**	**148.52**	**7.73**	**666.19**	**1,405.70**	**1,156.91**
B	**Capital Work-in-Progress**	20.79	82.50	20.19	83.10	-			-	83.10	20.79
C	**Intangible Assets**										
1	Patent and Trade Mark	40.17	2.46	-	42.63	6.58	3.95	-	10.52	32.10	33.59
2	Web Designing	0.74	-	-	0.74	0.19	0.07	-	0.27	0.47	0.55
					-						
	Total (1 to 2)	**40.90**	**2.46**	**-**	**43.37**	**6.77**	**4.02**	**-**	**10.79**	**32.57**	**34.13**
	Grand Total (A+B+C)	**1,743.98**	**487.73**	**33.21**	**2,198.50**	**532.15**	**152.54**	**7.73**	**676.98**	**1,521.37**	**1,211.83**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2017	As at 1st April 2016	For the year	Deletions/ Adjustments	As at 31st March 2017	As at 31st March 2017	As at 1st April 2016
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	38.96	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	229.10	20.46	25.91	223.65	21.73	7.22	8.81	20.14	203.51	207.37
3	Furniture & Fixtures	33.25	8.79	4.47	37.57	7.42	3.14	0.63	9.94	27.64	25.83
4	Electrical Installation	56.16	2.77	5.96	52.98	16.14	4.92	3.99	17.07	35.91	40.02
5	Office Equipments	16.94	5.54	-	22.48	8.31	3.27	-	11.58	10.90	8.63
6	Plant & Equipment	1,105.00	187.09	38.73	1,253.36	361.14	93.61	7.39	447.36	806.00	743.86
7	Vehicles	45.85	10.07	2.63	53.29	15.63	5.27	1.61	19.29	34.00	30.22
	Total (1 to 7)	**1,525.26**	**234.73**	**77.70**	**1,682.29**	**430.38**	**117.43**	**22.43**	**525.38**	**1,156.91**	**1,094.88**
B	**Capital Work-in-Progress**	-	22.15	1.37	20.79	-	-	-	-	20.79	-
C	**Intangible Assets**										
1	Patent and Trade Mark	15.70	24.47	-	40.17	5.05	1.68	-	6.73	33.44	10.65
2	Web Designing	0.63	0.12	0.01	0.74	0.12	0.07	-	0.19	0.55	0.51
	Total (1 to 2)	**16.34**	**24.58**	**0.01**	**40.90**	**5.17**	**1.75**	**-**	**6.92**	**33.98**	**11.16**
	Grand Total (A+B+C)	**1,541.59**	**281.47**	**79.08**	**1,743.98**	**435.55**	**119.19**	**22.43**	**532.31**	**1,211.68**	**1,106.05**

1 On July 28, 2016, certain portions at one of the Company's unit's (then the erstwhile Partnership Firm) at Daman caught Fire resulting in loss of, Inventories totaling to Rs.104.13 million, Building valuing Rs 9.54 million, Electrical Installation valuing Rs. 2.85 million ,Machineries totaling to Rs. 22.83 million and Furniture and Fixture valuing to Rs. 3.00 million.

2 A Insurance claim has been made for the said loss. The Company was then (on the date of Fire) a Partnership Firm and the amount claimed and admitted by the Insurance Company was based on the value of the assets lost by fire, as depreciated. Depreciation claimed then, was under the provisions of Income Tax Act, 1961, as followed by the erstwhile Partnership Firm in its books of accounts. On conversion to a Company from the erstwhile Partnership Firm, the Written Down Value of the assets were recalculated under Schedule II of Companies Act, 2013. The difference between value appearing in the books of accounts of the erstwhile Partnership Firm and recalculated under Schedule II of Companies Act, 2013 has been shown as "**Assets Lost by Fire**" in these Special Purpose Restated Consolidated Other Financial Information.

3 Insurance claim receivable on account of the said loss amounting to Rs. 142.39 million is appearing in the Financial Statements under the grouping **"Other Non Current Assets"** Refer Note 5 to the Special Purpose Restated Consolodated Other Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2016	As at 1st April 2015	For the year	Deletions/ Adjustments	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	59.05	35.30	55.40	38.96	-	-	-	-	38.96	59.05
2	Freehold Building	157.47	142.45	70.82	229.10	17.23	5.62	1.12	21.73	207.37	140.24
3	Furniture & Fixtures	18.41	14.84	-	33.25	5.39	2.03	-	7.42	25.83	13.02
4	Electrical Installation	39.25	19.82	2.91	56.16	12.01	4.41	0.29	16.14	40.02	27.24
5	Office Equipments	9.81	7.47	0.33	16.94	7.17	1.46	0.32	8.31	8.63	2.64
6	Plant & Equipment	907.29	200.43	2.72	1,105.00	277.83	83.78	0.47	361.14	743.86	629.46
7	Vehicles	43.29	2.59	0.03	45.85	10.57	5.09	0.03	15.63	30.22	32.72
	Total (1 to 7)	**1,234.57**	**422.90**	**132.22**	**1,525.26**	**330.20**	**102.40**	**2.22**	**430.38**	**1,094.88**	**904.37**
B	**Capital Work-in-Progress**	124.48	70.32	194.80	-	-	-	-	-	-	124.48
C	**Intangible Assets**										
1	Patent and Trade Mark	14.14	1.56	-	15.70	3.73	1.31	-	5.05	10.65	10.41
2	Web Designing	0.31	0.32	-	0.63	0.07	0.05	-	0.12	0.51	0.24
	Total (1 to 2)	**14.45**	**1.88**	**-**	**16.34**	**3.80**	**1.37**	**-**	**5.17**	**11.16**	**10.65**
	Grand Total (A+B+C)	**1,373.51**	**495.10**	**327.02**	**1,541.59**	**334.01**	**103.76**	**2.22**	**435.55**	**1,106.05**	**1,039.50**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation					Net Block	
		As at 1st April 2014	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2015	As at 1st April 2014	For the year	Transitional to schedule II	Deletions/ Adjustments	As at 31st March 2015	As at 31st March 2015	As at 1st April 2014
A	**Tangible Assets**											
	Property, Plant & Equipment											
1	Freehold Land	34.29	55.40	30.64	59.05	-	-	-	-	-	59.05	34.29
2	Freehold Building	65.11	92.36	-	157.47	14.47	2.52	0.24	-	17.23	140.24	50.65
3	Furniture & Fixtures	13.65	4.76	-	18.41	3.41	1.39	0.59	-	5.39	13.02	10.24
4	Electrical Installation	23.67	15.59	-	39.25	4.72	2.88	4.41	-	12.01	27.24	18.95
5	Office Equipments	8.93	0.87	-	9.81	3.52	1.01	2.64	-	7.17	2.64	5.41
6	Plant & Equipment	728.46	178.83	-	907.29	191.34	68.90	17.59	-	277.83	629.46	537.12
7	Vehicles	36.98	9.96	3.65	43.29	7.15	4.63	1.52	2.73	10.57	32.72	29.83
	Total (1 to 7)	**911.09**	**357.77**	**34.29**	**1,234.57**	**224.61**	**81.33**	**26.99**	**2.73**	**330.20**	**904.37**	**686.49**
B	**Capital Work-in-Progress**	100.68	124.48	100.68	124.48	-	-	-	-	-	124.48	100.68
C	**Intangible Assets**											
1	Patent and Trade Mark	5.20	8.95	-	14.14	2.63	1.10	(0.00)	-	3.73	10.41	2.56
2	Web Designing	0.31	-	-	0.31	0.06	0.03	(0.02)	-	0.07	0.24	0.25
	Total (1 to 2)	**5.51**	**8.95**	**-**	**14.45**	**2.70**	**1.13**	**(0.02)**	**-**	**3.80**	**10.65**	**2.81**
	Grand Total (A+B+C)	**1,017.29**	**491.20**	**134.98**	**1,373.51**	**227.31**	**82.46**	**26.97**	**2.73**	**334.01**	**1,039.50**	**789.98**

Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful life as specified in Schedule-II. Accordingly, the depreciation is calculated on the basis of estimated useful lives of the fixed assets and the difference between the depreciation calculated as per Companies Act, 1956 and 2013 has been adjusted net of tax, in the opening balance of Retained Earning amounting to Rs.17.64 million.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 1 : Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2014	As at 1st April 2013	For the year	Deletions/ Adjustments	As at 31st March 2014	As at 31st March 2014	As at 1st April 2013
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	3.65	30.64	-	34.29	-	-	-	-	34.29	3.65
2	Freehold Building	62.54	2.57	-	65.11	12.65	1.82	-	14.47	50.65	49.89
3	Furniture & Fixtures	11.47	2.18	-	13.65	2.61	0.80	-	3.41	10.24	8.86
4	Electrical Installation	22.26	1.41	-	23.67	3.65	1.07	-	4.72	18.95	18.61
5	Office Equipments	7.61	1.32	-	8.93	2.92	0.60	-	3.52	5.41	4.69
6	Plant & Equipment	595.84	133.09	0.47	728.46	139.26	52.13	0.05	191.34	537.12	456.58
7	Vehicles	20.94	17.74	1.71	36.98	5.82	2.49	1.15	7.15	29.83	15.13
	Total (1 to 7)	**724.32**	**188.96**	**2.18**	**911.09**	**166.91**	**58.90**	**1.21**	**224.61**	**686.49**	**557.40**
B	**Capital Work-in-Progress**	62.89	40.11	2.31	100.68	-	-	-	-	100.68	62.89
C	**Intangible Assets**										
1	Patent and Trade Mark	4.64	0.56	-	5.20	2.19	0.44	-	2.63	2.56	2.44
2	Web Designing	0.17	0.14	-	0.31	0.03	0.04	-	0.06	0.25	0.14
	Total (1 to 2)	**4.80**	**0.70**	**-**	**5.51**	**2.22**	**0.48**	**-**	**2.70**	**2.81**	**2.58**
	Grand Total (A+B+C)	**792.01**	**229.77**	**4.49**	**1,017.29**	**169.13**	**59.38**	**1.21**	**227.31**	**789.98**	**622.88**

The Company has availed the Deemed Cost Exemption in relation to the Property, Plant and Equipment on the date of transition ,hence the Net Block Carrying amount as on April 01, 2013 has been considered as the Gross Block Carrying amount on that date.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 2 : Non Current Long Term Loans and Advances					
(unsecured and considered good, unless stated otherwise)					
Loans to Employees	1.77	0.09	-	-	-
Loans & Advances	-	1.36	4.29	4.89	3.48
Total	**1.77**	**1.45**	**4.29**	**4.89**	**3.48**
Note 3: Other Non Current Financial Assets					
(unsecured and considered good, unless stated otherwise)					
Security and Other Deposits	12.74	14.89	12.10	8.36	6.67
Fixed Deposit Original Maturity more than 12 months #	0.74	5.38	9.34	11.64	12.53
Total	**13.48**	**20.27**	**21.44**	**20.00**	**19.20**
#Out of the above deposits, deposits having restrictive use on account of:					
Pledged with Government Authorities	0.26	0.20	0.27	0.10	0.20
Held as Security Deposit against Bank Guarantee	0.45	5.16	8.92	11.48	12.29
	0.71	**5.36**	**9.19**	**11.59**	**12.49**

Note 4 : Deferred Tax (Liabilities) / Assets :
In accordance with Indian Accounting Standard -12 relating to "Income Taxes" the breakup of Deferred Tax Assets / (Liabilities) is as follows :

(Rs. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets / (Liabilities)	103.00	161.18	76.62	50.16	28.03
	103.00	**161.18**	**76.62**	**50.16**	**28.03**

2017-18
Deferred Tax Assets/(Liabilities) in relation to:

(Rs. in million)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(97.80)	(17.80)	-	-	(115.61)
Provision for Gratuity	6.02	(0.92)	3.33	-	8.43
Expenses allowed on payment basis	8.14	(1.57)	-	-	6.58
Others	108.82	(9.43)	-	-	99.39
	25.18	**(29.72)**	**3.33**	**-**	**(1.21)**
AMT/MAT Credit Receivables	136.00	(31.79)	-	-	104.21
Total	**161.18**	**(61.51)**	**3.33**	**-**	**103.00**

2016-17
Deferred Tax Assets/(Liabilities) in relation to:

(Rs. in million)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(78.49)	(19.31)	-	-	(97.80)
Provision for Gratuity	7.98	1.79	(3.75)	-	6.02
Expenses allowed on payment basis	4.66	3.48	-	-	8.14
Others	57.76	51.05	-	-	108.82
	(8.08)	**37.02**	**(3.75)**	**-**	**25.18**
AMT/MAT Credit Receivables	84.70	51.30	-	-	136.00
Total	**76.62**	**88.31**	**(3.75)**	**-**	**161.18**

2015-16
Deferred Tax Assets/(Liabilities) in relation to:

(Rs. in million)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(47.85)	(30.64)	-	-	(78.49)
Provision for Gratuity	6.69	1.48	(0.19)	-	7.98
Expenses allowed on payment basis	3.84	0.82	-	-	4.66
Others	20.12	37.64	-	-	57.76
	(17.20)	**9.30**	**(0.19)**	**-**	**(8.08)**
AMT/MAT Credit Receivables	67.36	17.34	-	-	84.70
Total	**50.16**	**26.65**	**(0.19)**	**-**	**76.62**

2014-15
Deferred Tax Assets/(Liabilities) in relation to:

(Rs. in million)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(51.45)	(5.73)	-	9.33	(47.85)
Provision for Gratuity	3.73	0.95	2.01	-	6.69
Expenses allowed on payment basis	3.20	0.64	-	-	3.84
Others	10.59	9.53	-	-	20.12
	(33.93)	**5.39**	**2.01**	**9.33**	**(17.20)**
AMT/MAT Credit Receivables	61.96	5.40	-	-	67.36
Total	**28.03**	**10.79**	**2.01**	**9.33**	**50.16**

2013-14
Deferred Tax Assets/(Liabilities) in relation to:

(Rs. in million)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(56.84)	5.39	-	-	(51.45)
Provision for Gratuity	2.72	0.61	0.41	-	3.73
Expenses allowed on payment basis	2.56	0.64	-	-	3.20
Others	-	10.59	-	-	10.59
	(51.57)	**17.23**	**0.41**	**-**	**(33.93)**
AMT/MAT Credit Receivables	23.98	37.97	-	-	61.96
Total	**(27.58)**	**55.20**	**0.41**	**-**	**28.03**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 5 : Other Non Current Assets					
(unsecured, considered good unless otherwise stated)					
Balances with Statutory Authorities	31.99	87.40	83.68	45.87	30.90
Capital Advances	69.20	40.18	15.21	25.15	10.15
Other Receivables*	142.39	142.38	6.00	5.03	-
Prepaid Expenses	1.40	1.78	17.08	2.83	1.92
Total	**244.99**	**271.75**	**121.97**	**78.88**	**42.97**

* Other Receivables include Insurance Claim Receivables amounting to Rs. 142.39 million. (Refer Note 1 of Annexure VI to Special Purpose Restated Consolidated Financial Information)

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 6 : Inventories					
Raw Materials	319.06	255.44	198.04	163.07	154.86
Raw Material - Goods-in-transit	0.25	1.86	12.97	3.16	1.28
Packing Materials & Others	53.97	56.19	33.54	35.40	18.12
Packing Materials - Goods-in-transit	-	-	0.18	-	0.78
Semi-Finished Goods	320.17	226.23	159.96	117.93	59.43
Semi-Finished Goods - Goods-in-transit	-	-	1.53	0.01	0.05
Finished Goods	181.11	195.74	197.07	171.26	106.30
Finished Goods - Goods-in-transit	2.64	-	-	-	-
Stock-in-trade	34.84	14.96	6.19	16.25	4.38
Stock-in-trade - Goods-in-transit	-	4.36	15.82	9.31	0.11
Total	**912.05**	**754.76**	**625.32**	**516.40**	**345.30**

The Inventories has been valued as per Note 3.8 of Significant Accounting Policies.
Inventories are hypothecated to Citi Bank N.A. against Working Capital facillity.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 7 : Current Investments					
Investment in Bonds, carried at amortised cost					
Unquoted					
Rural Electrification Corporation Bonds	-	-	-	-	10.00
Total	**-**	**-**	**-**	**-**	**10.00**
Aggregate value of Unquoted Investments	-	-	-	-	10.00
Category-wise Investments					
Investments carried at Amortised cost	-	-	-	-	10.00
Investments carried at fair value through Profit and Loss	-	-	-	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 8 : Trade Receivables					
(unsecured and considered good unless stated otherwise)					
- Others	1,176.23	850.81	727.64	654.03	514.69
- Related Parties *	11.96	10.90	61.47	39.19	59.23
Total	**1,188.19**	**861.71**	**789.11**	**693.22**	**573.92**
Refer Note 39 for Ageing of Trade Receivables					
* Refer Note 42 for Related Parties outstanding balance					
Trade Receivables are hypothecated to bank against Working capital facility.					
Note 9 : Cash and Bank Balances					
Cash on Hand	1.92	2.36	1.47	1.51	1.37
Balances with banks:					
- in Current Accounts	6.58	11.37	13.40	1.95	0.95
- in Cash Credit	5.98	53.98	-	-	6.05
- in EEFC Account	0.06	0.31	0.02	0.03	0.02
- In Deposits Account with original maturity of less than three months**#**	-	0.26	0.46	0.56	0.74
Total	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**
Note 10 : Bank Balances other than Cash and Cash Equivalents					
Fixed Deposit with original maturity of more than three months but less than twelve months from the reporting date**#**	-	0.13	0.14	0.58	-
Total	**-**	**0.13**	**0.14**	**0.58**	**-**
# Out of the above deposits, deposits having restrictive use on account of:					
Held as margin money	-	0.18	0.55	0.29	0.58
Pledged with Government Authorities	-	0.08	0.03	0.18	0.06
Held as Security Deposit against Bank Guarantee	-	0.13	-	0.67	0.10
Total	**-**	**0.39**	**0.57**	**1.13**	**0.74**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on Hand	1.92	2.36	1.47	1.51	1.37
Balances with Banks:					
- In Current Accounts	6.58	11.37	13.40	1.95	0.95
- In Cash Credit Facility	5.98	53.98	-	-	6.05
- In EEFC Accounts	0.06	0.31	0.02	0.03	0.02
- In deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
Total	**14.54**	**68.30**	**15.35**	**4.04**	**9.14**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 11 : Loans					
(unsecured, considered good unless otherwise stated)					
Loans to Employees	7.51	6.51	7.92	3.34	3.18
Loans & Advances					
- Others	1.36	3.28	1.12	-	1.89
- Promoters*	133.58	21.83	-	-	-
- Related Parties*	33.39	-	-	-	-
Total	**175.83**	**31.62**	**9.04**	**3.34**	**5.07**
Note 12: Other Current Financial Assets					
Security and Other Deposits	2.37	-	0.16	-	0.01
Other Receivables #	-	3.79	-	-	-
Interest accrued on Fixed Deposits	0.13	1.48	2.99	4.52	4.37
Total	**2.50**	**5.26**	**3.15**	**4.52**	**4.38**
#Other Receivables include Mark to Market Value of Derivatives.					
Note 13 : Other Current Assets					
(unsecured, considered good unless otherwise stated)					
Advances to Suppliers					
- Other	23.78	19.11	22.05	9.23	8.68
- Related Parties *	0.03	1.70	-	-	-
Balances with Statutory Authorities	172.05	96.29	83.67	104.05	81.08
Other Receivable	19.17	12.06	9.73	6.92	3.08
Prepaid Expenses	8.09	23.52	21.04	12.39	4.82
Total	**223.13**	**152.68**	**136.49**	**132.59**	**97.67**

* Refer Note 42 for Related Parties outstanding balance.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 14 : Equity Share capital

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Authorised Share Capital #					
29,20,000 equity Shares of Rs 10/- each	29.20	29.20	29.20	29.20	29.20
	29.20	**29.20**	**29.20**	**29.20**	**29.20**
Issued, Subscribed and fully paid up	29.18	29.00	29.00	29.00	28.30
29,18,400 equity Shares of Rs 10/- each					
	29.18	**29.00**	**29.00**	**29.00**	**28.30**

Refer Accounting for Amalgamation in Note 2(a) of Annexure V - Basis of preparation and Significant Accounting Policies

#Pursuant to the scheme of Amalgamation as explained in note 48, the authorised share capital of the Company stands increased to Rs. 29.20 million.

a) Reconciliation of number of shares outstanding

(Amount - Rs. in million)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares :										
Balance as at the beginning of the year	2,900,000	29.00	2,900,000	29.00	2,900,000	29.00	2,830,000	28.30	2,830,000	28.30
Add: Shares issued during the year	18,400	0.18	-	-	-	-	70,000	0.70	-	-
Less: Shares bought back during the year	-	-	-	-	-	-	-	-	-	-
Balance as at the end of the year	**2,918,400**	**29.18**	**2,900,000**	**29.00**	**2,900,000**	**29.00**	**2,900,000**	**29.00**	**2,830,000**	**28.30**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014	
	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares										
Khubilal J. Rathod	583,680	20%	580,000	20%	580,000	20%	410,000	14.14%	410,000	14.49%
Vimalchand J. Rathod	437,760	15%	435,000	15%	435,000	15%	645,000	22.24%	645,000	22.79%
Rajesh K. Rathod	291,840	10%	290,000	10%	290,000	10%	540,000	18.62%	540,000	19.08%
Mohit K. Rathod	291,840	10%	290,000	10%	290,000	10%	350,000	12.07%	320,000	11.31%
Sumitkumar V. Rathod	291,840	10%	290,000	10%	290,000	10%	360,000	12.41%	360,000	12.72%
Nirmala K. Rathod	291,840	10%	290,000	10%	290,000	10%	220,000	7.59%	220,000	7.77%
Manjula V. Rathod	291,840	10%	290,000	10%	290,000	10%	40,000	1.38%	40,000	1.41%

c) For the period of five years immediately preceding the date as at which the Special Purpose Restated Consolidated financial information is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) Rights/Preference/Restriction attached to Equity Shares
The Company has only one class of Equity shares having par value of Rs 10. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential allotment in proportion to their shareholding. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and in the case of interim dividend, it is ratified by the Shareholders at the AGM.

e) The Company has issued 18,400 Equity Shares of Rs. 10/- each towards Rights Issue to the Existing Shareholders at a price of Rs. 21,745/- per share (including premium of Rs. 21,735/-) aggregating to Rs. 400.11 million.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 15 : Other Equity

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
i) Reserves and Surplus					
a) Retained Earnings					
Balance at the beginning of the year	1,702.37	1,199.96	673.13	279.10	-
Profit/(Loss) for the year	492.61	502.42	526.83	411.67	279.10
Less: Opening Provision for Depreciation Adjusted (Retained Earn	-	-	-	26.97	-
Add: Transferred from Deferred Tax Liability	-	-	-	9.33	-
Balance at the end of the year	**2,194.99**	**1,702.37**	**1,199.96**	**673.13**	**279.10**
b) Securities Premium					
Balance at the beginning of the year	-	-	-	-	-
Add: Issue of Right Shares	399.92	-	-	-	-
Balance at the end of the year	**399.92**	**-**	**-**	**-**	**-**
Total Reserves and Surplus (a+b)	**2,594.91**	**1,702.37**	**1,199.96**	**673.13**	**279.10**
ii) Other Items Of Other Comprehensive Income					
Balance at the beginning of the year	2.89	(4.21)	(4.57)	(0.80)	
Re-Measurement Gains/ (Losses) on Defined Benefit Plans	(7.28)	7.09	0.36	(3.77)	(0.80)
Balance at the end of the year	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**
Balance at the end of the year of Other Equity (i+ii)	**2,590.52**	**1,705.26**	**1,195.75**	**668.56**	**278.30**

Note 16 : Analysis of accumulated Other Comprehensive Income (OCI), Net of Tax

(Rs. in million)

Items of OCI	As at 31st March				
	2018	2017	2016	2015	2014
Remeasurement of Defined Benefit Liability (Asset)	(7.28)	7.09	0.36	(3.77)	(0.80)
Remeasurement of Defined Benefit Liability (Asset)					
Opening Balance	2.89	(4.21)	(4.57)	(0.80)	-
Remeasurement of Defined Benefit Liability (Asset)	(7.28)	7.09	0.36	(3.77)	(0.80)
Closing Balance	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**

Remeasurement of Defined Benefit Liability (Asset) comprises actuarial gains and losses.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 17 : Non-Current Borrowings					
Secured					
Term Loans					
Rupee Loan from Banks					
Term Loan	140.00	53.33	60.00	-	-
Vehicle Loan	-	1.18	2.29	3.29	4.20
	140.00	54.51	62.29	3.29	4.20
Unsecured					
From Other Parties *					
Loans from Directors	132.05	-	-	-	-
Loans from Related Parties	97.21	-	-	-	-
	229.26	-	-	-	-
Less: Current Maturities of Long-Term Debt (Refer Note 22)	13.33	14.51	7.77	1.01	0.91
Total	**355.93**	**40.00**	**54.51**	**2.29**	**3.29**

* Refer Note 42 for Related Parties outstanding balance.

(Refer Note 39 for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	40.00	11% (Subsidised rate 6%)	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly.
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	100.00	9%	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly.

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.
There have been no breaches in the financial covenants with respect to the borrowings.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 18 : Other Non-Current Financial Liabilities					
Security and Other Deposits	0.75	0.45	0.45	0.30	0.80
Revenue Received in Advance	55.93	-	-	-	-
Total	**56.68**	**0.45**	**0.45**	**0.30**	**0.80**

(Refer Note 39 for information on Company's exposure to liquidity risk.)

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 19 : Non-Current Provisions					
Provision for Employee Benefits (Refer Note 37)	25.34	16.00	20.55	16.69	9.97
Total	**25.34**	**16.00**	**20.55**	**16.69**	**9.97**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 20 : Current Borrowings					
Secured - At Amortised Cost					
Working Capital Loans					
From Banks					
Rupee Loans					
Buyers Credit Loan	-	-	-	20.64	23.84
Foreign Bill Purchase	-	6.00	-	-	-
Other - FCNR	-	-	-	30.89	-
Rupee Loans					
Packing Credit	250.00	130.00	-	47.61	12.52
Cash Credit	217.75	143.27	58.64	99.38	95.22
	467.75	**279.27**	**58.64**	**198.52**	**131.58**
Unsecured					
From Other Parties *					
Loans from Promoters	-	41.16	309.19	298.54	307.84
Loans from Directors	33.01	328.52	427.11	373.53	372.50
Loans from Related Parties	24.30	238.75	310.36	456.75	413.27
	57.32	**608.43**	**1,046.66**	**1,128.82**	**1,093.61**
Total	**525.06**	**887.70**	**1,105.30**	**1,327.34**	**1,225.19**

* Refer Note 42 for Related Parties outstanding balance.

(Refer Note 39 for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

Working Capital Loans from Banks are secured by hypothecation of all present and future stock, receivables, all present and future movable fixed assets and equitable mortgage on immovable property.

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	107 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	117 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	82 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	104 Days
Cash Credit from Bank	Citi Bank N.A.	Cash Credit	INR	217.75	9.50%	Revolving 365 days

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 21 : Trade Payables					
i) Micro, Small and Medium Enterprises	54.82	70.49	38.99	40.92	33.97
ii) Related Parties *	21.73	30.10	0.92	0.17	8.13
iii) Others	536.10	409.67	319.89	322.93	245.57
Total	**612.64**	**510.27**	**359.80**	**364.02**	**287.67**

Refer Note 39 for information on Company's exposure to foreign currency and liquidity risks.
* Refer Note 42 for Related Parties outstanding balance.

1) Trade payables are non-interest bearing and are normally settled on 90 days terms.

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

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Principal amount remaining unpaid to suppliers at the end of the period	54.82	70.49	38.99	40.92	33.97
Interest accrued and due to suppliers on the above amount	-	-	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-	-	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-	-	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-	-	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-	-	-	-
Interest accrued and remaining unpaid at the year end	-	-	-	-	-
Total	**54.82**	**70.49**	**38.99**	**40.92**	**33.97**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 22 : Other Current Financial Liabilities					
Security and Other Deposits	0.90	18.50	0.07	0.50	-
Current Maturities of Long-Term Debt (Refer Note 17)	13.33	14.51	7.77	1.01	0.91
Other Payables#	77.75	61.86	46.87	40.44	31.09
Total	**91.99**	**94.87**	**54.71**	**41.94**	**32.00**

#Other Payables include Mark to Market Value of Derivatives.
Refer Note 39 for information on Company's exposure to interest rate, foreign currency and liquidity risks.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 23 : Government Grants					
Opening Balance	6.49	7.42	4.72	-	-
Grants during the year	-	-	3.47	5.03	-
Less: Release to Profit or Loss	0.88	0.93	0.77	0.31	-
Closing Balance	**5.61**	**6.49**	**7.42**	**4.72**	**-**
Government Grant is bifurcated as follows :					
Current	0.83	0.88	0.93	0.77	-
Non-current	4.78	5.61	6.49	3.94	-
	5.61	**6.49**	**7.42**	**4.72**	**-**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 24 : Other Current Liabilities					
Statutory Remittances	26.50	12.69	10.65	7.79	5.32
Revenue Received in Advance	24.40	43.21	8.60	14.55	8.04
Capital Creditors	19.70	38.41	14.45	20.41	6.05
Total	**70.60**	**94.31**	**33.70**	**42.75**	**19.41**
Note 25 : Current Provisions					
Provision for Employee Benefits (Refer Note 37) #	34.89	32.08	22.25	18.46	13.58
Total	**34.89**	**32.08**	**22.25**	**18.46**	**13.58**

Provision for Employee Benefit Includes Leave Entitlement ,Gratuity and Bonus on accrual basis.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 26 : Current Tax Liabilities (Net)					
Current Tax Payable	137.15	271.80	25.55	32.04	30.63
Less : Advance Tax	134.74	147.42	-	-	-
Total	**2.41**	**124.38**	**25.55**	**32.04**	**30.63**

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Note 27 : Revenue from Operations					
Operating Income					
Sale of Goods (Including Excise Duty)					
Manufactured					
Domestic	3,729.04	2,657.69	2,249.43	1,741.35	1,401.14
Export	1,028.68	1,276.86	1,306.56	1,303.60	1,015.96
Sale of Services	0.94	0.01	0.15	-	-
Traded					
Domestic	762.35	4.90	30.86	98.28	86.63
Export	114.46	119.85	112.16	120.28	84.63
Other Operating Income					
Sales - Scrap	22.02	24.47	7.66	1.73	12.00
Export Incentive	87.15	138.82	147.91	133.09	94.61
Total	**5,744.65**	**4,222.59**	**3,854.73**	**3,398.34**	**2,694.97**
Note 28 : Other Income					
Interest Income on					
- Bank Deposits	0.02	0.49	0.55	0.69	0.61
- Others	1.81	1.79	1.67	3.36	5.08
Other Non-Operating Income	60.25	39.52	53.57	33.84	5.33
Total	**62.08**	**41.80**	**55.79**	**37.89**	**11.02**
Note 29 : Cost of Materials Consumed					
Opening Stock	310.30	244.74	201.64	175.03	128.66
Add : Purchases	2,496.51	1,843.98	1,469.21	1,524.55	1,156.97
Less : Goods Destroyed by fire	-	104.11	-	3.70	-
Less : Closing Stock	373.28	313.49	244.74	201.64	175.03
Total	**2,433.52**	**1,671.12**	**1,426.11**	**1,494.25**	**1,110.59**
Note 30 : Purchase of Stock-in-Trade					
Purchase of Stock-in-Trade	893.65	482.51	641.25	522.49	454.39
Total	**893.65**	**482.51**	**641.25**	**522.49**	**454.39**
Note 31 : Changes In Inventories					
Opening Stock					
Semi-Finished Goods	226.23	161.49	117.94	59.48	64.71
Finished Goods	194.45	196.13	170.53	105.79	73.24
Stock-in-Trade	13.44	22.02	25.56	4.49	3.08
Total (A)	**434.12**	**379.64**	**314.03**	**169.76**	**141.03**
Closing Stock					
Semi-Finished Goods	320.17	226.23	161.49	117.94	59.48
Finished Goods	187.24	194.45	196.13	170.53	105.79
Stock-in-Trade	31.36	19.31	22.02	25.56	4.49
Total (B)	**538.77**	**439.99**	**379.64**	**314.03**	**169.76**
(Increase)/Decrease in Inventories **Total (A-B)**	**(104.64)**	**(60.36)**	**(65.60)**	**(144.27)**	**(28.74)**
Note 32 : Employee Benefits Expenses					
Salaries, Wages and Bonus *	720.71	449.05	343.76	294.76	251.25
Contribution to Provident and Other Funds (Refer Note : 37)	47.54	39.46	29.77	21.07	16.12
Leave Salary	10.42	7.43	6.44	4.96	3.30
Staff Welfare Expenses	11.68	15.33	18.46	16.97	15.67
Total	**790.34**	**511.28**	**398.44**	**337.76**	**286.33**
* Refer Note 42 for Payments to Key Managerial Personnel.					
Note 33 : Finance Costs					
Interest on Loans from Banks	34.92	11.22	6.56	10.39	5.23
Interest (Others)*	129.88	76.16	100.27	93.78	88.84
Other Borrowing Cost	7.41	7.21	4.34	2.87	3.13
Total	**172.21**	**94.59**	**111.17**	**107.04**	**97.20**
* Refer Note 42 for Interest paid to Related Parties					

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Note 34 : Depreciation/Amortisation Expense					
Depreciation/ Amortisation Expense	152.54	119.19	103.76	82.46	59.38
Total	**152.54**	**119.19**	**103.76**	**82.46**	**59.38**
Note 35 : Other Expenses					
Manufacturing Expenses					
Consumable Expenses	25.98	25.34	23.99	24.17	17.08
Electric Power, Fuel and Water	92.95	83.20	75.82	68.96	64.88
(Decrease) / Increase in excise duty on Closing Stock of Finished Goods	1.28	(0.34)	(0.21)	(0.23)	(0.32)
Factory Rent	15.13	14.91	8.94	7.70	6.68
Freight Inward	16.59	25.70	27.25	19.67	12.98
Job Work and Other Related Expenditure	188.10	178.29	156.99	96.33	65.80
Loading and Unloading Expenses	2.60	4.14	2.87	3.02	2.09
Machine and Mould Maintenance	41.54	29.48	28.36	31.93	24.26
Other Factory Expenses	12.86	9.66	9.42	5.26	3.83
	397.01	**370.37**	**333.41**	**256.82**	**197.28**
Establishment Expenses					
Charity Expenses	0.25	1.88	0.26	1.18	0.21
Electricity Charges	4.74	1.78	0.87	0.77	0.45
Insurance Expenses	9.59	3.59	2.68	2.14	2.34
Legal and Professional Fees	12.71	5.48	6.93	2.90	2.80
Legal Expenses	0.34	0.12	0.25	0.11	0.14
Postage and Courier	1.27	1.18	0.93	0.75	0.95
Printing and Stationery	3.44	3.39	2.94	2.91	2.40
Rent	4.56	3.73	1.95	1.60	0.38
Miscellaneous Expenses	0.97	0.53	2.03	0.81	0.11
Office and General Expenses	6.95	1.38	0.86	1.91	0.48
Repairs and Maintenance					
Computer	2.09	1.59	2.35	1.37	0.78
Others	8.70	7.98	7.44	5.24	4.66
Vehicles	4.90	4.64	3.53	2.88	2.03
Telephone and Communication Charges	3.39	2.25	1.82	1.73	1.60
Travelling and Conveyance	19.58	13.60	11.40	13.18	12.89
Merger Expenses	0.86	-	-	-	-
Inventory/Assets Lost by Fire	-	16.04	-	1.57	-
Pre Operative Expense	-	1.60	-	-	-
Share Issue Expenditure	0.53	-	-	-	-
Payment to Auditors (Refer Note 35.1)	6.68	5.52	3.89	3.69	3.08
	91.55	**76.28**	**50.12**	**44.72**	**35.31**
Selling and Distribution Expenses					
Advertisement Expenses	34.36	63.92	27.70	27.23	37.33
Sales Promotion and Marketing Expenses	29.65	38.04	23.15	24.87	26.09
Commission and Brokerage	10.94	14.36	9.35	10.83	5.03
Marketing Expenses	80.40	42.64	25.42	21.00	16.32
Freight, Clearing and Forwarding Charges	32.14	49.37	47.62	42.04	31.70
Freight Outward	85.09	61.97	47.27	41.10	35.55
Service Tax Expenses	2.23	3.28	2.17	1.13	0.79
Export Expenses	6.55	7.13	5.46	4.48	3.86
	281.36	**280.71**	**188.14**	**172.67**	**156.66**
Total	**769.93**	**727.36**	**571.67**	**474.21**	**389.25**

Refer Note 42 for Related Party transactions.

Note 35.1 : Payment to Auditors

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
As Auditors					
- Statutory Audit	4.75	4.86	3.69	3.50	2.75
- Tax Audit	1.93	0.67	0.20	0.20	0.33
Total	**6.68**	**5.52**	**3.89**	**3.69**	**3.08**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 36 : Earnings Per Share (EPS)

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

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Face Value per Equity Share (Rs)	10.00	10.00	10.00	10.00	10.00
Basic Earnings per Share (Rs)	169.51	173.25	181.66	141.96	98.62
Net Profit after Tax as per Special Purpose Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	492.61	502.42	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Diluted Earnings per Share (Rs)	169.51	173.25	181.66	141.96	98.62
Net Profit after Tax as per Special Purpose Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	492.61	502.42	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Reconciliation of Weighted Average Number of Shares outstanding					
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Total Weighted Average Potential Equity Shares	-	-	-	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Face Value per Equity Share (Rs)	10.00	10.00	10.00	10.00	10.00
Basic Earnings per Share (Rs)	21.11	21.54	22.58	17.65	12.00
Net Profit after Tax as per Special Purpose Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	492.61	502.42	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Diluted Earnings per Share (Rs)	21.11	21.54	22.58	17.65	12.00
Net Profit after Tax as per Special Purpose Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Rs in million)	492.61	502.42	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Reconciliation of Weighted Average Number of Shares outstanding					
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Total Weighted Average Potential Equity Shares	-	-	-	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800

Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for bonus shares is August 09, 2018.

Ind AS 33 "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of bonus shares. The weighted average numbers of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the Special Purpose Restated Consolidated Other Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 37 : Gratuity and Other Post Employment Benefit Plans

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

(a) Defined Contribution Plan
The following amount recognized as an expense in Special Purpose Restated Consolidated Statement of Profit and Loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Employer's Contribution to Provident Fund	15.50	11.14	8.06	6.44	5.01
Employer's Contribution to Employee State Insurance Scheme	3.71	2.31	1.72	1.27	1.38
Employer's Contribution to Pension Scheme	22.97	17.12	13.34	10.26	7.66

(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 Group 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 Special Purpose Restated Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Defined Benefit Plan

I) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation.

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Defined Benefit Obligation at the beginning of the year	17.40	23.07	19.34	10.98	7.99
Add: Current Service Cost	3.01	3.48	2.88	1.64	1.16
Interest Cost	0.32	-	-	-	-
Past Service Cost	1.17	1.70	1.40	0.94	0.62
Remeasurement during the period due to :					
Actuarial loss / (gain) arising from change in financial assumptions	(1.04)	1.01	(0.11)	2.06	(1.01)
Actuarial loss / (gain) arising on account of experience changes	11.65	(11.86)	(0.44)	3.72	2.22
Benefits paid	3.54	-	-	-	-
Defined Benefit Obligation at end of the year	**28.96**	**17.40**	**23.07**	**19.34**	**10.98**
Net Liability is bifurcated as follows :					
Current	3.62	1.40	2.52	2.65	1.01
Non-current	25.34	16.00	20.55	16.69	9.97
Net Liability	**28.96**	**17.40**	**23.07**	**19.34**	**10.98**

II) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-
Add: Current Service Cost	-	-	-	-	-
Interest Cost	-	-	-	-	-
Remeasurement during the period due to :	-	-	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-	-	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-	-	-	-
	-	-	-	-	-
Benefits paid	-	-	-	-	-
Fair Value of Plan Asset end of the year	**-**	**-**	**-**	**-**	**-**

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Fair Value of Plan Assets	-	-	-	-	-
Present Value of Obligation	28.96	17.40	23.07	19.34	10.98
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(28.96)**	**(17.40)**	**(23.07)**	**(19.34)**	**(10.98)**

IV) Expenses recognised during the year

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
In Income Statement					
Current Service Cost	3.01	3.48	2.88	1.64	1.16
Interest Cost	0.32	-	-	-	-
Return on Plan Assets	-	-	-	-	-
Actuarial (Gain)/Loss	1.17	1.70	1.40	0.94	0.62
Net Cost	**4.50**	**5.18**	**4.28**	**2.58**	**1.78**

Note 37 : Gratuity and Other Post Employment Benefit Plans

In Other Comprehensive Income					
Actuarial (Gain)/Loss	10.61	(10.85)	(0.55)	5.78	1.21
Return on Plan Assets	-	-	-	-	-
Net (Income)/Expenses for the year recognised in Other Comprehensive Income	**10.61**	**(10.85)**	**(0.55)**	**5.78**	**1.21**

V) Investments details

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Government Securities	-	-	-	-	-
Public Securities	-	-	-	-	-
Others	-	-	-	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount Rate (p.a.)	7.55%	7.20%	7.80%	7.75%	9.00%
Expected Rate of Return on Plan Assets (p.a.)	0.00%	0.00%	0.00%	0.00%	0.00%
Salary Escalation (p.a.)	4.50%	4.50%	4.50%	4.50%	4.50%

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 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.

The Gratuity liabilities of the Company are unfunded and hence there are no Assets held to meet the Liabilities.

VII) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are Discount Trade, expected Salary Increase and Employee Turnover. The Sensitivity Analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

A quantitative analysis for significant assumption is as shown below:

Indian Gratuity Plan:

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Changes in Discount Rate					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	29.75	(16.55)	(21.98)	(18.47)	(10.52)
Impact of Decrease in 50 dps on defined benefit obligation	32.86	18.32	24.24	20.29	11.46
Changes in rate of salary increase					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact of Increase in 50 dps on defined benefit obligation	32.83	18.27	24.12	20.20	11.45
Impact of Decrease in 50 dps on defined benefit obligation	29.75	(16.61)	(22.04)	(18.50)	(10.53)

VIII) These plans typically expose the Company to actuarial risks such as: Investment Risk, Actuarial Risk, Salary Risk, Market Risk and Legislative Risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government Bonds.

Actuarial Risk:
It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates and variability in withdrawal rates.

Salary Risk :
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Market Risk:
Market risk is the collective term for the risks that are related to the changes and fluctuations of the financial market. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.

Legislative Risk:
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. This will affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

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

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Within the next 12 months (next annual reporting period)	3.23	1.40	2.52	2.65	1.01
Between 2 and 5 years	6.82	4.51	5.88	5.11	4.29
Beyond 10 years	11.72	6.66	9.19	6.59	3.69
Total expected payments	**21.77**	**12.57**	**17.59**	**14.35**	**8.99**
The weighted average duration of the Defined Benefit Plan Obligation at the end of the reporting period	11.36 Years	11.13 Years	11.29 Years	10.73 Years	10.09 Years

Note 38 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2018 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	1,188.19	1,188.19	-	-	1,188.19	1,188.19
Cash and Cash Equivalents	-	-	14.54	14.54	-	-	14.54	14.54
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	177.60	177.60	-	-	177.60	177.60
Other Financial Assets	-	-	15.97	15.97	-	-	15.97	15.97
Total Financial Assets	**-**	**-**	**1,396.31**	**1,396.31**	**-**	**-**	**1,396.31**	**1,396.31**
Financial Liabilities								
Non-Current Borrowings	-	-	355.93	355.93	-	-	355.93	355.93
Current Borrowings	-	-	525.06	525.06	-	-	525.06	525.06
Trade Payables	-	-	612.64	612.64	-	-	612.64	612.64
Other Financial Liabilities	-	-	148.67	148.67	-	-	148.67	148.67
Total Financial Liabilities	**-**	**-**	**1,642.31**	**1,642.31**	**-**	**-**	**1,642.31**	**1,642.31**

As at March 31, 2017 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	861.71	861.71	-	-	861.71	861.71
Cash and Cash Equivalents	-	-	68.30	68.30	-	-	68.30	68.30
Other Bank Balances	-	-	0.13	0.13	-	-	0.13	0.13
Loans	-	-	33.08	33.08	-	-	33.08	33.08
Other Financial Assets	-	-	25.53	25.53	-	-	25.53	25.53
Total Financial Assets	**-**	**-**	**988.75**	**988.75**	**-**	**-**	**988.75**	**988.75**
Financial Liabilities								
Non-Current Borrowings	-	-	40.00	40.00	-	-	40.00	40.00
Current Borrowings	-	-	887.70	887.70	-	-	887.70	887.70
Trade Payables	-	-	510.27	510.27	-	-	510.27	510.27
Other Financial Liabilities	-	-	95.32	95.32	-	-	95.32	95.32
Total Financial Liabilities	**-**	**-**	**1,533.29**	**1,533.29**	**-**	**-**	**1,533.29**	**1,533.29**

As at March 31, 2016 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	789.11	789.11	-	-	789.11	789.11
Cash and Cash Equivalents	-	-	15.35	15.35	-	-	15.35	15.35
Other Bank Balances	-	-	0.14	0.14	-	-	0.14	0.14
Loans	-	-	13.33	13.33	-	-	13.33	13.33
Other Financial Assets	-	-	24.59	24.59	-	-	24.59	24.59
Total Financial Assets	**-**	**-**	**842.52**	**842.52**	**-**	**-**	**842.52**	**842.52**
Financial Liabilities								
Non-Current Borrowings	-	-	54.51	54.51	-	-	54.51	54.51
Current Borrowings	-	-	1,105.30	1,105.30	-	-	1,105.30	1,105.30
Trade Payables	-	-	359.80	359.80	-	-	359.80	359.80
Other Financial Liabilities	-	-	55.16	55.16	-	-	55.16	55.16
Total Financial Liabilities	**-**	**-**	**1,574.77**	**1,574.77**	**-**	**-**	**1,574.77**	**1,574.77**

As at March 31, 2015 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	693.22	693.22	-	-	693.22	693.22
Cash and Cash Equivalents	-	-	4.04	4.04	-	-	4.04	4.04
Other Bank Balances	-	-	0.58	0.58	-	-	0.58	0.58
Loans	-	-	8.23	8.23	-	-	8.23	8.23
Other Financial Assets	-	-	24.51	24.51	-	-	24.51	24.51
Total Financial Assets	**-**	**-**	**730.58**	**730.58**	**-**	**-**	**730.58**	**730.58**
Financial Liabilities								
Non-Current Borrowings	-	-	2.29	2.29	-	-	2.29	2.29
Current Borrowings	-	-	1,327.34	1,327.34	-	-	1,327.34	1,327.34
Trade Payables	-	-	364.02	364.02	-	-	364.02	364.02
Other Financial Liabilities	-	-	42.24	42.24	-	-	42.24	42.24
Total Financial Liabilities	**-**	**-**	**1,735.89**	**1,735.89**	**-**	**-**	**1,735.89**	**1,735.89**

As at March 31, 2014 **(Rs. in million)**

Particulars	Carrying Amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	10.00	10.00	-	-	10.00	10.00
Trade Receivables	-	-	573.92	573.92	-	-	573.92	573.92
Cash and Cash Equivalents	-	-	9.14	9.14	-	-	9.14	9.14
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	8.56	8.56	-	-	8.56	8.56
Other Financial Assets	-	-	23.58	23.58	-	-	23.58	23.58
Total Financial Assets	**-**	**-**	**625.19**	**625.19**	**-**	**-**	**625.19**	**625.19**
Financial Liabilities								
Non-Current Borrowings	-	-	3.29	3.29	-	-	3.29	3.29
Current Borrowings	-	-	1,225.19	1,225.19	-	-	1,225.19	1,225.19
Trade Payables	-	-	287.67	287.67	-	-	287.67	287.67
Other Financial Liabilities	-	-	32.80	32.80	-	-	32.80	32.80
Total Financial Liabilities	**-**	**-**	**1,548.94**	**1,548.94**	**-**	**-**	**1,548.94**	**1,548.94**

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

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

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Note 39 : Financial Risk Management

Risk Management Framework

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

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 Group's Board of Directors are responsible for the day to day working of the management and the overall working of the Group'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 Group. Credit Risk arises from Group's outstanding receivables from Customers.

The Group'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 Group 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 Group's standard payment and delivery terms and conditions are offered. Further for domestic sales,

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

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

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

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

Due from the date of Invoice	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
0-3 months	1,052.02	791.25	695.43	660.71	549.08
3-6 months	3.94	60.76	75.72	29.59	15.20
6 months to 12 months	123.67	7.64	17.18	2.38	9.13
beyond 12 months	8.56	2.06	0.77	0.55	0.52
Total	**1,188.19**	**861.71**	**789.11**	**693.22**	**573.92**

ii) Liquidity Risk

Liquidity Risk arises from the Group'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 Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group'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 Group's reputation.

As of 31st March, 2018, 2017, 2016, 2015 and 2014 the Group had unutilized credit limits from banks of Rs. 132.25 million, Rs. 120.73 million, Rs. 341.36 million, Rs. 201.48 million and Rs. 268.42 million respectively.

The Current Ratio of the Company as at March 31, 2018 is 1.88 times (as at March 31, 2017, 2016, 2015 and 2014 is 1.07 times, 0.99 times, 0.74 times and 0.65 times respectively) whereas the Liquid Ratio of the Company as at March 31, 2018 is 1.07 times (as at March 31, 2017, 2016, 2015 and 2014 is 0.58 times, 0.58 times, 0.46 times and 0.43 times respectively).

Note 39 : Financial Risk Management
Exposure to liquidity risk
The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the reporting date:

(Rs. in million)

PARTICULARS	As at March 31,2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	507.28	17.78	191.30	164.63	-	880.99
Trade Payables	612.64	-	-	-	-	612.64
Other Financial Liabilities	75.95	14.98	56.68	-	-	147.62
	1,195.88	**32.76**	**247.98**	**164.63**	**-**	**1,641.25**
Derivative Liabilities	1.05	-	-	-	-	1.05
TOTAL	**1,196.93**	**32.76**	**247.98**	**164.63**	**-**	**1,642.31**

(Rs. in million)

PARTICULARS	As at March 31,2017					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	416.23	471.47	26.67	13.33	-	927.70
Trade Payables	510.27	-	-	-	-	510.27
Other Financial Liabilities	80.36	14.51	0.45	-		95.32
	1,006.86	**485.98**	**27.12**	**13.33**	**-**	**1,533.29**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**1,006.86**	**485.98**	**27.12**	**13.33**	**-**	**1,533.29**

(Rs. in million)

PARTICULARS	As at March 31,2016					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	228.24	890.38	28.96	12.23	-	1,159.81
Trade Payables	359.80	-	-	-	-	359.80
Other Financial Liabilities	37.85	15.61	0.45	-		53.91
	625.88	**905.99**	**29.41**	**12.23**	**-**	**1,573.51**
Derivative Liabilities	1.26	-	-	-	-	1.26
TOTAL	**627.14**	**905.99**	**29.41**	**12.23**	**-**	**1,574.77**

(Rs. in million)

PARTICULARS	As at March 31,2015					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	427.90	899.45	2.29	-	-	1,329.63
Trade Payables	364.02	-	-	-	-	364.02
Other Financial Liabilities	37.16	2.51	0.30	-	-	39.97
	829.08	**901.96**	**2.59**	**-**	**-**	**1,733.62**
Derivative Liabilities	2.27	-	-	-	-	2.27
TOTAL	**831.35**	**901.96**	**2.59**	**-**	**-**	**1,735.89**

(Rs. in million)

PARTICULARS	As at March 31,2014					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-Derivative Financial Liabilities						
Borrowings	339.13	886.07	3.29	-	-	1,228.48
Trade Payables	287.67	-	-	-	-	287.67
Other Financial Liabilities	28.44	0.91	0.80	-	-	30.15
	655.23	**886.98**	**4.09**	**-**	**-**	**1,546.30**
Derivative Liabilities	2.65	-	-	-	-	2.65
TOTAL	**657.88**	**886.98**	**4.09**	**-**	**-**	**1,548.94**

Note 39 : Financial Risk Management

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

(Rs. in million)

PARTICULARS	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Loan from Banks	594.41	319.27	113.15	200.80	134.87
Unsecured loan from Directors & their relatives	286.58	608.43	1,046.66	1,128.83	1,093.61
Total	**880.99**	**927.70**	**1,159.81**	**1,329.63**	**1,228.48**

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

PARTICULARS	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
1% Change in increase in Interest Rate	1.65	0.87	1.07	1.04	0.94
1% Change in decrease in Interest Rate	(1.65)	(0.87)	(1.07)	(1.04)	(0.94)

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

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

(Rs. in million)

As at 31 March 2018	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	319.70	19.92	1.33	-
Other Assets	36.18	32.23	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	41.28	31.82	0.17	4.90
Other Liabilities	25.36	-	-	-
Net Exposure	**289.24**	**20.33**	**1.16**	**(4.90)**

(Rs. in million)

As at 31 March 2017	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	285.20	12.00	1.16	-
Other Assets	29.24	0.07	-	0.30
Financial Liabilities				
Borrowings				
Trade Payables	47.96	19.72	0.18	-
Other Liabilities	10.57	-	-	-
Net Exposure	**255.90**	**(7.65)**	**0.98**	**0.30**

(Rs. in million)

As at 31 March 2016	**USD**	**EURO**	**GBP**	**JPY**
Financial Assets				
Trade Receivables	159.30	8.46	2.02	-
Other Assets	24.95	2.95	-	0.62

Note 39 : Financial Risk Management

Financial Liabilities				
Borrowings				
Trade Payables	50.27	21.58	0.26	2.24
Other Liabilities	6.98	0.30	0.38	-
Net Exposure	**127.00**	**(10.47)**	**1.38**	**(1.62)**

(Rs. in million)

As at 31 March 2015	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	302.74	11.62	0.43	-
Other Assets	23.25	0.44	-	0.11
Financial Liabilities				
Borrowings				
Trade Payables	76.54	5.18	-	1.57
Other Liabilities	13.28	0.07	0.55	-
Net Exposure	**236.16**	**6.81**	**(0.12)**	**(1.46)**

(Rs. in million)

As at 31 March 2014	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	242.10	13.76	0.90	-
Other Assets	12.26	0.24	-	-
Financial Liabilities				
Borrowings				
Trade Payables	42.93	2.19	-	1.61
Other Liabilities	7.69	0.03	0.22	-
Net Exposure	**203.73**	**11.78**	**0.67**	**(1.61)**

Sensitivity Analysis

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

As at 31 March 2018

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR Impact on Profit & Loss	2.89	0.20	0.01	(0.05)
Total	**2.89**	**0.20**	**0.01**	**(0.05)**
1% appreciation in INR Impact on Profit & Loss	(2.89)	(0.20)	(0.01)	0.05
Total	**(2.89)**	**(0.20)**	**(0.01)**	**0.05**

As at March 31, 2017

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR Impact on Profit & Loss	2.56	(0.08)	0.01	0.00
Total	**2.56**	**(0.08)**	**0.01**	**0.00**
1% appreciation in INR Impact on Profit & Loss	(2.56)	0.08	(0.01)	(0.00)
Total	**(2.56)**	**0.08**	**(0.01)**	**(0.00)**

Note 39 : Financial Risk Management

As at March 31, 2016

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	1.27	(0.10)	0.01	(0.02)
Total	**1.27**	**(0.10)**	**0.01**	**(0.02)**
1% appreciation in INR				
Impact on Profit & Loss	(1.27)	0.10	(0.01)	0.02
Total	**(1.27)**	**0.10**	**(0.01)**	**0.02**

As at March 31, 2015

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.36	0.07	(0.00)	(0.01)
Total	**2.36**	**0.07**	**(0.00)**	**(0.01)**
1% appreciation in INR				
Impact on Profit & Loss	(2.36)	(0.07)	0.00	0.01
Total	**(2.36)**	**(0.07)**	**0.00**	**0.01**

As at March 31, 2014

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.04	0.12	0.01	(0.02)
Total	**2.04**	**0.12**	**0.01**	**(0.02)**
1% appreciation in INR				
Impact on Profit & Loss	(2.04)	(0.12)	(0.01)	0.02
Total	**(2.04)**	**(0.12)**	**(0.01)**	**0.02**

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 Group's principle raw material(s) are a variety of Plastic Polymers which are primarily derivatives of Crude Oil. Group 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 Group. Group effectively manages availability of material as well as price volatility by expanding its source base, having appropriate contracts and commitments in place and planning its procurement and inventory strategy. The Risk Committee of the Group comprising of members from the Board of Directors and the operations, have developed and enacted a Risk Management strategy regarding Commodity Price Risk and its mitigation.

Note 40 : Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31,2018

(Rs. In million)

Particulars	As at April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	6.02	(0.92)	3.33	-	8.43
Expenses allowable on payment basis	8.14	(1.57)	-	-	6.58
others	112.60	(13.21)	-	-	99.39
					-
Deferred Tax Assets (A)	126.77	(15.70)	3.33	-	114.40
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(97.80)	(17.80)	-	-	(115.61)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	(3.79)	3.79	-	-	-
Deferred Tax Liabilities (B)	(101.59)	(14.02)	-	-	(115.61)
Net Deferred tax Asset/ (Liabilities) (A+B)	**25.18**	**(29.72)**	**3.33**	**-**	**(1.21)**
AMT/MAT Credit Receivables*	136.00	(31.79)	-	-	104.21
Net Deferred tax Asset/ (Liabilities)	**161.18**	**(61.51)**	**3.33**	**-**	**103.00**

Movement in Deferred Tax balances for the year ended March 31,2017

(Rs. In million)

Particulars	As at April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2017
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	7.98	1.79	(3.75)	-	6.02
Expenses allowable on payment basis	4.66	3.48	-	-	8.14
others	59.52	53.08	-	-	112.60
Deferred Tax Assets (A)	72.17	58.35	(3.75)	-	126.77
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(78.49)	(19.31)	-	-	(97.80)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	(1.76)	(2.03)	-	-	(3.79)
Deferred Tax Liabilities (B)	(80.25)	(21.33)	-	-	(101.59)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(8.08)**	**37.02**	**(3.75)**	**-**	**25.18**
AMT/MAT Credit Receivables*	84.70	51.30	-	-	136.00
Net Deferred tax Asset/ (Liabilities)	**76.62**	**88.31**	**(3.75)**	**-**	**161.18**

Movement in Deferred Tax balances for the year ended March 31,2016

(Rs. In million)

Particulars	As at April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2016
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	6.69	1.48	(0.19)	-	7.98
Expenses allowable on payment basis	3.84	0.82	-	-	4.66
others	20.19	39.34	-	-	59.52
					-
Deferred Tax Assets (A)	30.72	41.64	(0.19)	-	72.17
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(47.85)	(30.64)	-	-	(78.49)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	(0.07)	(1.69)	-	-	(1.76)
Deferred Tax Liabilities (B)	(47.92)	(32.34)	-	-	(80.25)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(17.20)**	**9.30**	**(0.19)**	**-**	**(8.08)**
AMT/MAT Credit Receivables*	67.36	17.34	-	-	84.70
Net Deferred tax Asset/ (Liabilities)	**50.16**	**26.65**	**(0.19)**	**-**	**76.62**

Movement in Deferred Tax balances for the year ended March 31,2015

(Rs. In million)

Particulars	As at April 1, 2014	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2015
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	3.73	0.95	2.01	-	6.69
Expenses allowable on payment basis	3.20	0.64		-	3.84
others	13.56	6.63	-	-	20.19
					-
Deferred Tax Assets (A)	20.49	8.22	2.01	-	30.72
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(51.45)	(5.73)	-	9.33	(47.85)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	(2.97)	2.90	-	-	(0.07)
Deferred Tax Liabilities (B)	(54.42)	(2.83)	-	9.33	(47.92)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(33.93)**	**5.39**	**2.01**	**9.33**	**(17.20)**
AMT/MAT Credit Receivables*	61.96	5.40	-	-	67.36
Net Deferred tax Asset/ (Liabilities)	**28.03**	**10.79**	**2.01**	**9.33**	**50.16**

Movement in Deferred Tax balances for the year ended March 31,2014

(Rs. In million)

Particulars	As at April 1, 2013	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2014
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets					-
Provision for Gratuity	2.72	0.61	0.41	-	3.73
Expenses allowable on payment basis	2.56	0.64	-	-	3.20
others	-	13.56	-	-	13.56
Deferred Tax Assets (A)	5.27	14.81	0.41	-	20.49
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(56.84)	5.39	-	-	(51.45)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
others	-	(2.97)	-	-	(2.97)
Deferred Tax Liabilities (B)	(56.84)	2.42	-	-	(54.42)
Net Deferred tax Asset/ (Liabilities) (A+B)	**(51.57)**	**17.23**	**0.41**	**-**	**(33.93)**
AMT/MAT Credit Receivables*	23.98	37.97	-	-	61.96
Net Deferred tax Asset/ (Liabilities)	**(27.58)**	**55.20**	**0.41**	**-**	**28.03**

* The above movement in Unused Tax credit includes adjustment of MAT/AMT i.e. net of created and utilised. MAT/AMT utilised of Rs. 31.79 million and Rs. 0.45 million, for the years ended March 31, 2018 and 2017 respectively is not reflected in Restated Consolidated Statement of Profit and Loss.

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

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

Note 41 : Income Tax Expense

(a) Amounts recognised in Profit and Loss **(Rs. in million)**

Particulars	For the year ended 31st March				
	2018	2017	2016	2015	2014
Current Tax	168.93	272.25	206.56	151.59	95.37
Deferred Income Tax Liability / (Asset), Net					
Origination and reversal of temporary differences	29.72	(37.02)	(9.30)	(5.39)	(17.23)
Deferred Tax charge/ (credit)	29.72	(37.02)	(9.30)	(5.39)	(17.23)
Less: AMT-MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
Tax Expense	**198.65**	**183.49**	**170.41**	**130.59**	**40.17**

(b) Amounts recognised in Other Comprehensive Income **(Rs. in million)**

Particulars	For the year ended 31st March				
	2018	2017	2016	2015	2014
Re-measurement on defined benefit liability					
Before tax	(10.61)	10.85	0.55	(5.78)	(1.21)
Tax (expense)/ benefit	3.33	(3.75)	(0.19)	2.01	0.41
Net of Tax	**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**

(c) Reconciliation of Effective Income Tax Rate **(Rs. in million)**

Particulars	For the year ended 31st March				
	2018	2017	2016	2015	2014
Profit Before Tax	691.27	685.90	697.23	542.26	319.27
Company's Domestic Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%
Income Tax using the Company's Tax Rate	239.23	237.38	241.30	184.31	108.52
Tax effect of:					
Permanent disallowances	(0.54)	(0.69)	(0.89)	(1.09)	(0.13)
Tax on exempted income	(43.38)	(49.45)	(69.81)	(54.65)	(68.63)
Adjustments in respect of current income tax of previous years	-	-	-	-	-
Income tax related to items that will not be reclassified to profit or loss	3.33	(3.75)	(0.19)	2.01	0.41
Total	**198.65**	**183.49**	**170.41**	**130.59**	**40.17**
Income Tax Expense as per Restated Consolidated Statement of Profit and Loss					
Current Tax	168.93	272.25	206.56	151.59	95.37
Deferred Tax	29.72	(37.02)	(9.30)	(5.39)	(17.23)
AMT/MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
Total	**198.65**	**183.49**	**170.41**	**130.59**	**40.17**

Note 42 : Related Party Disclosure

As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosures as defined are given below :

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

	Nature of Relationship	Name of Related Party
(i)	**Key Managerial Personnel (KMP)**	Khubilal Rathod Vimalchand Rathod Mohit Rathod Rajesh Rathod Sumit Rathod Mayur Gala
(ii)	**Relatives of Key Managerial Personnel**	Nirmala Rathod Manjula Rathod Sangeeta Rathod Shalini Rathod Sonal Rathod Keimaya Rathod Sunita Jain Khubilal Rathod (HUF) Vimalchand Rathod (HUF) Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence (The Enterprises):**	Trinity Developers Flair Pens Ltd. Ajay Plastics Pvt. Ltd. (merged with Flair Pens Ltd.) Flair Kenya Ltd. Stypen Manufacturing Company (India) Pvt. Ltd. Pentel Stationery (India) Pvt. Ltd. Europa Metaltech Industries Flair Pen & Plastic Industries Flair Writing Aids Hauser Lifestyle Products Rathod N Rathod Royal Pen and Plastic Industries

(b) Transactions with Related Parties **(Rs. in million)**

Sr. No.	Nature of Transaction	Type	For the Year Ended 31st March				
			2018	2017	2016	2015	2014
1	**Sale of Goods**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	20.97	21.47	16.11	8.18	8.81
	Hauser Lifestyle Products	Other Related Party	5.58	0.17	1.01	0.71	1.03
	Flair Kenya Ltd.	Other Related Party	3.97	5.03	0.81	5.10	6.73
	Flair Pens Ltd	Other Related Party	-	186.44	262.24	311.81	258.45
2	**Sale of Licence Premium**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	-	-	2.11
	Hauser Lifestyle Products	Other Related Party	-	-	-	0.76	0.61
	Flair Pens Ltd.	Other Related Party	-	-	0.17	-	-
3	**Sale of Fixed Assets**						
	Hauser Lifestyle Products	Other Related Party	-	-	-	-	0.51
	Flair Pen & Plastic Industries	Other Related Party	-	-	129.87	-	-
	Vimalchand Rathod	Key Managerial Personnel	-	0.10	-	-	-
4	**Purchase of Goods**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	22.66	12.06	7.03	5.53	7.81
	Flair Pens Ltd.	Other Related Party	4.99	2.44	2.89	3.83	7.22
	Europa Metaltech Industries		-	-	-	-	0.09
	Hauser Lifestyle Products	Other Related Party	3.12	3.26	0.74	0.35	0.78
5	**Purchase of Fixed Assets**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.60	-	1.40	4.12
	Flair Pen & Plastic Industries	Other Related Party	-	-	-	-	0.72
	Flair Pens Ltd.	Other Related Party	12.00	25.47	0.18	-	-
	Vimalchand Rathod	Key Managerial Personnel	-	0.10	-	-	-
6	**Rent Expense**						
	Khubilal J. Rathod	Key Managerial Personnel	0.25	-	-	-	-
	Vimalchand J. Rathod	Key Managerial Personnel	0.25	-	-	-	-
	Flair Pens Ltd.	Other Related Party	4.51	4.81	3.39	3.02	2.36
	Ajay Plastics Pvt. Ltd.	Other Related Party	-	-	-	-	0.08
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.60	0.24	0.24	0.24	0.24
	Flair Writing Aids	Other Related Party	0.15	0.28	0.27	0.27	0.27
	Flair Pen & Plastic Industries	Other Related Party	7.88	7.34	4.10	3.48	2.70
	Rathod N Rathod	Other Related Party	0.18	0.18	0.18	0.18	0.18
	Nirmala Rathod	Relative of KMP	2.31	2.26	0.80	-	0.18
	Manjula Rathod	Relative of KMP	2.31	2.26	0.80	-	-
	Vimalchand Rathod (HUF)	Relative of KMP	0.96	0.88	0.72	-	-
7	**Rent Income**						
	Flair Pens Ltd.	Other Related Party	-	-	1.29	-	-
8	**Rent Deposit (paid)**						
	Flair Pens Ltd.	Other Related Party	-	20.00	20.00	20.00	-

Note 42 : Related Party Disclosure

	Flair Pen & Plastic Industries		-	-	-	-	0.13
9	**Rent Deposit (recovered)**						
	Flair Pens Ltd.	Other Related Party	-	20.00	20.00	20.00	-
	Flair Pen & Plastic Industries		-	-	-	0.13	-
10	**Staff Welfare Expenses**						
	Hauser Lifestyle Products	Other Related Party	-	-	0.01	-	0.02
11	**Advertisement and Sales promotion expenses**						
	Hauser Lifestyle Products	Other Related Party	4.19	3.78	3.63	4.40	4.94
	Flair Pens Ltd.	Other Related Party	-	0.12	0.02	-	0.03
12	**Labour and Moulding Charges (paid)**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	-	-	1.21
13	**Labour and Moulding Charges (Received)**						
	Hauser Lifestyle Products	Other Related Party	0.92	-	0.13	-	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party			0.02		
14	**Re-imbursement of Expenses (Paid)**						
	Flair Pens Ltd.	Other Related Party	16.19	0.55	0.64	0.32	0.83
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.08	-	0.05	0.05	0.04
	Hauser Lifestyle Products	Other Related Party	-	-	-	0.01	1.57
	Ajay Plastics Pvt. Ltd.	Other Related Party	-	-	-	-	0.03
	Flair Writing Aids	Other Related Party	-	-	0.01	0.01	0.01
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	0.05	-	-
15	**Re-imbursement of Expenses (Received)**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	0.04	-	0.00	0.05	0.04
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.10	0.11	0.22	0.37	0.33
	Hauser Lifestyle Products	Other Related Party	0.02	0.00	0.00	0.03	0.01
	Flair Pens Ltd.	Other Related Party	-	1.05	0.95	1.43	1.41
16	**Interest Expenses**						
	Khubilal Rathod	Key Managerial Personnel	20.67	12.39	12.97	14.24	15.15
	Vimalchand Rathod	Key Managerial Personnel	12.60	8.48	14.38	13.10	11.27
	Rajesh Rathod	Key Managerial Personnel	18.93	10.32	11.63	10.92	9.14
	Mohit Rathod	Key Managerial Personnel	19.61	10.45	11.08	9.44	11.76
	Sumit Rathod	Key Managerial Personnel	20.22	10.10	14.73	12.99	12.54
	Nirmala Rathod	Relative of KMP	7.18	5.57	7.29	7.96	6.54
	Manjula Rathod	Relative of KMP	4.73	3.21	6.71	7.79	8.23
	Sangeeta Rathod	Relative of KMP	10.13	6.41	6.08	5.42	4.12
	Shalini Rathod	Relative of KMP	10.37	7.34	6.91	6.50	6.03
	Sonal Rathod	Relative of KMP	4.64	1.26	1.55	1.52	1.37
	Sunita Jain	Relative of KMP	0.36	0.36	0.36	0.39	0.43
	Keimaya Rathod	Relative of KMP	0.16	0.09	0.10	-	-
	Vimalchand Rathod (HUF)	Relative of KMP	-	-	3.71	1.65	0.86
	Khubilal Rathod (HUF)	Relative of KMP	-	-	2.12	1.47	0.99
	Flair Pens Ltd.	Other Related Party	-	-	-	-	0.01
17	**Interest Income**						
	Flair Pens Ltd.	Other Related Party	-	-	-	-	2.16
18	**Director/Managerial Remuneration**						
	Khubilal Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	1.80	1.65	-	-	-
	Rajesh Rathod	Key Managerial Personnel	1.80	1.65	0.72	0.60	0.60
	Mohit Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Sumit Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Mayur Gala	Key Managerial Personnel	2.28	-	-	-	-
	Jayesh Jain	Relative of KMP	2.14	-	-	-	-
19	**Loan Taken**						
	Khubilal Rathod	Key Managerial Personnel	108.78	188.56	240.29	94.86	51.84
	Vimalchand Rathod	Key Managerial Personnel	44.67	164.00	140.85	129.64	118.12
	Rajesh Rathod	Key Managerial Personnel	90.77	195.28	190.62	98.57	38.38
	Mohit Rathod	Key Managerial Personnel	59.11	171.11	207.15	108.45	45.80
	Sumit Rathod	Key Managerial Personnel	66.24	118.01	242.18	100.91	177.87
	Nirmala Rathod	Relative of KMP	13.01	80.16	24.58	41.83	19.84
	Manjula Rathod	Relative of KMP	17.36	67.25	42.46	1.19	26.33
	Sangeeta Rathod	Relative of KMP	18.93	138.24	58.69	58.85	0.98
	Shalini Rathod	Relative of KMP	21.07	44.94	21.02	5.00	22.79
	Sonal Rathod	Relative of KMP	18.76	54.15	10.94	11.60	4.08
	Sunita Jain	Relative of KMP	-	3.02	-	-	0.30
	Keimaya Rathod	Relative of KMP	-	1.63	1.55	-	-
	Khubilal Rathod (HUF)	Relative of KMP			9.35	2.78	22.38
	Vimalchand Rathod (HUF)	Relative of KMP			63.68	38.23	27.83
20	**Loan Repaid**						
	Khubilal Rathod	Key Managerial Personnel	227.33	298.58	263.44	136.30	48.08
	Vimalchand Rathod	Key Managerial Personnel	120.69	364.69	140.57	124.66	112.75
	Rajesh Rathod	Key Managerial Personnel	185.12	222.07	203.56	88.28	32.67
	Mohit Rathod	Key Managerial Personnel	137.06	178.52	198.09	143.04	66.18
	Sumit Rathod	Key Managerial Personnel	119.24	213.19	233.32	108.59	184.11
	Nirmala Rathod	Relative of KMP	53.94	112.43	42.08	31.16	25.20

Note 42 : Related Party Disclosure

	Manjula Rathod	Relative of KMP	68.70	116.29	62.75	16.58	42.37
	Sangeeta Rathod	Relative of KMP	69.13	134.64	68.57	39.37	21.33
	Shalini Rathod	Relative of KMP	50.76	48.19	24.23	7.47	22.94
	Sonal Rathod	Relative of KMP	42.55	62.75	13.55	11.94	3.61
	Sunita Jain	Relative of KMP	-	3.01	-	0.42	0.45
	Keimaya Rathod	Relative of KMP	-	1.55	-	-	-
	Khubilal Rathod (HUF)	Relative of KMP	-	1.90	19.96	5.26	18.12
	Vimalchand Rathod (HUF)	Relative of KMP	-	3.34	148.84	22.85	27.83
21	**Issue of Share**						
	Khubilal Rathod	Key Managerial Personnel	80.02	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	60.02	-	-	-	-
	Rajesh Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Mohit Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Sumit Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Nirmala Rathod	Relative of KMP	40.01	-	-	-	-
	Manjula Rathod	Relative of KMP	40.01	-	-	-	-
	Sangeeta Rathod	Relative of KMP	20.01	-	-	-	-
	Shalini Rathod	Relative of KMP	20.01	-	-	-	-
	Sonal Rathod	Relative of KMP	20.01	-	-	-	-

(c) Outstanding balances as at the year/period end

Sr. No.	Nature of Balance Outstanding	Type	For the Year Ended 31st March				
			2018	2017	2016	2015	2014
1	**Trade Payables**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	4.80	3.31	-	-	5.87
	Flair Pen & Plastic Industries	Other Related Party	1.36	-	-	-	-
	Flair Pens Ltd.	Other Related Party	11.42	24.58	-	-	1.83
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.01	-	-	-	-
	Hauser Lifestyle Products	Other Related Party	2.42	1.08	0.12	0.16	0.12
	Rathod N Rathod	Other Related Party	0.03	-	-	-	-
	Europa Metaltech Industries	Other Related Party	-	-	-	-	0.07
2	**Trade Receivables**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	2.78	2.60	0.52	-	-
	Hauser Lifestyle Products	Other Related Party	6.22	-	0.00	0.18	-
	Flair Kenya Ltd.	Other Related Party	2.70	1.89	0.96	1.35	4.57
	Flair Pens Ltd.	Other Related Party	-	6.41	47.74	37.66	54.66
	Flair Pen & Plastic Industries	Other Related Party	-	-	12.24	-	-
3	**Loan Outstanding (Assets)**						
	Vimalchand Rathod	Key Managerial Personnel	81.34	21.83	-	-	-
	Khubilal Rathod	Key Managerial Personnel	52.24	-	-	-	-
	Manjula Rathod	Relative of KMP	25.53	-	-	-	-
	Sonal Rathod	Relative of KMP	7.85	-	-	-	-
4	**Loan Outstanding (Liability)**						
	Khubilal Rathod	Key Managerial Personnel	-	41.16	138.80	147.60	174.89
	Vimalchand Rathod	Key Managerial Personnel	-	-	170.39	150.94	132.95
	Mohit Rathod	Key Managerial Personnel	69.19	127.36	124.34	101.81	127.05
	Rajesh Rathod	Key Managerial Personnel	38.70	112.58	129.09	124.20	103.16
	Sumit Rathod	Key Managerial Personnel	57.18	88.56	173.69	147.52	142.29
	Nirmala Rathod	Relative of KMP	19.29	50.43	77.26	85.47	66.86
	Manjula Rathod	Relative of KMP	-	18.12	64.05	79.44	87.05
	Sangeeta Rathod	Relative of KMP	33.67	73.04	63.18	66.43	40.13
	Shalini Rathod	Relative of KMP	63.63	82.31	78.40	73.92	70.02
	Sonal Rathod	Relative of KMP	-	10.08	17.57	17.28	16.19
	Sunita Jain	Relative of KMP	3.05	3.05	3.01	3.04	3.43
	Khubilal Rathod (HUF)	Relative of KMP	-	-	1.91	26.93	28.09
	Vimalchand Rathod (HUF)	Relative of KMP	-	-	3.34	104.23	101.50
	Keimaya Rathod	Relative of KMP	1.87	1.72	1.63	-	-
5	**Rent Payable**						
	Rathod N Rathod	Other Related Party	-	0.03	-	-	0.11
	Flair Pen & Plastic Industries	Other Related Party	-	0.54	0.56	-	0.13
	Flair Writing Aids	Other Related Party	-	0.13	-	-	-
	Khubilal Rathod	Key Managerial Personnel	0.14	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	0.14	-	-	-	-
	Nirmala Rathod	Relative of KMP	0.73	0.14	0.12	-	-
	Manjula Rathod	Relative of KMP	0.69	0.14	0.12	-	-
	Vimalchand Rathod (HUF)	Relative of KMP	-	0.14	-	-	-
6	**Remuneration Payable**						
	Rajesh Rathod	Relative of KMP	-	0.11	-	-	-
	Vimalchand Rathod	Relative of KMP	-	0.15	-	-	-

Note 43 : Capital Management

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

(Rs. in million)

Particulars	**For the Year Ended 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Gross Debt					
Long Term Debt	355.93	40.00	54.51	2.29	3.29
Short Term Debt	525.06	887.70	1,105.30	1,327.34	1,225.19
Current Maturities of Long-Term Debt	13.33	14.51	7.77	1.01	0.91
Less: Cash and Cash Equivalents	14.54	68.30	15.35	4.04	9.14
Net Debt (A)	**879.78**	**873.92**	**1,152.23**	**1,326.59**	**1,220.25**
Total Equity (As per Balance Sheet) (B)	**2,619.70**	**1,734.26**	**1,224.75**	**697.56**	**306.60**
Net Gearing Ratio (A/B)	**0.34**	**0.50**	**0.94**	**1.90**	**3.98**

Note 44 : Segment Reporting

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

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

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

Note 45 : Corporate Social Responsibility Expenditure (CSR)

As per Section 135 (1) of the Companies Act, 2013, Company has a formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.
Sub section (5) of section 135 states that "The Board of every company referred to in sub-section (1) shall ensure that the company spends in every financial year at least two per cent of the average net profits of the company, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".
The Group has been advised that, sub section (5) of section 135 of the Act is not applicable in the relevant financial year and hence the Group has not made any provision for CSR Expenditure.

Note 46 : Leases
The Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The Company has paid sub-lease consideration in advance. The said lease being operating in nature ,the advance lease payments are recognized as an expense in Special Purpose Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

Note 47 : Government Grant

The Group has received following government grants:

Refund Of Excise Duty
Under Export Promotion Capital Goods (EPCG) scheme, the Group has received a refund of excise duty for the assets purchased. The assets are recorded excluding excise duty and refund receivable is recognised as Current Financial Assets in books of account.

Grant Of Subsidy
The Group has received a subsidy for the assets purchased. The subsidy received is recognized as "Government Grants" and the same has being amortised over the useful life of the respective Capital assets.

Note 48 : Scheme Of Amalgamation

The Special Purpose Restated Consolidated Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the Group for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination Also Refer 'Scheme of Amalgamation' and 'Accounting for Amalgamation' forming part of 'Basis of Preparation' - Annexure V(2) of the Special Purpose Restated Consolidated Financial Information

Note 49 : Goods And Service Tax
The Group has been advised to take Transition Credit on Capital Assets acquired in earlier years under the provisions of Goods and Service Tax Act, 2017. Such Credit taken amounted to Rs 18.52 million.

Note 50 : Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on March 31, 2018

This note explains the principal adjustments made by the Group in restating its Audited Consolidated Financial Statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Special Purpose Restated Consolidated Financial Information has affected the Group's financial position, financial performance and cash flows.

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3 = 1+2
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		-		1,405.96	(0.26)	1,405.70
Capital Work in Progress		-	-	83.10		83.10
Intangible Assets		-		32.57		32.57
Financial Assets						
i) Loans	2	-		1.77	-	1.77
ii) Other Financial Assets		-		15.26	(1.79)	13.48
Deferred Tax Assets (Net)	4	-		58.79	44.21	103.00
Other Non-Current Assets	5	-	-	243.59	1.40	244.99
Total Non-Current Assets		**-**	**-**	**1,841.04**	**43.57**	**1,884.61**
Current Assets						
Inventories		-	-	912.05		912.05
Financial Assets						
i) Investment		-		-		-
ii) Trade Receivables		-		1,190.95	(2.76)	1,188.19
iii) Cash and Cash Equivalents		-		14.54		14.54
iv) Bank Balance Other Than (iii) Above		-		-		-
v) Loans	2	-		8.86	166.97	175.83
vi) Other Financial Assets	7	-		2.50	-	2.50
Other Current Assets	5	-	-	222.74	0.38	223.13
Total Current Assets		**-**	**-**	**2,351.66**	**164.59**	**2,516.25**
Total Assets		**-**	**-**	**4,192.70**	**208.16**	**4,400.86**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		-		2.18	27.00	29.18
Equity Share Suspense		-		27.00	(27.00)	-
Other Equity		-		1,556.89	1,033.63	2,590.52
Total Equity		**-**	**-**	**1,586.07**	**1,033.63**	**2,619.70**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-		997.00	(641.07)	355.93
ii) Other Financial Liabilities		-	-	55.93	0.75	56.68
Provisions	1	-	-	25.34	-	25.34
Government Grant	6	-	-	4.78	-	4.78
Other Non-Current Liabilities						-
Total Non-Current Liabilities		**-**	**-**	**1,083.06**	**(640.32)**	**442.74**
Current Liabilities						
Financial Liabilities						
i) Borrowings		-		691.58	(166.51)	525.06
ii) Trade Payables		-		612.29	0.35	612.64
iii) Other Financial Liabilities	7	-		98.88	(6.89)	91.99
Government Grant	6	-	-	0.83	-	0.83
Other Current Liabilities		-		50.90	19.70	70.60
Provisions	1	-	-	34.89	-	34.89
Current Tax Liabilities (Net)		-		34.19	(31.79)	2.41
Total Current Liabilities		**-**	**-**	**1,523.56**	**(185.14)**	**1,338.42**
Total Liabilities		**-**	**-**	**2,606.62**	**(825.46)**	**1,781.16**
Total Equity and Liabilities		**-**	**-**	**4,192.70**	**208.15**	**4,400.86**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Consolidated Financial Statements for the year ended March 31, 2018.
Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements for the year ended March 31, 2018.
*As the Group has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on March 31,2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		1,173.59	(13.23)	1,160.36	(3.44)	1,156.91
Capital Work In Progress		23.47	(2.68)	20.79		20.79
Intangible Assets		36.08		36.08	(2.10)	33.98
Financial Assets						
i) Loans	2	4.99		4.99	(3.54)	1.45
ii) Other Financial Assets		21.75		21.75	(1.48)	20.27
Deferred Tax Assets (Net)	4	68.89		68.89	92.30	161.18
Other Non-Current Assets	5	329.46		329.46	(57.71)	271.75
Total Non-Current Assets		**1,658.22**	**(15.91)**	**1,642.31**	**24.03**	**1,666.33**
Current Assets						
Inventories		753.48	1.28	754.76		754.76
Financial Assets						
i) Investment		-		-		-
ii) Trade Receivables		885.86		885.86	(24.15)	861.71
iii) Cash and Cash Equivalents		68.30		68.30		68.30
iv) Bank Balance Other Than (iii) Above		0.13		0.13		0.13
v) Loans	2	6.63		6.63	25.00	31.62
vi) Other Financial Assets	7	1.25		1.25	4.01	5.26
Other Current Assets	5	74.53	24.41	98.94	53.75	152.69
Total Current Assets		**1,790.17**	**25.70**	**1,815.87**	**58.60**	**1,874.47**
Total Assets		**3,448.39**	**9.78**	**3,458.18**	**82.63**	**3,540.80**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00		29.00		29.00
Other Equity		1,875.78		1,875.78	(170.52)	1,705.26
Total Equity		**1,904.78**	**-**	**1,904.78**	**(170.52)**	**1,734.26**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		40.00		40.00		40.00
ii) Other Financial Liabilities		18.95	(14.11)	4.84	(4.39)	0.45
Provisions		-	16.00	16.00		16.00
Government Grant	6	-	5.19	5.19	0.42	5.61
Total Non-Current Liabilities		**58.95**	**7.08**	**66.03**	**(3.97)**	**62.06**
Current Liabilities						
Financial Liabilities						
I) Borrowings		650.65		650.65	237.06	887.71
ii) Trade Payables		511.01		511.01	(0.75)	510.27
iii) Other Financial Liabilities	7	58.46		58.46	36.41	94.87
Government Grant	6	-	1.30	1.30	(0.42)	0.88
Other Current Liabilities		94.31		94.31		94.31
Provisions	1	47.21	1.40	48.61	(16.53)	32.08
Current Tax Liabilities (Net)		123.02		123.02	1.37	124.38
Total Current Liabilities		**1,484.66**	**2.70**	**1,487.36**	**257.14**	**1,744.50**
Total Liabilities		**1,543.61**	**9.78**	**1,553.39**	**253.17**	**1,806.54**
Total Equity And Liabilities		**3,448.39**	**9.78**	**3,458.18**	**82.64**	**3,540.80**

Column (1) represents financial information prepared under Previous GAAP framework presented in the Proforma Financial Statements, which has been re-classified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in the Proforma Financial Statements for the year ended March 31, 2017.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on March 31,2016

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		1,110.55	(11.74)	1,098.81	(3.92)	1,094.88
Capital Work In Progress		-	-	-	-	-
Intangible Assets		12.85	-	12.85	(1.69)	11.16
Financial Assets						
i) Loans	2	4.64	-	4.64	(0.35)	4.29
ii) Other Financial Assets		24.43	-	24.43	(2.99)	21.44
Deferred Tax Assets (Net)	4	88.13	-	88.13	(11.51)	76.62
Other Non-Current Assets	5	104.32	8.50	112.82	9.15	121.97
Total Non-Current Assets		**1,344.93**	**(3.24)**	**1,341.68**	**(11.31)**	**1,330.37**
Current Assets						
Inventories		624.37	0.94	625.32	-	625.32
Financial Assets						
i) Investment		-		-	-	-
ii) Trade Receivables		792.73	-	792.73	(3.62)	789.11
iii) Cash and Cash Equivalents		15.35	-	15.35	-	15.35
iv) Bank Balance Other Than (iii) Above		0.14	-	0.14	-	0.14
v) Loans	2	9.06	-	9.06	(0.02)	9.04
vi) Other Financial Assets	7	1.46	-	1.46	1.68	3.15
Other Current Assets	5	83.73	11.74	95.47	41.01	136.49
Total Current Assets		**1,526.84**	**12.69**	**1,539.53**	**39.05**	**1,578.60**
Total Assets		**2,871.77**	**9.44**	**2,881.21**	**27.75**	**2,908.97**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00	-	29.00	-	29.00
Other Equity		1,347.74	-	1,347.74	(151.99)	1,195.75
Total Equity		**1,376.74**	**-**	**1,376.74**	**(151.99)**	**1,224.75**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		54.51	-	54.51	-	54.51
ii) Other Financial Liabilities		0.45	-	0.45	-	0.45
Provisions		-	-	-	20.55	20.55
Government Grant	6	-	6.23	6.23	0.27	6.49
Total Non-Current Liabilities		**54.96**	**6.23**	**61.19**	**20.81**	**82.00**
Current Liabilities						
Financial Liabilities						
i) Borrowings		956.07	-	956.07	149.22	1,105.30
ii) Trade Payables		362.22	-	362.22	(2.42)	359.80
iii) Other Financial Liabilities	7	34.45	-	34.45	20.25	54.71
Government Grant	6	-	1.19	1.19	(0.27)	0.93
Other Current Liabilities		33.70	-	33.70	-	33.70
Provisions	1	29.44	2.02	31.46	(9.22)	22.25
Current Tax Liabilities (Net)		24.18	-	24.18	1.36	25.54
Total Current Liabilities		**1,440.06**	**3.21**	**1,443.27**	**158.93**	**1,602.22**
Total Liabilities		**1,495.03**	**9.44**	**1,504.46**	**179.74**	**1,684.22**
Total Equity And Liabilities		**2,871.77**	**9.44**	**2,881.21**	**27.75**	**2,908.97**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Consolidated Financial Statements for the year ended March 31, 2016.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on March 31,2015

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		911.40	(1.35)	910.05	(5.68)	904.37
Capital Work In Progress		124.48	-	124.48	-	124.48
Intangible Assets		10.65	-	10.65	-	10.65
Financial Assets						
i) Loans	2	5.23	-	5.23	(0.35)	4.89
ii) Other Financial Assets		24.51	-	24.51	(4.52)	20.00
Deferred Tax Assets (Net)	4	70.37	-	70.37	(20.21)	50.16
Other Non-Current Assets	5	72.15	5.03	77.18	1.70	78.88
Total Non-Current Assets		**1,218.80**	**3.68**	**1,222.48**	**(29.06)**	**1,193.42**
Current Assets						
Inventories		515.67	0.73	516.40	-	516.40
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		704.81	-	704.81	(11.60)	693.22
iii) Cash And Cash Equivalents		4.04	-	4.04	-	4.04
iv) Bank Balance Other Than (iii) Above		0.58	-	0.58	-	0.58
v) Loans	2	3.36	-	3.36	(0.02)	3.34
vi) Other Financial Assets	7	0.27	-	0.27	4.25	4.52
Other Current Assets	5	82.75	1.35	84.09	48.50	132.59
Total Current Assets		**1,311.48**	**2.08**	**1,313.56**	**41.13**	**1,354.69**
Total Assets		**2,530.28**	**5.76**	**2,536.04**	**12.07**	**2,548.11**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00	-	29.00	-	29.00
Other Equity		764.00	-	764.00	(95.44)	668.56
Total Equity		**793.00**	**-**	**793.00**	**(95.44)**	**697.56**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		2.29	-	2.29	-	2.29
ii) Other Financial Liabilities		0.30	-	0.30	-	0.30
Provisions		-	(1.60)	(1.60)	18.29	16.69
Government Grant	6	-	3.80	3.80	0.14	3.94
Total Non-Current Liabilities		**2.59**	**2.20**	**4.78**	**18.43**	**23.22**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,248.21	-	1,248.21	79.14	1,327.34
ii) Trade Payables		365.61	-	365.61	(1.59)	364.02
iii) Other Financial Liabilities	7	22.59	-	22.59	19.36	41.94
Government Grant	6	-	0.92	0.92	(0.15)	0.77
Other Current Liabilities		42.60	-	42.60	0.16	42.75
Provisions	1	25.02	2.65	27.66	(9.21)	18.46
Current Tax Liabilities (Net)		30.68	-	30.68	1.37	32.04
Total Current Liabilities		**1,734.69**	**3.57**	**1,738.26**	**89.07**	**1,827.33**
Total Liabilities		**1,737.28**	**5.76**	**1,743.04**	**107.51**	**1,850.55**
Total Equity And Liabilities		**2,530.28**	**5.76**	**2,536.04**	**12.07**	**2,548.11**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Consolidated Financial Statements for the year ended March 31. 2015.

Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on March 31,2014

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant And Equipment		690.69	-	690.69	(4.20)	686.49
Capital Work In Progress		100.68	-	100.68	-	100.68
Intangible Assets		2.81	-	2.81	-	2.81
Financial Assets						
i) Loans	2	3.48	-	3.48	-	3.48
ii) Other Financial Assets		23.57	-	23.57	(4.37)	19.20
Deferred Tax Assets (Net)	4	62.00	-	62.00	(33.97)	28.03
Other Non-Current Assets	5	42.63	-	42.63	0.35	42.97
Total Non-Current Assets		**925.86**	**-**	**925.86**	**(42.20)**	**883.66**
Current Assets						
Inventories		344.80	0.50	345.30	-	345.30
Financial Assets						
i) Investment		10.00	-	10.00	-	10.00
ii) Trade Receivables		576.94	-	576.94	(3.03)	573.92
iii) Cash And Cash Equivalents		9.14	-	9.14	-	9.14
iv) Bank Balance Other Than (Iii) Above		-	-	-	-	-
v) Loans	2	5.07	-	5.07	-	5.07
vi) Other Financial Assets	7	0.12	-	0.12	4.26	4.38
Other Current Assets	5	73.48	-	73.48	24.19	97.67
Total Current Assets		**1,019.55**	**0.50**	**1,020.05**	**25.42**	**1,045.47**
Total Assets		**1,945.41**	**0.50**	**1,945.91**	**(16.78)**	**1,929.13**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		28.30	-	28.30	-	28.30
Other Equity		336.54	-	336.54	(58.24)	278.30
Total Equity		**364.84**	**-**	**364.84**	**(58.24)**	**306.60**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		3.29	-	3.29	-	3.29
ii) Other Financial Liabilities		0.80	-	0.80	-	0.80
Provisions		-	(0.51)	(0.51)	10.48	9.97
Government Grant	6	-	-	-	-	-
Total Non-Current Liabilities		**4.09**	**(0.51)**	**3.58**	**10.48**	**14.06**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,198.60	-	1,198.60	26.59	1,225.19
ii) Trade Payables		288.95	-	288.95	(1.28)	287.67
iii) Other Financial Liabilities		19.28	-	19.28	12.72	32.00
Government Grant	7	-	-	-	-	-
Other Current Liabilities	6	19.23	-	19.23	0.18	19.41
Provisions		20.58	1.01	21.59	(8.01)	13.58
Current Tax Liabilities (Net)	1	29.83	-	29.83	0.79	30.63
Total Current Liabilities		**1,576.48**	**1.01**	**1,577.49**	**30.99**	**1,608.47**
Total Liabilities		**1,580.57**	**0.50**	**1,581.07**	**41.47**	**1,622.53**
Total Equity And Liabilities		**1,945.41**	**0.50**	**1,945.91**	**(16.78)**	**1,929.13**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Consolidated Financial Statements for the year ended March 31, 2014.

Reconciliation between Previous GAAP and Special Purpose Restated Consolidated Financial Information as on April 01, 2013

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		564.32	(6.92)	557.40	-	557.40
Capital Work In Progress		62.89	-	62.89	-	62.89
Intangible Assets		2.58	-	2.58	-	2.58
Financial Assets						
i) Investments		10.00	-	10.00	-	10.00
ii) Loans	2	2.65	-	2.65	-	2.65
iii) Other Financial Assets		23.41	-	23.41	(3.90)	19.51
Deferred Tax Assets (Net)	4	25.67	1.95	27.62	(55.20)	(27.58)
Other Non-Current Assets	5	30.65	-	30.65	0.39	31.03
Total Non-Current Assets		**722.17**	**(4.97)**	**717.20**	**(58.71)**	**658.48**
Current Assets						
Inventories		269.69	0.18	269.87	-	269.87
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		478.75	-	478.75	(4.02)	474.73
iii) Cash and Cash Equivalents		2.37	-	2.37	-	2.37
iv) Bank Balance Other Than (Iii) Above		-	-	-	-	-
v) Loans	2	4.20	-	4.20	-	4.20
vi) Other Financial Assets	7	0.13	-	0.13	3.77	3.90
Other Current Assets	5	52.54	4.79	57.33	9.82	67.15
Total Current Assets		**807.67**	**4.97**	**812.64**	**9.58**	**822.22**
Total Assets		**1,529.84**	**-**	**1,529.84**	**(49.14)**	**1,480.70**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		28.00	-	28.00	-	28.00
Other Equity		-	-	-	-	-
Total Equity		**28.00**	**-**	**28.00**	**-**	**28.00**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	-	-	-
ii) Other Financial Liabilities		0.80	-	0.80	-	0.80
Provisions	1	-	-	-	7.99	7.99
Government Grant	6	-	-	-	-	-
Total Non-Current Liabilities		**0.80**	**-**	**0.80**	**7.99**	**8.79**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,256.57	-	1,256.57	(58.56)	1,198.00
ii) Trade Payables		196.55	-	196.55	(1.19)	195.35
iii) Other Financial Liabilities	7	13.39	-	13.39	9.67	23.06
Government Grant	6	-	-	-	-	-
Other Current Liabilities		12.64	-	12.64	0.10	12.74
Provisions	1	16.48	-	16.48	(7.14)	9.34
Current Tax Liabilities (Net)		5.42	-	5.42	-	5.42
Total Current Liabilities		**1,501.04**	**-**	**1,501.04**	**(57.13)**	**1,443.92**
Total Liabilities		**1,501.84**	**-**	**1,501.84**	**(49.14)**	**1,452.70**
Total Equity And Liabilities		**1,529.84**	**-**	**1,529.84**	**(49.14)**	**1,480.70**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.

Reconciliation Of Total Comprehensive Income For The Year 2017 - 2018

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3=1+2
INCOME						
Revenue from Operations	3	-	-	5,723.79	20.86	5,744.65
Other Income		-		68.20	(6.12)	62.08
Total Income (A)		**-**	**-**	**5,791.99**	**14.74**	**5,806.73**
EXPENSES						
Cost of Material Consumed		-		2,434.98	(1.45)	2,433.52
Purchase of Stock-in-Trade		-		898.42	(4.76)	893.65
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		-		(111.16)	6.52	(104.64)
Excise Duty on Sales	8	-	-	7.93	(0.01)	7.92
Employee Benefits Expense		-		791.02	(0.68)	790.34
Finance Costs		-		172.21	-	172.21
Depreciation/Amortisation Expense		-	-	152.80	(0.26)	152.54
Other Expenses		-		773.48	(3.55)	769.93
Total Expenses (B)		**-**	**-**	**5,119.66**	**(4.20)**	**5,115.47**
Profit Before Tax (C=A-B)		**-**	**-**	**672.34**	**18.93**	**691.27**
Tax Expense						
Current Tax		-	-	168.93	-	168.93
Less: Amt-Mat Credit Entitlement		-	-	-	-	-
Net Current Tax		-	-	168.93	-	168.93
Deferred Tax	4	-	-	7.14	22.58	29.72
Tax Adjustments for earlier years		-	-	(37.63)	37.63	-
Total Tax Expense (D)		**-**	**-**	**138.45**	**60.21**	**198.65**
Profit for the Year (E=C-D)		**-**	**-**	**533.89**	**(41.27)**	**492.61**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined Benefit Plans		-		(14.59)	3.98	(10.61)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-		4.25	(0.92)	3.33
Other Comprehensive Income for the Year (Net of Tax) (F)		**-**	**-**	**(10.34)**	**3.06**	**(7.28)**
Total Comprehensive Income for the Year (G=E+F)		-	-	**523.55**	**(38.21)**	**485.33**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Consolidated Financial Statements for the year ended March 31, 2018.

Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements for the year ended March 31, 2018.

*As the Group already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Consolidated Financial Information and the Previous GAAP.

Reconciliation Of Total Comprehensive Income For The Year 2016 - 2017

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			1	2	3 = 1+2	4	5= 3+4
INCOME							
Revenue from Operations		3	4,229.99	32.79	4,262.78	(40.20)	4,222.59
Other Income			36.01	5.97	41.98	(0.18)	41.80
Total Income	**(A)**		**4,266.00**	**38.76**	**4,304.76**	**(40.38)**	**4,264.39**
EXPENSES							
Cost of Material Consumed			1,664.74		1,664.74	6.38	1,671.12
Purchase of Stock-in-Trade			455.16		455.16	27.35	482.51
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			(60.36)		(60.36)		(60.36)
Excise Duty on Sales		8	0.00	32.79	32.79		32.79
Employee Benefits Expense			507.07	5.18	512.25	(0.98)	511.28
Finance Costs			28.58		28.58	66.01	94.59
Depreciation/Amortisation Expense			119.19		119.19		119.19
Other Expenses			732.52	(0.34)	732.17	(4.82)	727.36
Total Expenses	**(B)**		**3,446.91**	**37.63**	**3,484.54**	**93.94**	**3,578.48**
Profit Before Tax	**(C=A-B)**		**819.09**	**1.14**	**820.22**	**(134.32)**	**685.90**
Tax Expense							
Current Tax			272.25	-	272.25	-	272.25
Less: Amt-Mat Credit Entitlement			51.74	-	51.74	-	51.74
Net Current Tax			220.50	-	220.50	-	220.50
Deferred Tax			70.54	0.39	70.93	(107.95)	(37.02)
Tax Adjustments for earlier years		4	-	-	-	-	-
Total Tax Expense	**(D)**		**291.05**	**0.39**	**291.43**	**(107.95)**	**183.49**
Profit for the Year	**(E=C-D)**		**528.04**	**0.75**	**528.79**	**(26.38)**	**502.42**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Remeasurements of Defined Benefit Plans			-	10.85	10.85		10.85
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss			-	(3.75)	(3.75)		(3.75)
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**-**	**7.09**	**7.09**	**-**	**7.09**
Total Comprehensive Income for the Year	**(G=E+F)**		**528.04**	**7.84**	**535.89**	**(26.38)**	**509.51**

Column (1) represents financial information prepared under Previous GAAP framework presented in the Proforma Financial Statements, which has been re-classified to conform to Ind AS

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Proforma Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Consolidated Financial Information and the Previous GAAP.

Reconciliation of Total Comprehensive Income for the year 2015 - 2016

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			1	2	3 = 1+2	4	5= 3+4
INCOME							
Revenue from Operations		3	3,782.89	26.49	3,809.38	45.36	3,854.73
Other Income			54.19	1.79	55.98	(0.18)	55.79
Total Income	**(A)**		**3,837.08**	**28.27**	**3,865.35**	**45.18**	**3,910.52**
EXPENSES							
Cost of Material Consumed			1,427.73	-	1,427.73	(1.62)	1,426.11
Purchase of Stock-in-Trade			602.14	-	602.14	39.11	641.25
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			(65.60)	-	(65.60)	-	(65.60)
Excise Duty on Sales		8	-	26.49	26.49	-	26.49
Employee Benefits Expense			394.20	4.28	398.48	(0.04)	398.44
Finance Costs			40.73	-	40.73	70.45	111.17
Depreciation/Amortisation Expense			103.76	-	103.76	-	103.76
Other Expenses			571.08	(0.21)	570.87	0.80	571.67
Total Expenses	**(B)**		**3,074.05**	**30.55**	**3,104.60**	**108.70**	**3,213.29**
Profit Before Tax	**(C=A-B)**		**763.03**	**(2.28)**	**760.76**	**(63.52)**	**697.23**
Tax Expense							
Current Tax			206.56	-	206.56	-	206.56
Less: Amt-Mat Credit Entitlement			26.85	-	26.85	-	26.85
Net Current Tax			179.71	-	179.71	-	179.71
Deferred Tax		4	(0.42)	(0.77)	(1.19)	(8.11)	(9.30)
Tax Adjustments for earlier years			-	-	-	-	-
Total Tax Expense	**(D)**		**179.29**	**(0.77)**	**178.52**	**(8.11)**	**170.41**
Profit for the Year	**(E=C-D)**		**583.74**	**(1.50)**	**582.24**	**(55.41)**	**526.83**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Remeasurements of Defined Benefit Plans			-	0.55	0.55	-	0.55
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss			-	(0.19)	(0.19)	-	(0.19)
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**-**	**0.36**	**0.36**	**-**	**0.36**
Total Comprehensive Income for the Year	**(G=E+F)**		**583.74**	**(1.14)**	**582.60**	**(55.41)**	**527.19**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Consolidated Financial Information and the Previous GAAP.

Reconciliation of Total Comprehensive Income for the year 2014 - 2015

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
INCOME						
Revenue from Operations	3	3,345.23	20.28	3,365.51	32.83	3,398.34
Other Income		38.94	0.38	39.32	(1.43)	37.89
Total Income (A)		**3,384.17**	**20.66**	**3,404.83**	**31.41**	**3,436.23**
EXPENSES						
Cost of Material Consumed		1,493.97	-	1,493.97	0.28	1,494.25
Purchase of Stock-in-Trade		507.23	-	507.23	15.26	522.49
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		(144.27)	-	(144.27)	-	(144.27)
Excise Duty on Sales	8	0.06	19.97	20.03	-	20.03
Employee Benefits Expense		335.22	2.58	337.80	(0.04)	337.76
Finance Costs		55.13	-	55.13	51.91	107.04
Depreciation/Amortisation Expense		82.46	-	82.46	-	82.46
Other Expenses		467.50	0.11	467.62	6.59	474.21
Total Expenses (B)		**2,797.30**	**22.67**	**2,819.97**	**74.00**	**2,893.97**
Profit Before Tax (C=A-B)		**586.87**	**(2.01)**	**584.86**	**(42.59)**	**542.26**
Tax Expense						
Current Tax		151.02	-	151.02	0.57	151.59
Less: Amt-Mat Credit Entitlement		15.61	-	15.61	-	15.61
Net Current Tax		135.41	-	135.41	0.57	135.98
Deferred Tax	4	(2.97)	(0.68)	(3.65)	(1.74)	(5.39)
Tax Adjustments for earlier years		-	-	-	-	-
Total Tax Expense (D)		**132.44**	**(0.68)**	**131.76**	**(1.17)**	**130.59**
Profit for the Year (E=C-D)		**454.43**	**(1.33)**	**453.10**	**(41.43)**	**411.67**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined Benefit Plans		-	(5.78)	(5.78)	-	(5.78)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-	2.01	2.01	-	2.01
Other Comprehensive Income for the Year (Net of Tax) (F)		**-**	**(3.77)**	**(3.77)**	**-**	**(3.77)**
Total Comprehensive Income for the Year (G=E+F)		**454.43**	**(5.10)**	**449.33**	**(41.43)**	**407.90**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Consolidated Financial Information and the Previous GAAP.

Reconciliation of total comprehensive income for the year 2013 - 2014

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
INCOME						
Revenue from Operations	3	2,646.51	18.28	2,664.79	30.18	2,694.97
Other Income		14.07	(2.65)	11.42	(0.40)	11.02
Total Income (A)		**2,660.58**	**15.63**	**2,676.21**	**29.78**	**2,705.99**
EXPENSES						
Cost of Material Consumed		1,111.05		1,111.05	(0.45)	1,110.59
Purchase of Stock-in-Trade		437.82		437.82	16.58	454.39
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		(28.74)		(28.74)		(28.74)
Excise Duty on Sales	8	0.02	18.28	18.30		18.30
Employee Benefits Expense		284.63	1.78	286.41	(0.08)	286.33
Finance Costs		12.40		12.40	84.79	97.20
Depreciation/Amortisation Expense		59.38		59.38		59.38
Other Expenses		389.23	(0.04)	389.19	0.07	389.25
Total Expenses (B)		**2,265.79**	**20.02**	**2,285.82**	**100.90**	**2,386.72**
Profit Before Tax (C=A-B)		**394.79**	**(4.39)**	**390.39**	**(71.12)**	**319.27**
Tax Expense						
Current Tax		94.58		94.58	0.79	95.37
Less: Amt-Mat Credit Entitlement		37.97		37.97		37.97
Net Current Tax		56.60	-	56.60	0.79	57.40
Deferred Tax	4	1.64	(1.49)	0.15	(17.38)	(17.23)
Total Tax Expense (D)		**58.24**	**(1.49)**	**56.75**	**(16.58)**	**40.17**
Profit for the Year (E=C-D)		**336.54**	**(2.90)**	**333.64**	**(54.54)**	**279.10**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined Benefit Plans		-	(1.21)	(1.21)		(1.21)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		-	0.41	0.41		0.41
Other Comprehensive Income for the Year (Net of Tax) (F)		**-**	**(0.80)**	**(0.80)**	**-**	**(0.80)**
Total Comprehensive Income for the Year (G=E+F)		**336.54**	**(3.70)**	**332.85**	**(54.54)**	**278.30**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 50.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Consolidated Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Consolidated Financial Information and the Previous GAAP.

Note 50.1: Explanation of adjustments for transition from Previous GAAP to Ind AS

Note 1: Re-measurements of post employment benefit obligations
Under the previous GAAP, costs relating to post employment benefit obligations including actuarial gain/losses were recognised in the Profit & Loss A/c. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Profit &Loss A/c.

Note 2: Employee Loans
Under the previous GAAP, interest free loans are recorded at transaction cost. Under Ind AS All financial assets are required to be recognised at Fair Value. Accordingly, the Company has Fair Valued the loans at amortised cost using effective rate of interest and the difference between the Fair Value and transaction value of the loans has been recognised as Interest.

Note 3: Revenue Recognition
Under the previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. However, under Ind AS, Revenue is recognised at the Fair Value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash discounts and incentives given to customers which have been reclassified from 'advertising and business promotion' and 'sales scheme expenses' within other expenses under previous GAAP and netted from revenue under Ind AS. Consequently, the revenue has decreased; however, there is no impact on profit.

Note 4: Deferred taxes
Under previous GAAP, Deferred Taxes were recognised based on Profit &Loss Approach i.e. tax impact on difference between the Accounting Income and Taxable Income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet Approach i.e. tax impact on temporary difference between the carrying value of Asset and Liabilities in the books and their respective tax base.

Note 5: Leasehold Land
Under previous GAAP, arrangement for lease of land was not covered as part of Accounting Standard 19 "Leases" and was treated as Property, Plant and Equipment in the Books of Accounts. However, under Ind AS, Leasehold Land is governed by Ind AS 17 "Leases" and needs to be classified as an Operating or Finance Lease depending on fulfilment of certain conditions. The Company has evaluated such conditions for classification of Leases and is of the view that certain Leasehold Land of the Company are in the nature of an Operating Lease and Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

Note 6: Government Grants
Under previous GAAP, Government Grant received towards Capital Assets has been reduced from the cost of respective Capital Assets, however, as per Ind AS, it has been recognised as "**Government Grants**" and the same shall be amortised over the useful life of the respective Capital Assets.

Note 7: Derivative Instruments - Foreign Exchange Forward Contracts
Under the previous GAAP, unrealized net gain/ (loss) on Foreign Exchange Forward Contract(s), if any, as at each Balance Sheet date were provided for. Under Ind AS, Foreign Exchange Forward Contracts are accounted for, on mark-to-market basis, as at Balance Sheet date and unrealized net gain/ (loss) is recognised in the Statement of Profit and Loss

Note 8: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of Excise Duty. However, under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Excise Duty paid, being an expense, is shown as a separate line item in the Statement of Profit and Loss. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Note 9: Other Comprehensive Income
Under Ind AS, all items of Income and Expense transacted in a period ought to be provided while determining the Profit or Loss for the period, unless otherwise stated or provided by some specific standard. Items of Income and Expense that are not recognised in Profit or Loss but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' includes re-measurements of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

Note 51 : Capital and Other Commitments

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
a) Letter of Credit	-	15.59	7.13	13.60	11.74
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	138.27	1.27	-	-	-

Note 52 : Contingent Liability

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

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
a) Disputed Excise and Service Tax Matters	1.21	1.21	0.69	-	-
b) Income Tax Matters	2.12	2.12	0.22	0.22	0.22
c) Bank Guarantee outstanding	0.45	2.30	5.83	-	-

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 non-completion of export obligations has been made.

Note 53 : Arrangement of Sales made to Reynolds Pens India Private Limited (RIPL) by the Company and corresponding purchases made by Flair Distributor Private Limited (the 'Subsidiary') from Reynolds India Private Limited (RIPL)

As per the agreement(s) entered between the Company, RIPL and the Subsidiary, the Company manufactures products under the brand name 'Reynolds' ('Goods') and sells them to RIPL. The Subsidiary thereafter buys the said Goods from RIPL for sales and distribution. All these transactions are at arms length price. In these Special Purposes Restated Consolidated Financial Information, for financial year March 31, 2018 the sale of these goods are considered, both by the Company and the Subsidiary. If the sale of goods made by the Company to RIPL are excluded then the, 'Sale of Goods – Manufactured Domestic' as referred to in Note 27 would be Rs 3160.50 million instead of Rs 3729.04 million, consequently 'Revenue from Operations' would be Rs 5176.11 million instead of Rs. 5744.65 million and 'Total Income' would be Rs.5238.19 million instead of Rs.5806.73 million. The inclusion and/or exclusion of the sale of these Goods, however, has no impact on the consolidated results of the Group.

Note 54 : Events after reporting period

1) The Company is in the process of closing down commercial activities at its units at Sachin, Surat, Gujarat. All moveable assets have been transferred to the Company's other units in the first quarter of F.Y. 2018-19.

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for bonus shares is August 09, 2018.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Consolidated Other Financial Information

Note 55 : Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as Subsidiary Company:

Name of the Entity	As At March 31,2018							
	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
Parent								
Flair Writing Industries Ltd (Formerly Known as Flair Writing Industries Pvt Ltd)	100%	2,618.75	100%	491.62	100%	(7.28)	100%	484.34
Indian Subsidiary								
Flair Distributor Private Limited	0%	0.95	0%	1.00	-	-	0.00	1.00
TOTAL	**100%**	**2,619.70**	**100%**	**492.61**	**100%**	**(7.28)**	**100%**	**485.33**
Non Controlling Interest	-	-	-	-	-	-	-	-

Name of the Entity	As At March 31,2017							
	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
Parent								
Flair Writing Industries Ltd(Formerly Known as Flair Writing Industries Pvt Ltd)	100%	1,734.30	100%	503.46	100%	7.09	100%	510.55
Indian Subsidiary								
Flair Distributor Private Limited	0%	(0.04)	0%	(1.04)	-	-	(0.00)	(1.04)
TOTAL	**100%**	**1,734.26**	**100%**	**502.42**	**100%**	**7.09**	**100%**	**509.51**
Non Controlling Interest	-	-	-	-	-	-	-	-

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

Note 55 : Additional information to be given under the Schedule III to the Companies Act ,2013 of Enterprises as Subsidiary Company:

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]

(Rs in million)

Name of Subsidiary	**Flair Distributor Private Limited**	
The Date since which Subsidiary was acquired	**21-Feb-17**	**21-Feb-17**
Reporting Currency	**INR**	**INR**
Financial Year	**2017-18**	**2016-17**
Equity Share Capital	1.00	1.00
Other Equity	(0.05)	(1.04)
Total Assets	78.57	2.59
Total Liabilities	78.57	2.59
Investments	-	-
Revenue from Operation	715.66	-
Profit Before Tax	1.52	(1.59)
Provision for Tax	0.53	(0.55)
Profit After Tax	1.00	(1.04)
Other Comprehensive Income	-	-
Total Comprehensive Income	1.00	(1.04)
Proposed Dividend	-	-
% of Share Holding	100%	100%

This is the Notes to Special Purpose Restated Consolidated Other Financial Information referred to in our report of even date

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

K.L.Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Consolidated Financial Statements

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and their impact on the profit/(loss) of the Group:

(Rs. in million)

Sr.No.	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	Net Profit after Tax as per Audited Previous GAAP / Ind AS	533.89	859.76	519.50	408.67	299.71
B	**Ind AS Adjustments**					
	Aggregate impact of all Ind AS adjustments (refer notes 50 and 50.1 for detailed explanation of transition from Previous GAAP to Ind AS), net of tax	-	0.75	(1.50)	(1.33)	(2.90)
C	**Restatement Adjustments**					
	Material Restatement Adjustments					
	(Excluding those on account of changes in accounting policies)					
	(i) Audit Qualifications : None	-	-	-	-	-
	(ii) Other material adjustments					
	Prior Period Items	18.93	(134.32)	(63.52)	(42.60)	(71.13)
	Others	-	-	-	-	-
		18.93	(134.32)	(63.52)	(42.60)	(71.13)
D	**Adjustment on account of Conversion of Partnership Firm into the Company**					
	Adjustment on account of Change in method of depreciation	-	(2.51)	69.78	42.44	42.14
	Adjustment on account of Intragroup Transactions	-	(1.92)	(5.54)	3.31	(5.31)
	Others	-	(327.30)	-	-	-
		-	(331.72)	64.24	45.76	36.83
E	**Tax adjustments**					
	Income Tax adjustment related to earlier years	(37.63)	-	-	(0.57)	(0.79)
	Deferred Tax impact on above restatement adjustments	(22.58)	107.95	8.11	1.74	17.38
		(60.21)	107.95	8.11	1.17	16.58
F	**Total impact of Adjustments**	(41.28)	(357.35)	7.32	3.00	(20.61)
	Net Profit as per Special Purpose Restated Consolidated Statement of Profit and Loss	**492.61**	**502.42**	**526.83**	**411.67**	**279.10**

Notes to Adjustments

(a) In the Audited Consolidated Financial Statements, Income on account of receipt of Focus Product Licence (Export Incentive) was not recorded on accrual basis. The same has now been recorded on accrual basis in the respective year(s).

(b) In the Audited Consolidated Financial Statements, certain expense provisions not made, have now been made in their respective year(s).

(c) Sales Returns received in the subsequent year(s) have been duly accounted for and considered in the respective year in which the sales were made. Thereby reducing the sales of the respective year(s).The same has resulted in a corresponding impact on Cost of Materials consumed and Trade Receivables.

(d) In Audited Consolidated Financial Statements, Tax Adjustment(s) pertaining to earlier year(s) were accounted as and when assessment of Income Tax was completed by the Income-tax authorities. For the purpose of Special Purpose Restated Consolidated Financial Information, such Tax Adjustment(s) have been appropriately taken and considered in the respective financial years to which they relate.

(e) These Adjustment(s) include, rectification of calculations of Deferred Tax and Impact of Restatement Adjustments made as detailed above. For the purpose of the Special Purpose Restated Consolidated Financial Information, Deferred Taxes have been appropriately adjusted in the Restated Profits and Loss A/cs of the respective years to which they relate.

(f) The Tax Rate applicable for the next Financial Year has been used to determine the impact of Deferred Tax on the restatement adjustments.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Consolidated Financial Statements

Material Regrouping

Appropriate Adjustments have been made in Special Purpose Restated Consolidated Statement of Assets and Liabilities, Special Purpose Restated Consolidated Statement of Profit and Loss, Special Purpose Restated Consolidated Statement of Cash Flows and Special Purpose Restated Consolidated Statement of Changes in Equity, wherever required, by reclassifying the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Consolidated Audited Financials of the Group as at and for the year ended March 31, 2018.

Non - Adjusting Items

In addition to the audit opinion on the Financial Statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the Consolidated Financial Statements as at and for the financial period ended March 31, 2017 and 2018 respectively. Certain statements/comments included in the CARO in the Consolidated Financial Statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Financial Year 2017-18

Clause (vii) (b) of CARO 2016 Order

Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	311,891	2012-13	Joint Commissioner **(Appeals)-** I,
Central Sales Tax Act,1956	Central Sales Tax	554,793	2013-14	Joint Commissioner **(Appeals)-** I,
Central Sales Tax Act,1956	Central Sales Tax	56,047	2012-13	Joint Commissioner **(Appeals)-** I,
Central Excise Act, 1944	Service Tax	283,679	07.01.2013 to 30.06.2014	Commissioner of Central Excise **(Appeals)**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VIII - Special Purpose Restated Consolidated Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
Interest income	Recurring	1.83	2.27	2.22	4.05	5.69
Net gain on foreign currency transaction and translation (other than considered as finance cost)	Recurring	38.06	37.83	49.79	31.71	3.00
Miscellaneous income	Non- recurring	22.20	1.70	3.78	2.13	2.33
Total Other Income		**62.08**	**41.80**	**55.79**	**37.89**	**11.02**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Special Purpose Restated Consolidated Statement of Accounting Ratios

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended 31st March 2018	2017	2016	2015	2014
A	Net Profit after Tax as restated	492.61	502.42	526.83	411.67	279.10
B	Add: Expense recognized in reserves (ESOP)	-	-	-	-	-
C	Net Profit after Tax as restated (A+B)	492.61	502.42	526.83	411.67	279.10
D	Net Worth at the end of the year - as restated	2,619.70	1,734.26	1,224.75	697.56	306.60
E	Total adjusted number of equity shares outstanding at the end of the year	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
H	Net Worth for equity shareholders	2,619.70	1,734.26	1,224.75	697.56	306.60
I	Accounting ratios:					
	Earning Per Share (Refer note 36)					
	Basic Earnings Per Share	169.51	173.25	181.66	141.96	98.62
	Diluted Earnings Per Share	169.51	173.25	181.66	141.96	98.62
	Return on Net Worth (%) (C/D)	18.80	28.97	43.02	59.02	91.03
	Net Asset Value per share of Rs.10 each	897.65	598.02	422.33	240.54	108.34

Note:

1 The above ratios are calculated as under:

Basic Earnings Per Share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year.

Diluted Earnings Per Share = Net profit attributable to Equity Shareholders / weighted average number of diluted potential shares outstanding during the year.

Return on Net Worth (%) = Net profit attributable to Equity Shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net worth / Number of Equity Shares as at the end of year.

2 The figures disclosed above are based on the Special Purpose Restated Consolidated Financial Information.

3 Earnings Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities Premium and Remeasurements of defined benefit obligations).

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Special Purpose Restated Consolidated Statement of Accounting Ratios

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	Net Profit after Tax as restated	492.61	502.42	526.83	411.67	279.10
B	Add: Expense recognized in reserves (ESOP)	-	-			
C	Net Profit after Tax as restated (A+B)	492.61	502.42	526.83	411.67	279.10
D	Net Worth at the end of the year - as restated	2,619.70	1,734.26	1,224.75	697.56	306.60
E	Total adjusted number of equity shares outstanding at the end of the year	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
H	Net Worth for equity shareholders	2,619.70	1,734.26	1,224.75	697.56	306.60
I	Accounting ratios:					
	Earning Per Share (Refer note 36)					
	Basic Earnings Per Share	21.11	21.54	22.58	17.65	12.00
	Diluted Earnings Per Share	21.11	21.54	22.58	17.65	12.00
	Return on Net Worth (%) (C/D)	18.80	28.97	43.02	59.02	91.03
	Net Asset Value per share of Rs.10 each	112.21	74.34	52.50	29.90	13.18

Note:

1 The above ratios are calculated as under:

Basic Earnings Per Share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year.

Diluted Earnings Per Share = Net profit attributable to Equity Shareholders / weighted average number of diluted potential shares outstanding during the year.

Return on Net Worth (%) = Net profit attributable to Equity Shareholders / Net Worth as at the end of year.

Net Asset Value (Rs) = Net worth / Number of Equity Shares as at the end of year.

2 The figures disclosed above are based on the Special Purpose Restated Consolidated Financial Information.

3 Earnings Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by The Companies

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities Premium and Remeasurements of defined benefit obligations).

5 Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for bonus shares is August 09, 2018.

6 Ind AS 33 "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of bonus shares. The weighted average numbers of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the Special Purpose Restated Consolidated Other Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure X - Special Purpose Restated Consolidated Statement of Capitalisation (Prior to IPO)

(Rs. in million)

Particulars	Pre-issue as at March 31, 2018 (without considering bonus issue)	Pre-issue as at March 31, 2018 (considering bonus issue)
Debt:		
Long Term Borrowings **(A)**	222.36	222.36
Short Term Borrowings	491.67	491.67
Current portion of Secured Long Term Borrowings, included in Other Current Liabilities	13.33	13.33
Shareholders Funds:		
Equity Share Capital	29.18	233.47
Reserves and Surplus	2,590.52	2,386.23
Equity (B)	2,619.70	2,619.70
Long Term Debt/ Equity ratio (A/B)	**0.08:1**	**0.08:1**

Notes:

1) The above has been computed on the basis of Special Purpose Restated Consolidated Financial Information - Annexure I & Annexure II.

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the Shareholders approved issuance of Bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for bonus shares is August 09, 2018.

3) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XI - Special Purpose Restated Consolidated Statement of Dividend paid

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Number of equity shares	2,918,400	2,900,000	2,900,000	2,900,000	2,830,000
Face value per equity share (Rs.)	10	10	10	10	10
Rate of Dividend (%)	-	-	-	-	-
Dividend paid	-	-	-	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XII - Special Purpose Restated Consolidated Statement of Tax Shelter

(Rs. in million)

Sr. No	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	**Restated Profit Before Taxes**	691.27	685.90	697.23	542.26	319.27
B	Company's domestic tax rate	34.61%	34.61%	34.61%	33.99%	33.99%
C	Income tax using the Company's tax rate	**239.23**	**237.38**	**241.30**	**184.31**	**108.52**
	Tax effect of:					
	Permanent Disallowances	(0.54)	(0.69)	(0.89)	(1.09)	(0.13)
	Tax on Deductions Under Chapter VI A and Section 10 AA/80-IC of Income Tax Act	(43.38)	(49.45)	(69.81)	(54.65)	(68.63)
D	**Total Tax Impact of Permanent Differences**	**(43.91)**	**(50.14)**	**(70.70)**	**(55.73)**	**(68.76)**
	Tax Impact of Timing Differences Due to:					
	Property, Plant and Equipment and other Intangibles Assets	(17.80)	(19.31)	(30.64)	(5.73)	5.39
	Provision for Gratuity	2.41	(1.96)	1.29	2.96	1.02
	Expenses allowable on payment basis	(1.57)	3.48	0.82	0.64	0.64
	AMT/MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
	Other temporary differences	(9.43)	51.05	37.64	9.53	10.59
E	**Total Tax Impact of Timing Differences**	**(26.39)**	**85.01**	**35.96**	**23.01**	**55.61**
F	**Net Adjustments**	**(70.30)**	**34.87**	**(34.74)**	**(32.72)**	**(13.15)**
G	**Adjusted Tax Liability (C+F)**	**168.93**	**272.25**	**206.56**	**151.59**	**95.37**
	Minimum Alternate Tax under Sec 115JB of Income Tax Act Including Other Taxes					
	Tax Rate as per Minimum Alternate Tax under Sec 115JB of Income Tax Act	21.34%	21.34%	21.34%	20.96%	20.96%
H	Tax Liability as per Minimum Alternate Tax under Sec 115JB of Income Tax Act including Other Taxes	147.52	146.37	148.79	113.66	66.92
I	**Net Liability (Higher of G and H)**	**168.93**	**272.25**	**206.56**	**151.59**	**95.37**
J	MAT credit entitlement recognised	-	(51.74)	(26.85)	(15.61)	(37.97)
K	Deferred Tax Charge/(Income)	29.72	(37.02)	(9.30)	(5.39)	(17.23)
L	**Tax Expense as per Special Purpose Restated Consolidated Statement of Profit & Loss**	**198.65**	**183.49**	**170.41**	**130.59**	**40.17**

To,

The Board of Directors
Flair Writing Industries Limited
63 B/C, Government Industrial Estate,
Charkop, Kandivali (W),
Mumbai - 400 067

Independent Auditor's Examination Report on the Special Purpose Restated Standalone Financial Information of Flair Writing Industries Limited (the "Company") to be included in the Draft Red Herring Prospectus (DRHP) in connection with the proposed Initial Public Offering of the Company

Dear Sir(s),

1. We have undertaken our audit and assurance engagement to report on the Special Purpose Restated Standalone Financial Information of **Flair Writing Industries Limited, (the "Company") (Formerly known as Flair Writing Industries Private Limited)** by the Management of the Company. The Special Purpose Restated Standalone Financial Information consists of the Special Purpose Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017, 2016, 2015, and 2014, the Special Purpose Restated Standalone Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Standalone Statement of Changes in Equity and the Special Purpose Restated Standalone Statement of Cash Flows in each case for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and special purpose restated standalone other financial information (collectively referred to as "**Special Purpose Restated Standalone Financial Information"**). The applicable criteria on the basis of which the Management of the Company has prepared and compiled the Special Purpose Restated Standalone Financial Information are set out in Note 2 of Annexure V- 'Basis of Preparation' of the Special Purpose Restated Standalone Financial Information.

2. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments' ("Firm") under the provisions of Chapter XXI of Companies Act, 2013. For the purposes of the Special Purpose Restated Standalone Financial Information, it has been presumed that the Company was in existence as a company since April 1, 2013. National Pen & Plastic Industries, National Impex Corporation, Flair Pens & Stationery Ind; National Pen & Plastic Industries (UK) and Flair Impex Corporation, each a partnership firm engaged in the business of manufacturing and dealing of writing instruments and its allied have been individually referred to as "Entity" and collectively along with the Firm have been referred to as "Entities".

3. **The Special Purpose Restated Standalone Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the**

Company for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. For history of the Company, the Entities, respective date of conversion of the Entities, and Scheme of Amalgamation, reference may be drawn to Note 1 of Annexure V – Corporate Information and Note 2 (a) of Annexure V, of the Special Purpose Restated Standalone Financial Information

4. As part of this process of preparing the Special Purpose Restated Standalone Financial Information, information about the Company's financial position and financial performance have been extracted by the Management of the Company from the:
   a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018,
   b) Combined Financial Statements, as described here in under, for the financial year ended March 31, 2017, and
   c) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014

   For the financial statements as of and for the financial year ended March 31, 2017, the financial statements of the Entities as of and for the period beginning April 1, 2016 upto their respective date of conversion into the relevant Transferor Company and the financial statements of the Company and Transferor Companies as of and for the period from the respective date of conversion upto March 31, 2017, have been combined and re-casted by the Management of the Company, to conform to the format prescribed for companies under Companies Act, 2013 in accordance with Ind AS prescribed under Section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable (the "Combined Financial Statements"). For this process, information about, the Entities financial position and financial performance, the Company's and the Transferor Companies, financial position and financial performance, have been extracted by the Management of the Company from the Audited Financial Statements of the Entities as of and for the period beginning April 1, 2016 until the date of conversion of each such entity, Audited Standalone Financial Statements of the Company as of and for the period beginning August 12, 2016 to March 31, 2017, and Audited Financial Statements of each of the Transferor Company, as of and for the period following such conversion and until March 31, 2017

5. The Special Purpose Restated Standalone Financial Information have been prepared by the Management of the Company under Indian Accounting Standards ('Ind AS') notified under Section

133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable in accordance with the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

ii. The Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations");

iii. The Guidance Note on Reports in Company's Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI")

iv. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI.

v. Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI

Managements' Responsibility for the Special Purpose Restated Standalone Financial Information

6. The Management of the Company is responsible for compiling the Special Purpose Restated Standalone Financial Information on the basis set out in Note 2 and 3 of Annexure V to the Special Purpose Restated Standalone Financial Information and the same have been approved by the Board of Directors of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding 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 designing, implementing and maintaining adequate internal controls, relevant for compiling the Special Purpose Restated Standalone Financial Information on the basis set out in Note 2 and 3 of Annexure V to the Special Purpose Restated Standalone Financial Information, that is free from material misstatement, whether due to fraud or error. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Special Purpose Restated Standalone Financial Information.

Auditor's Responsibilities

7. Our responsibility is to express an opinion, as required by the SEBI ICDR Regulations, about whether the Special Purpose Restated Standalone Financial Information as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 of the Company have been compiled, in all material respects, by the Management of the Company on the basis set out herein above and in Note 2 of Annexure V to the Special Purpose Restated Standalone Financial Information.

8. We have conducted our engagement in accordance with the Guidance Note on Reports or Certificates for Special Purpose and the Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), both issued by the Institute of Chartered Accountants of India. This Guidance Note and Standard requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India and plan and perform procedures to obtain reasonable assurance about whether the Management of the Company has compiled, in all material respects, the Special Purpose Restated Standalone Financial Information on the basis set out herein above and in Note 2 of Annexure V to the Special Purpose Restated Standalone Financial Information.

9. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / standalone financial information, used in compiling the Special Purpose Restated Standalone Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Special Purpose Restated Standalone Financial Information. For our audit and assurance engagement, we have placed reliance on the following:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018,
   b. Combined Financial Statements, as referred to in Para 4 above, for the financial year ended March 31, 2017, and
   c. the Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014.

   In accordance with the requirements of explanation III of regulation 26 of Part I of Chapter III of the SEBI ICDR Regulations, we report that audited financial statements of the Firm were duly certified by us and that the accounts and the disclosures made were in accordance with the provisions of Schedule VI of the Companies Act, 1956 and/or in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the accounting standards of the Institute of Chartered Accountants of India were followed and the audited financial statements presented a true and fair view of the Firm's accounts

10. The purpose of Special Purpose Restated Standalone Financial Information included in the offer document is solely to illustrate the financial position and financial performance of the Company for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013 ("Event").Accordingly, we do not provide any assurance that the actual outcome of this particular Event, at April 1, 2017 would have been as presented.

11. A reasonable audit and assurance engagement to report on whether the Special Purpose Restated Standalone Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management of the Company in the compilation of the Special Purpose Restated Standalone Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Event. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the Event in respect of which the Special Purpose Restated Standalone Financial Information has been compiled, and other relevant engagement circumstances.

12. The engagement also involves evaluating the overall presentation of the Special Purpose Restated Standalone Financial Information.

13. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

14. An audit and assurance engagement involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Restated Standalone Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Restated Standalone Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Special Purpose Restated Standalone Financial Information that give a fairly stated view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit and assurance engagement also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management of the Company

15. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

16. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

Opinion

17. In our opinion the Special Purpose Restated Standalone Financial Information have been compiled, in all material respects, on the basis set out herein above and in the Note 2 of Annexure V to the Special Purpose Restated Standalone Financial Information.

Other Matters

18. We draw your attention to Note 2 of Annexure V- 'Basis of Preparation' of the Special Purpose Restated Standalone Financial Information which describes the basis of presentation.

Restrictions on use

19. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

20. Our report is intended solely for use of the Management of the Company for in connection with the proposed Initial public offering of the Company by way of fresh issue of equity shares and an offer for sale of equity shares by the existing shareholders and is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

K. L. Rathore
Partner
(M No.012807)

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Special Purpose Restated Standalone Statement of Assets and Liabilities

(Rs. in million)

	Particulars	Note no to Annexure VI	As at 31st March				
			2018	2017	2016	2015	2014
	ASSETS						
	Non-Current Assets						
a)	Property, Plant and Equipment	1	1,405.74	1,156.91	1,094.88	904.37	686.49
b)	Capital Work In Progress	1	83.10	20.65	-	124.48	100.68
c)	Intangible Assets	1	32.42	33.98	11.16	10.65	2.81
d)	Financial Assets						
	i) Investments	2	1.00	1.00	-	-	-
	ii) Loans	3	1.77	1.45	4.29	4.89	3.48
	iii) Other Financial Assets	4	13.45	20.24	21.44	20.00	19.20
e)	Deferred Tax Assets (Net)	5	102.65	160.62	76.62	50.16	28.03
f)	Other Non-Current Assets	6	244.99	271.75	121.97	78.88	42.97
	Total Non-Current Assets		**1,885.12**	**1,666.61**	**1,330.37**	**1,193.42**	**883.66**
	Current Assets						
a)	Inventories	7	880.69	754.76	625.32	516.40	345.30
b)	Financial Assets						
	i) Investment	8	-	-	-	-	10.00
	ii) Trade Receivables	9	1,150.38	861.71	789.11	693.22	573.92
	iii) Cash and Cash Equivalents	10	11.74	67.47	15.35	4.04	9.14
	iv) Bank Balance Other Than (iii) Above	11	-	0.13	0.14	0.58	-
	v) Loans	12	175.79	31.62	9.04	3.34	5.07
	vi) Other Financial Assets	13	2.35	5.26	3.15	4.52	4.38
c)	Other Current Assets	14	221.51	152.68	136.49	132.59	97.67
	Total Current Assets		**2,442.46**	**1,873.64**	**1,578.60**	**1,354.69**	**1,045.47**
	Total Assets		**4,327.58**	**3,540.25**	**2,908.97**	**2,548.11**	**1,929.13**
	EQUITY AND LIABILITIES						
	Equity						
a)	Equity Share Capital	15	29.18	29.00	29.00	29.00	28.30
b)	Other Equity	16	2,590.56	1,706.30	1,195.75	668.56	278.30
	Total Equity		**2,619.75**	**1,735.30**	**1,224.75**	**697.56**	**306.60**
	Liabilities						
	Non-Current Liabilities						
a)	Financial Liabilities						
	i) Borrowings	18	355.93	40.00	54.51	2.29	3.29
	ii) Other Financial Liabilities	19	56.68	0.45	0.45	0.30	0.80
b)	Provisions	20	25.34	16.00	20.55	16.69	9.97
c)	Government Grant	24	4.78	5.61	6.49	3.94	-
	Total Non-Current Liabilities		**442.74**	**62.06**	**82.00**	**23.22**	**14.06**
	Current Liabilities						
a)	Financial Liabilities						
	i) Borrowings	21	525.06	887.68	1,105.30	1,327.34	1,225.19
	ii) Trade Payables	22	551.34	510.16	359.80	364.02	287.67
	iii) Other Financial Liabilities	23	85.45	93.61	54.71	41.94	32.00
b)	Government Grant	24	0.83	0.88	0.93	0.77	-
c)	Other Current Liabilities	25	66.86	94.11	33.70	42.75	19.41
d)	Provisions	26	33.38	32.08	22.25	18.46	13.58
e)	Current Tax Liabilities (Net)	27	2.17	124.38	25.55	32.04	30.63
	Total Current Liabilities		**1,265.09**	**1,742.89**	**1,602.22**	**1,827.33**	**1,608.47**
	Total Liabilities		**1,707.83**	**1,804.95**	**1,684.22**	**1,850.55**	**1,622.53**
	Total Equity And Liabilities		**4,327.58**	**3,540.25**	**2,908.97**	**2,548.11**	**1,929.13**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure I : Special Purpose Restated Standalone Statement of Assets and Liabilities

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Standalone Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Standalone Statement of Assets and Liabilities referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure II : Special Purpose Restated Standalone Statement of Profit and Loss

(Rs. in million)

Particulars		Notes No. to Annexure VI	For the Year Ended 31st March 2018	2017	2016	2015	2014
INCOME							
Revenue from Operations		28	5,061.93	4,222.59	3,854.73	3,398.34	2,694.97
Other Income		29	62.08	41.80	55.79	37.89	11.02
Total Income	**(A)**		**5,124.00**	**4,264.38**	**3,910.52**	**3,436.23**	**2,705.99**
EXPENSES							
Cost of Material Consumed		30	2,428.77	1,671.12	1,426.11	1,494.25	1,110.59
Purchase of Stock-in-Trade		31	262.68	482.51	641.25	522.49	454.39
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		32	(73.29)	(60.36)	(65.60)	(144.27)	(28.74)
Excise Duty on Sales			7.92	32.79	26.49	20.03	18.30
Employee Benefits Expense		33	741.04	511.28	398.44	337.76	286.33
Finance Costs		34	172.19	94.59	111.17	107.04	97.20
Depreciation/Amortisation Expense		35	152.49	119.19	103.76	82.46	59.38
Other Expenses		36	742.47	725.76	571.67	474.21	389.25
Total Expenses	**(B)**		**4,434.26**	**3,576.89**	**3,213.29**	**2,893.97**	**2,386.72**
Profit Before Tax	**(C= A-B)**		**689.74**	**687.50**	**697.23**	**542.26**	**319.27**
Tax Expense							
Current Tax			168.61	272.25	206.56	151.59	95.37
Less: Amt-Mat Credit Entitlement			-	51.74	26.85	15.61	37.97
Net Current Tax			168.61	220.50	179.71	135.98	57.40
Deferred Tax		5	29.52	(36.47)	(9.30)	(5.39)	(17.23)
Total Tax Expense	**(D)**		198.13	184.04	170.41	130.59	40.17
Profit for the Year	**(E = C-D)**		**491.62**	**503.46**	**526.83**	**411.67**	**279.10**
Other Comprehensive Income							
Items that will not be reclassified to Profit or Loss							
Re-measurements of Defined Benefit Plans			(10.61)	10.85	0.55	(5.78)	(1.21)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss			3.33	(3.75)	(0.19)	2.01	0.41
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**
Total Comprehensive Income for the Year	**(G = E+F)**		**484.34**	**510.55**	**527.19**	**407.90**	**278.30**
Earnings Per Share in Rs.							
Basic Earnings Per Equity Share of INR 10/- each		37	21.07	21.58	22.58	17.65	12.00
Diluted Earnings Per Equity Share of INR 10/- each		37	21.07	21.58	22.58	17.65	12.00

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Standalone Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Standalone Statement of Profit and Loss referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure III : Special Purpose Restated Standalone Statement of Cash Flows

(Rs. in million)

Sr. No.	Particulars	For the Year Ended 31st March 2018	2017	2016	2015	2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit Before Taxes	**689.74**	**687.50**	**697.23**	**542.26**	**319.27**
	Adjusted for:					
	Depreciation and amortisation expenses	152.49	119.19	103.76	82.46	59.38
	(Profit)/Loss on sale of fixed assets	0.97	0.03	2.02	0.35	0.11
	Interest Paid	172.19	94.59	111.17	107.04	97.20
	Loss of Assets/Inventory due to by fire		16.04	-	1.57	-
	Provision for GST Receivables	(6.73)	-	-	-	-
	Deferred Income -Government Grant	(0.88)	(0.93)	(0.77)	(0.31)	-
	Interest income	(1.82)	(2.27)	(2.22)	(4.05)	(5.69)
	Operating Profit before Working Capital Changes	**1,005.95**	**914.15**	**911.20**	**729.31**	**470.26**
	Adjusted for:					
	Trade Receivables	(288.66)	(72.61)	(95.89)	(119.30)	(99.19)
	Inventories	(125.93)	(129.45)	(108.91)	(171.11)	(75.43)
	Other Assets	(36.35)	(168.75)	(54.48)	(72.32)	(45.44)
	Trade Payable	41.18	150.36	(4.22)	76.35	92.32
	Other Liabilities and Provisions	20.87	115.44	12.06	38.60	20.63
	Cash Generated from Operating Activities	**617.05**	**809.14**	**659.75**	**481.54**	**363.15**
	Taxes Paid (Net)	(266.33)	(172.96)	(203.55)	(139.97)	(70.18)
	Net Cash Flow from Operating Activities	**350.72**	**636.18**	**456.20**	**341.57**	**292.98**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property, Plant and Equipment and Intangible Assets	(467.51)	(277.24)	(304.79)	(359.87)	(227.76)
	Government grant received during the year	-	-	3.47	5.03	-
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	17.48	0.77	131.08	0.57	1.17
	Investments in Subsidiaries	-	(1.00)	-	-	-
	Disposal of Investments	-	-	-	10.00	-
	Movement in bank deposits	4.77	3.97	2.73	0.31	1.11
	Interest received	1.82	2.27	2.22	4.05	5.69
	Net Cash from/(used in) Investing Activities	**(443.44)**	**(271.23)**	**(165.28)**	**(339.91)**	**(219.80)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from issuance of equity share capital	400.11	-	-	0.70	0.30
	Proceeds/ (repayment) from non-current borrowings (net)	315.93	(14.51)	52.23	(1.01)	3.29
	Proceeds/ (repayment) from current borrowings (net)	(506.87)	(203.72)	(220.66)	100.59	27.20
	Interest paid	(172.19)	(94.59)	(111.17)	(107.04)	(97.20)
	Net Cash from/(used in) Financing Activities	**36.98**	**(312.82)**	**(279.61)**	**(6.76)**	**(66.41)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(55.73)**	**52.12**	**11.30**	**(5.09)**	**6.77**
	Opening Balance of Cash and Cash Equivalents	67.47	15.35	4.04	9.14	2.37
	Closing Balance of Cash and Cash Equivalents	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**
	Components of Cash and Cash Equivalents					
	Cash on Hand	1.92	2.36	1.47	1.51	1.37
	Balances with scheduled banks					
	- in Current Accounts	3.78	10.55	13.40	1.95	0.95
	- in Cash Credit	5.98	53.98	-	-	6.05
	- in EEFC Account	0.06	0.31	0.02	0.03	0.02
	- in deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
	Total Cash and Cash Equivalents	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**

Notes:

1 The above Special Purpose Restated Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows ".

2 Figures in brackets represent out flow of Cash and cash equivalents

3 The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Standalone Financial Information appearing in Annexure VI, and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Standalone Statement of Cash Flows referred to in our 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

K. L. Rathore
(Partner)
M.No. 012807

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IV : Special Purpose Restated Standalone Statement of Changes in Equity

A. Equity Share Capital: **(Rs. in million)**

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
i) Equity shares of INR 10 each issued. subscribed and fully paid					
Balance at the beginning of the period/year	29.00	29.00	29.00	28.30	28.30
Changes in Equity Share Capital during the year	0.18	-	-	0.70	-
Balance at the end of the year	**29.18**	**29.00**	**29.00**	**29.00**	**28.30**

(Refer Accounting for Amalgamation in Note 2(a) of Annexure V - Basis of preparation and Significant Accounting Policies.)

B. Other Equity

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
i)Reserves and Surplus					
a)Retained Earnings					
Balance at the beginning of the year	1,703.42	1,199.96	673.13	279.10	-
Profit/(Loss) for the year	491.62	503.46	526.83	411.67	279.10
Less: Opening Provision for Depreciation Adjusted (Retained Earnings)	-	-	-	26.97	-
Add: Deferred Tax on the above	-	-	-	9.33	-
Balance at the end of the year	**2,195.03**	**1,703.42**	**1,199.96**	**673.13**	**279.10**
b)Securities Premium					
Balance at the beginning of the year	-	-	-	-	-
Add: Issue of Right Shares	399.92				
Balance at the end of the year	**399.92**	**-**	**-**	**-**	**-**
Total Reserves and Surplus (a+b)	**2,594.96**	**1,703.42**	**1,199.96**	**673.13**	**279.10**
ii) Other items of Other Comprehensive Income					
Balance at the beginning of the year	2.89	(4.21)	(4.57)	(0.80)	-
Re-measurement Gains/(Losses) on Defined Benefit Plans	(7.28)	7.09	0.36	(3.77)	(0.80)
Balance at the end of the year	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**
Balance at the end of the year of other equity (i+ii)	**2,590.56**	**1,706.30**	**1,195.75**	**668.56**	**278.30**

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Special Purpose Restated Standalone Other Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

This is the Special Purpose Restated Standalone Statement of Changes in Equity referred to in our report of even date

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

K. L. Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Annexure V - Basis of preparation and Significant Accounting Policies for financial years ended March 31, 2018, 2017, 2016, 2015 and 2014

1. CORPORATE INFORMATION

Flair Writing Industries Limited ("the Company") **(Formerly known as Flair Writing Industries Private Limited)** is a Company domiciled in India, with its registered office situated at 63 B/C, Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067. The Company was formed by conversion of a partnership firm, 'Flair Writing Instruments' ("Firm") under the provisions of Chapter XXI of Companies Act 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership dated January 6, 1986, as amended and supplemented from time to time. The Firm was converted to a private limited company on August 12, 2016 and subsequently converted to public limited company on May 30, 2018. The Company is engaged in the business of 'Manufacturing and Dealing of Writing instruments and its Allied'

2. BASIS OF PREPARATION

a) The Special Purpose Restated Standalone Statement of Assets and Liabilities of the Company as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Special Purpose Restated Standalone Statement of Profit and Loss and Other Comprehensive Income, the Special Purpose Restated Standalone Statement of Changes in Equity and the Special Purpose Restated Standalone Statement of Cash Flows in each case for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and special purpose restated standalone other financial information (collectively referred to as "**Special Purpose Restated Standalone Financial Information"**) have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

National Pen & Plastic Industries, National Impex Corporation, Flair Pens & Stationery Ind; National Pen & Plastic Industries (UK) and Flair Impex Corporation, each a partnership firm engaged in the business of manufacturing and dealing of writing instruments and its allied (individually referred to as "Entity" and collectively along with the Firm referred to as "Entities") were converted into private limited companies under the provisions of Chapter XXI of Companies Act 2013 as follows:

Sr. No	Name of Partnership Firm	Date of conversion	Name of Company
1	National Pen & Plastic Industries	25.04.2016	Flair Pen And Plastic Industries Private Limited ("Transferor Company 1")
2	National Impex Corporation	29.04.2016	Flair Stationeries Private Limited ("Transferor Company 2")

3	Flair Pens& Stationery Ind.	29.04.2016	Flair Pens and Stationery Industries Private Limited ("Transferor Company 3")
4	National Pen & Plastic Industries (UK)	11.05.2016	Flair Pen and Plastic (UK) Private Limited ("Transferor Company 4")
5	Flair Impex Corporation	12.05.2016	Flair Impex Industries Private Limited ("Transferor Company 5")

Scheme of Amalgamation:

The board of directors of, the Company and together with each of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5,referred to as the Transferor Companies and each a Transferor Company, in meeting held by each of them on December 1, 2017 approved a Scheme of Amalgamation ("Scheme") for merger of the Transferor Companies with the Company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Appointed Date for such merger being April 1, 2017. The said scheme had been sanctioned by the Honourable Members of National Company Law Tribunal, Mumbai Bench vide its order dated March 15, 2018 ("Order"). The certified copy of the Order sanctioning the Scheme has been filed with the Ministry of Corporate Affairs on April 7, 2018 and has been approved on May 18, 2018.

The Special Purpose Restated Standalone Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the Company for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

For the financial statements as of and for the financial year ended March 31, 2017, the financial statements of the Entities as of and for the period beginning April 1, 2016 upto their respective date of conversion into the relevant Transferor Company and the financial statements of the Company and Transferor Companies as of and for the period from the respective date of conversion upto March 31, 2017,have been combined and re-casted by the Management of the Company, to conform to the format prescribed for companies under Companies Act, 2013 in accordance with Ind AS notified under Section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable (the "Combined Financial Statements"). For this process, information about, the Entities financial position and financial performance, the Company's and the Transferor Companies, financial position and financial performance, have been extracted by the Management of the Company from the Audited Financial Statements of the Entities as of and for the period beginning April 1, 2016 until the date of conversion of each such entity, Audited Standalone Financial Statements of the Company as of and for the period beginning August 12, 2016 to March 31, 2017, and Audited Financial Statements of each of the Transferor Company, as of and for the period following such conversion and until March 31, 2017

As part of this process of preparing the Special Purpose Restated Standalone Financial Information, information about the Company's financial position and financial performance have been extracted by the Management of the Company from the:

a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018,
b) Combined Financial Statements, as referred to herein above, for the financial year ended March 31, 2017, and
c) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014

In preparing these Special Purpose Restated Standalone Financial Information, the Management of the Company has considered April 1, 2013 as the date of transition to Ind AS. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the financial statements, following accounting policies and accounting policy choices (both mandatory and optional exemptions) consistent with that used at the date of transition to Ind AS.

Accounting for Amalgamation

The accounting treatment given to the said amalgamation is in the nature of, amalgamation in the nature of merger, i.e. pooling of interest method, as given in, Accounting Standard (AS) – 14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules, 2006 and as given in, Ind AS 103 – Business Combinations.

For the purposes of the Special Purpose Restated Standalone Financial Information

i. The assets and liabilities of the combining entities are reflected at their carrying amounts as on the Transition Date i.e. April 1, 2013.

ii. No adjustments are made to reflect fair values, or recognize any new assets or liabilities.

iii. Inter-company balances, investments and transactions if any, stood cancelled

iv. The balance of fixed capital account of the respective partners in the Entities, as on April 1, 2013 – INR 28.30 million has been taken as Equity Share Capital of the Company as on April 1, 2013. Thereafter as a result of addition to fixed capital in financial year ended March 31, 2015, the Equity Share Capital of the Company for the financial year ended March 31, 2015 is INR 29 million. (Refer Note 15 of Annexure VI of the Special Purpose Restated Standalone Financial Information)

v. The balance standing to the credit of the respective partner's current accounts in the Entities on April 1, 2013 have been considered as 'Unsecured Loans' under 'Current Borrowings' (Refer Note 21 of Annexure VI of the Special Purpose Restated Standalone Financial Information)

vi. The Net Profit Before Tax for the financial years ended 2016, 2015 and 2014 and the period beginning April 1, 2016 until the date of conversion of the respective ENTITES have been transferred to 'Retained Earnings' (Refer Annexure IV(B) – Special Purpose Restated Standalone Statement of Changes in Equity)

vii. Income Tax paid for the financial years ended 2016, 2015 and 2014 and the period beginning April 1, 2016 until the date of conversion of the respective ENTITES have been shown as 'Current Tax Liabilities(net)' (Refer Note 27 of Annexure VI of the Special Purpose Restated Standalone Financial Information)

These Special Purpose Restated Standalone Financial Information have been extracted by the Management of the Company from the

a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018,
b) Combined Financial Statements, as referred to herein above, for the financial year ended March 31, 2017, and
c) Audited Financial Statements of the Entities for financial years ended March 31, 2016, 2015 and 2014,and:

- there were no material audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years (if any) in arriving at the profit/loss of the years to which they relate have been appropriately adjusted, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate

The Special Purpose Restated Standalone Financial Information have been prepared by the Management of the Company in connection with the proposed Initial Public Offering (the "IPO") by way of fresh issue of equity shares and an offer for sale of equity shares by the existing shareholders, to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai and the concerned Stock Exchanges in accordance with the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (together referred to as the "SEBI ICDR Regulations");

iii. The Guidance Note on Reports in Company's Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI")

iv. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by ICAI.

v. Standard on Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (SA 800), issued by ICAI.

b) Historical Cost Convention

The Special Purpose Restated Standalone Financial Information have been prepared on a historical cost basis, except for the following:

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

c) Functional and Presentation Currency

These Special Purpose Restated Standalone Financial Information are presented in Indian Rupees, which is the Company's functional currency. All amounts in the Special Purpose Restated Standalone Financial Information have been rounded off to the nearest million or decimal thereof.

3. Significant Accounting Policies

3.1 Use Of Estimates, Judgements and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

  Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation

/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

- **Recoverability of Trade receivables**

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

- **Provisions**

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

- **Recognition Defined Benefit Plans**

  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, save and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

- **Impairment of Non-Financial Assets**

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

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

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

- **Impairment of Financial Assets**

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

3.2 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 including 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 :**

The Entities were following written down value method of depreciation as per the provisions of Income Tax Act, 1961 until April 1, 2013. However, for the purpose of the Special Purpose Restated Standalone

Financial Information, the Company has elected to follow the depreciation method as specified and permitted by the Companies Act.

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013. Consequently, based on the technical evaluation, the Company had reassessed the useful life of its Fixed Assets

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
Motor Vehicles	8
Two Wheelers	10

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 management's estimated useful lives as mentioned below:

Assets	**Amortised (in years)**
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Special Purpose Restated Standalone Statement of Profit and Loss when the assets is derecognized.

v. **<u>Impairment of Non-Financial Assets- Property, Plant and Equipment</u>**

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

An impairment loss is recognised in the Special Purpose Restated Standalone 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.

3.3 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. For the purposes of Special Purpose Restated Standalone Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loans availed from Promoters, Directors and their relatives, in the financial years ended March 31, 2017, 2016, 2015 and 2014

3.4 Foreign Currency Transactions and Translation

The Special Purpose Restated Standalone Financial Information are presented in INR, which is also 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 the Special Purpose Restated Standalone Statement of Profit and Loss and costs that are directly attributable to the acquisition assets, are capitalized as cost of assets.

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

3.5 Investments in Subsidiaries

Investment in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

3.6 Fair Value Measurement

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

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

External valuer’s are involved for valuation of significant assets, such as properties, unquoted financial assets etc, if needed. Involvement of independent external valuer’s is decided upon, annually by the Company. Further such valuation is done annually at the end of the financial year and the impact, if any, on account of such fair valuation is taken in the Special Purpose Restated Standalone Financial Information.

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

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

3.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

Export Entitlements

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

Other Income

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

3.8 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Special Purpose Restated Standalone Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

- **Current Tax**

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

- **Deferred Tax**

  Deferred Tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Special Purpose Restated Standalone Financial Information and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under AMT/MAT, during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Special Purpose Restated Standalone Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

3.9 Inventories

Inventories include Raw Materials, Semi-Finished Goods, Finished Goods, Stock-in-Trade, Packing Materials, and Stores and Spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

3.10 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Special Purpose Restated Standalone Statement of Profit and Loss on straight-line basis over the lease term.

3.11 Contingent Liabilities and Commitments

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is not recognised but disclosed in the Special Purpose Restated Standalone Financial Information where an inflow of economic benefit is probable.

3.12 Provisions

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

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

3.13 Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

I. **Defined Contribution Plans**

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

II. **Defined Benefit Plans**

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

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) Compensated Absences

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

d) <u>Payment of Bonus</u>

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

3.14 <u>Financial Instruments</u>

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) <u>Financial assets</u>

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

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

b. <u>Subsequent Measurement</u>

1) <u>Financial assets carried at Amortised Cost</u>

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) <u>Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)</u>

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) <u>Financial assets at Fair Value Through Profit or Loss (FVTPL)</u>

A financial asset which is not classified in any of the above categories is measured at FVTPL.

c. <u>Loans, Deposits and Receivable</u>

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. <u>Investment in Subsidiary</u>

The Company accounts for its investments in Subsidiary 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. <u>Impairment of financial assets</u>

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)

<u>Expected credit losses are measured through a loss allowance at an amount equal to</u>

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

Trade Receivables

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

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

Other financial assets mainly consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.
Following is the policy for specific financial assets: -

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

(ii) <u>Financial liabilities</u>

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

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Special Purpose Restated Standalone 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. <u>Subsequent Measurement</u>

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

c. <u>De-recognition of Financial Instruments</u>

The Company de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Special Purpose

Restated Standalone Financial Informationwhen 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 Special Purpose Restated Standalone Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iii) Derivative Financial Instruments and Hedge Accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.15 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.

3.16 Cash Flow Statement

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

3.17 Earnings Per Share

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

3.18 Segment Reporting

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

3.19 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Special Purpose Restated Standalone Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

3.20 Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Company w.e.f. April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

II. Ind AS 40 - Investment Property

III. Ind AS 12 - Income Taxes

IV. Ind AS 28 - Investments in Associates and Joint Ventures and

V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Company's Special Purpose Restated Standalone financial information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 1 : Property, Plant & Equipment,Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2017	Additions/ Adjustments	Deductions / Adjustments	As at 31st March 2018	As at 1st April 2017	For the year	Deductions / Adjustments	As at 31st March 2018	As at 31st March 2018	As at 1st April 2017
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	38.96	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	223.65	32.43	-	256.08	20.14	8.07	-	28.21	227.86	203.51
3	Furniture & Fixtures	37.57	15.05	-	52.63	9.94	4.01	-	13.95	38.68	27.64
4	Electrical Installation	52.98	5.95	-	58.93	17.07	5.15	-	22.22	36.70	35.91
5	Office Equipments	22.48	6.60	-	29.08	11.58	4.56	-	16.14	12.94	10.90
6	Plant & Equipment	1,253.36	323.05	5.57	1,570.84	447.36	119.66	3.15	563.87	1,006.95	806.00
7	Vehicles	53.29	19.53	7.45	65.37	19.29	7.01	4.58	21.73	43.64	34.00
	Total (1 to 7)	**1,682.29**	**402.60**	**13.03**	**2,071.87**	**525.38**	**148.47**	**7.73**	**666.12**	**1,405.74**	**1,156.91**
B	**Capital Work-in-Progress**	20.65	82.50	20.05	83.10	-			-	83.10	20.65
C	**Intangible Assets**										
1	Patent and Trade Mark	40.17	2.46	-	42.63	6.73	3.95	-	10.68	31.95	33.44
2	Web Designing	0.74	-	-	0.74	0.19	0.07	-	0.27	0.47	0.55
					-						
	Total (1 to 2)	**40.90**	**2.46**	**-**	**43.37**	**6.92**	**4.02**	**-**	**10.94**	**32.42**	**33.98**
	Grand Total (A+B+C)	**1,743.85**	**487.56**	**33.07**	**2,198.34**	**532.31**	**152.49**	**7.73**	**677.07**	**1,521.26**	**1,211.54**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 1 : Property, Plant & Equipment,Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2016	Additions/ Adjustments	Deductions / Adjustments	As at 31st March 2017	As at 1st April 2016	For the year	Deductions / Adjustments	As at 31st March 2017	As at 31st March 2017	As at 1st April 2016
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	38.96	-	-	38.96	-	-	-	-	38.96	38.96
2	Freehold Building	229.10	20.46	25.91	223.65	21.73	7.22	8.81	20.14	203.51	207.37
3	Furniture & Fixtures	33.25	8.79	4.47	37.57	7.42	3.14	0.63	9.94	27.64	25.83
4	Electrical Installation	56.16	2.77	5.96	52.98	16.14	4.92	3.99	17.07	35.91	40.02
5	Office Equipments	16.94	5.54	-	22.48	8.31	3.27	-	11.58	10.90	8.63
6	Plant & Equipment	1,105.00	187.09	38.73	1,253.36	361.14	93.61	7.39	447.36	806.00	743.86
7	Vehicles	45.85	10.07	2.63	53.29	15.63	5.27	1.61	19.29	34.00	30.22
	Total (1 to 7)	**1,525.26**	**234.73**	**77.70**	**1,682.29**	**430.38**	**117.43**	**22.43**	**525.38**	**1,156.91**	**1,094.88**
B	**Capital Work-in-Progress**	-	22.02	1.37	20.65	-	-	-	-	20.65	-
C	**Intangible Assets**										
1	Patent and Trade Mark	15.70	24.47	-	40.17	5.05	1.68	-	6.73	33.44	10.65
2	Web Designing	0.63	0.12	0.01	0.74	0.12	0.07	-	0.19	0.55	0.51
	Total (1 to 2)	**16.34**	**24.58**	**0.01**	**40.90**	**5.17**	**1.75**	**-**	**6.92**	**33.98**	**11.16**
	Grand Total (A+B+C)	**1,541.59**	**281.33**	**79.08**	**1,743.85**	**435.55**	**119.19**	**22.43**	**532.31**	**1,211.54**	**1,106.05**

1 On July 28, 2016, certain portions at one of the Company's unit's (then the erstwhile Partnership Firm) at Daman caught Fire resulting in loss of, Inventories totaling to Rs.104.13 millions, Building valuing Rs 9.54 millions, Electrical Installation valuing Rs. 2.85 millions ,Machineries totaling to Rs. 22.83 million and Furniture and Fixture valuing to Rs. 3.00 millions.

2 A Insurance claim has been made for the said loss. The Company was then (on the date of Fire) a Partnership Firm and the amount claimed and admitted by the Insurance Company was based on the value of the assets lost by fire, as depreciated. Depreciation claimed then, was under the provisions of Income Tax Act, 1961, as followed by the erstwhile Partnership Firm in its books of accounts. On conversion to a Company from the erstwhile Partnership Firm, the Written Down Value of the assets were recalculated under Schedule II of Companies Act, 2013. The difference between value appearing in the books of accounts of the erstwhile Partnership Firm and recalculated under Schedule II of Companies Act, 2013 has been shown as "**Assets Lost by Fire**" in these Special Purpose Restated Standalone Other Financial Information.

3 Insurance claim receivable on account of the said loss amounting to Rs. 142.39 million is appearing in the Special Purpose Restated Standalone Financial Information under the grouping **"Other Non Current Assets".** (Refer Note 6 of Annexure VI to Special Purpose Restated Standalone Financial Information)

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 1 : Property, Plant & Equipment,Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2015	Additions/ Adjustments	Deductions / Adjustments	As at 31st March 2016	As at 1st April 2015	For the year	Deductions / Adjustments	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	59.05	35.30	55.40	38.96	-	-	-	-	38.96	59.05
2	Freehold Building	157.47	142.45	70.82	229.10	17.23	5.62	1.12	21.73	207.37	140.24
3	Furniture & Fixtures	18.41	14.84	-	33.25	5.39	2.03	-	7.42	25.83	13.02
4	Electrical Installation	39.25	19.82	2.91	56.16	12.01	4.41	0.29	16.14	40.02	27.24
5	Office Equipments	9.81	7.47	0.33	16.94	7.17	1.46	0.32	8.31	8.63	2.64
6	Plant & Equipment	907.29	200.43	2.72	1,105.00	277.83	83.78	0.47	361.14	743.86	629.46
7	Vehicles	43.29	2.59	0.03	45.85	10.57	5.09	0.03	15.63	30.22	32.72
	Total (1 to 7)	**1,234.57**	**422.90**	**132.22**	**1,525.26**	**330.20**	**102.40**	**2.22**	**430.38**	**1,094.88**	**904.37**
B	**Capital Work-in-Progress**	124.48	70.32	194.80	-	-	-	-	-	-	124.48
C	**Intangible Assets**										
1	Patent and Trade Mark	14.14	1.56	-	15.70	3.73	1.31	-	5.05	10.65	10.41
2	Web Designing	0.31	0.32	-	0.63	0.07	0.05	-	0.12	0.51	0.24
	Total (1 to 2)	**14.45**	**1.88**	**-**	**16.34**	**3.80**	**1.37**	**-**	**5.17**	**11.16**	**10.65**
	Grand Total (A+B+C)	**1,373.51**	**495.10**	**327.02**	**1,541.59**	**334.01**	**103.76**	**2.22**	**435.55**	**1,106.05**	**1,039.50**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 1 : Property, Plant & Equipment,Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation					Net Block	
		As at 1st April 2014	Additions/ Adjustments	Deductions / Adjustments	As at 31st March 2015	As at 1st April 2014	For the year	Transition to schedule II	Deductions / Adjustments	As at 31st March 2015	As at 31st March 2015	As at 1st April 2014
A	**Tangible Assets**											
	Property, Plant & Equipment											
1	Freehold Land	34.29	55.40	30.64	59.05	-	-	-	-	-	59.05	34.29
2	Freehold Building	65.11	92.36	-	157.47	14.47	2.52	0.24	-	17.23	140.24	50.65
3	Furniture & Fixtures	13.65	4.76	-	18.41	3.41	1.39	0.59	-	5.39	13.02	10.24
4	Electrical Installation	23.67	15.59	-	39.25	4.72	2.88	4.41	-	12.01	27.24	18.95
5	Office Equipments	8.93	0.87	-	9.81	3.52	1.01	2.64	-	7.17	2.64	5.41
6	Plant & Equipment	728.46	178.83	-	907.29	191.34	68.90	17.59	-	277.83	629.46	537.12
7	Vehicles	36.98	9.96	3.65	43.29	7.15	4.63	1.52	2.73	10.57	32.72	29.83
	Total (1 to 7)	**911.09**	**357.77**	**34.29**	**1,234.57**	**224.61**	**81.33**	**26.99**	**2.73**	**330.20**	**904.37**	**686.49**
B	**Capital Work-in-Progress**	100.68	124.48	100.68	124.48	-	-	-	-	-	124.48	100.68
C	**Intangible Assets**											
1	Patent and Trade Mark	5.20	8.95	-	14.14	2.63	1.10	(0.00)	-	3.73	10.41	2.56
2	Web Designing	0.31	-	-	0.31	0.06	0.03	(0.02)	-	0.07	0.24	0.25
	Total (1 to 2)	**5.51**	**8.95**	**-**	**14.45**	**2.70**	**1.13**	**(0.02)**	**-**	**3.80**	**10.65**	**2.81**
	Grand Total (A+B+C)	**1,017.29**	**491.20**	**134.98**	**1,373.51**	**227.31**	**82.46**	**26.97**	**2.73**	**334.01**	**1,039.50**	**789.98**

Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful life as specified in Schedule-II. Accordingly, the depreciation is calculated on the basis of estimated useful lives of the fixed assets and the difference between the depreciation calculated as per Companies Act, 1956 and 2013 has been adjusted net of tax, in the opening balance of Retained Earning amounting to Rs.17.64 million.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 1 : Property, Plant & Equipment,Capital Work-in -Progress and Intangible Assets

(Rs. in million)

	Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
		As at 1st April 2013	Additions/ Adjustments	Deductions / Adjustments	As at 31st March 2014	As at 1st April 2013	For the year	Deductions / Adjustments	As at 31st March 2014	As at 31st March 2014	As at 1st April 2013
A	**Tangible Assets**										
	Property, Plant & Equipment										
1	Freehold Land	3.65	30.64	-	34.29	-	-	-	-	34.29	3.65
2	Freehold Building	62.54	2.57	-	65.11	12.65	1.82	-	14.47	50.65	49.89
3	Furniture & Fixtures	11.47	2.18	-	13.65	2.61	0.80	-	3.41	10.24	8.86
4	Electrical Installation	22.26	1.41	-	23.67	3.65	1.07	-	4.72	18.95	18.61
5	Office Equipments	7.61	1.32	-	8.93	2.92	0.60	-	3.52	5.41	4.69
6	Plant & Equipment	595.84	133.09	0.47	728.46	139.26	52.13	0.05	191.34	537.12	456.58
7	Vehicles	20.94	17.74	1.71	36.98	5.82	2.49	1.15	7.15	29.83	15.13
	Total (1 to 7)	**724.32**	**188.96**	**2.18**	**911.09**	**166.91**	**58.90**	**1.21**	**224.61**	**686.49**	**557.40**
B	**Capital Work-in-Progress**	62.89	40.11	2.31	100.68	-	-	-	-	100.68	62.89
C	**Intangible Assets**										
1	Patent and Trade Mark	4.64	0.56	-	5.20	2.19	0.44	-	2.63	2.56	2.44
2	Web Designing	0.17	0.14	-	0.31	0.03	0.04	-	0.06	0.25	0.14
	Total (1 to 2)	**4.80**	**0.70**	**-**	**5.51**	**2.22**	**0.48**	**-**	**2.70**	**2.81**	**2.58**
	Grand Total (A+B+C)	**792.01**	**229.77**	**4.49**	**1,017.29**	**169.13**	**59.38**	**1.21**	**227.31**	**789.98**	**622.88**

The Company has availed the Deemed Cost Exemption in relation to the Property, Plant and Equipment on the date of transition and hence the Net Block Carrying amount as on April 01, 2013 has been considered as the Gross Block Carrying amount on that date.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 2 : Non Current Investments					
In Equity Shares of Subsidiary Company carried at cost					
Unquoted, fully paid up					
Flair Distributor Private Limited	1.00	1.00	-	-	-
(1,00,000 Equity shares of Rs. 10/- each, fully paid)					
Total	**1.00**	**1.00**	**-**	**-**	**-**
Aggregate value of Quoted Investments	**-**	**-**	**-**	**-**	**-**
Aggregate value of Unquoted Investments	**1.00**	**1.00**	**-**	**-**	**-**
Category-wise Investments					
Investments carried at cost	1.00	1.00	-	-	-
Investments carried at fair value through Profit and Loss	-	-	-	-	-
Note 3 : Non Current Long Term Loans and Advances					
(Unsecured and considered good, unless stated otherwise)					
Loans to Employees	1.77	0.09	-	-	-
Loans & Advances	-	1.36	4.29	4.89	3.48
Total	**1.77**	**1.45**	**4.29**	**4.89**	**3.48**
Note 4: Other Non Current Financial Assets					
(Unsecured and considered good, unless stated otherwise)					
Security and Other Deposits	12.71	14.86	12.10	8.36	6.67
Fixed Deposit original maturity more than 12 months **#**	0.74	5.38	9.34	11.64	12.53
Total	**13.45**	**20.24**	**21.44**	**20.00**	**19.20**
#Out of the above deposits, Deposits having restrictive use on account of:					
Pledged with Government Authorities	0.26	0.20	0.27	0.10	0.20
Held as security Deposit against Bank Guarantee	0.45	5.16	8.92	11.48	12.29
	0.71	**5.36**	**9.19**	**11.59**	**12.49**

Note 5 : Deferred Tax (Liabilities) / Assets :

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

(Rs in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets / (Liabilities)	102.65	160.62	76.62	50.16	28.03
	102.65	**160.62**	**76.62**	**50.16**	**28.03**

2017-18

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(97.80)	(17.80)	-	-	(115.60)
Provision for Gratuity	6.02	(0.92)	3.33	-	8.43
Expenses Allowed on Payment Basis	8.14	(1.59)	-	-	6.56
Others	108.27	(9.21)	-	-	99.05
	24.63	**(29.52)**	**3.33**	**-**	**(1.56)**
AMT/MAT Credit Receivables	136.00	(31.79)	-	-	104.21
Total	**160.62**	**(61.30)**	**3.33**	**-**	**102.65**

2016-17

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(78.49)	(19.31)	-	-	(97.80)
Provision for Gratuity	7.98	1.79	(3.75)	-	6.02
Expenses Allowed on Payment Basis	4.66	3.48	-	-	8.14
Others	57.76	50.50	-	-	108.27
	(8.08)	**36.47**	**(3.75)**	**-**	**24.63**
AMT/MAT Credit Receivables	84.70	51.30	-	-	136.00
Total	**76.62**	**87.76**	**(3.75)**	**-**	**160.62**

2015-16

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(47.85)	(30.64)	-	-	(78.49)
Provision for Gratuity	6.69	1.48	(0.19)	-	7.98
Expenses Allowed on Payment Basis	3.84	0.82	-	-	4.66
Others	20.12	37.64	-	-	57.76
	(17.20)	**9.30**	**(0.19)**	**-**	**(8.08)**
AMT/MAT Credit Receivables	67.36	17.34	-	-	84.70
Total	**50.16**	**26.65**	**(0.19)**	**-**	**76.62**

2014-15

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(51.45)	(5.73)	-	9.33	(47.85)
Provision for Gratuity	3.73	0.95	2.01	-	6.69
Expenses Allowed on Payment Basis	3.20	0.64	-	-	3.84
Others	10.59	9.53	-	-	20.12
	(33.93)	**5.39**	**2.01**	**9.33**	**(17.20)**
AMT/MAT Credit Receivables	61.96	5.40	-	-	67.36
Total	**28.03**	**10.79**	**2.01**	**9.33**	**50.16**

Note 5 : Deferred Tax (Liabilities) / Assets :

2013-14

Deferred Tax Assets/(Liabilities) in relation to:

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Recognised in Retained Earning	Closing Balance
Property, Plant and Equipment	(56.84)	5.39	-	-	(51.45)
Provision for Gratuity	2.72	0.61	0.41	-	3.73
Expenses Allowed on Payment Basis	2.56	0.64	-	-	3.20
Others	-	10.59	-	-	10.59
	(51.57)	**17.23**	**0.41**	**-**	**(33.93)**
AMT/MAT Credit Receivables	23.98	37.97	-	-	61.96
Total	**(27.58)**	**55.20**	**0.41**	**-**	**28.03**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 6 : Other Non Current Assets					
(unsecured, considered good unless otherwise stated)					
Balances with Statutory Authorities	31.99	87.40	83.68	45.87	30.90
Capital Advances	69.20	40.18	15.21	25.15	10.15
Other Receivable*	142.39	142.38	6.00	5.03	-
Prepaid Expenses	1.40	1.78	17.08	2.83	1.92
Total	**244.99**	**271.75**	**121.97**	**78.88**	**42.97**

* Other Receivable includes Insurance Claim Receivables amounting to Rs. 142.39 million. (Refer Note 1 of Annexure VI Special Purpose Restated Standalone Financial Information)

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 7 : Inventories					
Raw Materials	319.06	255.44	198.04	163.07	154.86
Raw Material - Goods-in-transit	0.25	1.86	12.97	3.16	1.28
Packing Materials & Others	53.97	56.19	33.54	35.40	18.12
Packing Materials - Goods-in-transit	-	-	0.18	-	0.78
Semi-Finished Goods	320.17	226.23	159.96	117.93	59.43
Semi-Finished Goods - Goods-in-transit	-	-	1.53	0.01	0.05
Finished Goods	181.11	195.74	197.07	171.26	106.30
Finished Goods - Goods-in-transit	2.64	-	-	-	-
Stock-in-trade	3.48	14.96	6.19	16.25	4.38
Stock-in-trade - Goods-in-transit	-	4.36	15.82	9.31	0.11
Total	**880.69**	**754.76**	**625.32**	**516.40**	**345.30**

The Inventories has been valued as per Note 3.9 of Significant Accounting Policies.

Inventories are hypothecated to Citi Bank N.A. against Working Capital facility.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 8 : Current Investments					
Investment in Bonds carried at Amortised Cost					
Unquoted					
Rural Electrification Corporation Bonds	-	-	-	-	10.00
Total	**-**	**-**	**-**	**-**	**10.00**
Aggregate value of Unquoted Investments	-	-	-	-	10.00
Category-wise Investments					
Investments carried at Amortised Cost	-	-	-	-	10.00
Investments carried at fair value through Profit and Loss	-	-	-	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 9 : Trade Receivables					
(unsecured and considered good unless stated otherwise)					
- Others	1,138.41	850.81	727.64	654.03	514.69
- Related Parties *	11.96	10.90	61.47	39.19	59.23
Total	**1,150.38**	**861.71**	**789.11**	**693.22**	**573.92**
Refer Note 40 for Ageing of Trade Receivable					
* Refer Note 43 for Related Parties outstanding balance					
Trade receivables are hypothecated to Bank against Working Capital facility					
Note 10 : Cash and Bank Balances					
Cash on Hand	1.92	2.36	1.47	1.51	1.37
Balances with Banks:					
- in Current Accounts	3.78	10.55	13.40	1.95	0.95
- in Cash Credit	5.98	53.98	-	-	6.05
- in EEFC Account	0.06	0.31	0.02	0.03	0.02
- in deposits account with original maturity of less than three months**#**	-	0.26	0.46	0.56	0.74
Total	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**
Note 11 : Bank Balances other than Cash and Cash Equivalents					
Fixed Deposit with original maturity of more than three months but less than twelve months from the reporting date **#**	-	0.13	0.14	0.58	-
Total	**-**	**0.13**	**0.14**	**0.58**	**-**
# Out of the above deposits, deposits having restrictive use on account of:					
held as margin money	-	0.18	0.55	0.29	0.58
pledged with authorities	-	0.08	0.03	0.18	0.06
held as security deposit against bank guarantee	-	0.13	-	0.67	0.10
Total	**-**	**0.39**	**0.57**	**1.13**	**0.74**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on Hand	1.92	2.36	1.47	1.51	1.37
Balances with Banks:					
- in Current Accounts	3.78	10.55	13.40	1.95	0.95
- in Cash Credit Facility	5.98	53.98	-	-	6.05
- in EEFC Accounts	0.06	0.31	0.02	0.03	0.02
- in deposits account with original maturity of less than three months	-	0.26	0.46	0.56	0.74
Total	**11.74**	**67.47**	**15.35**	**4.04**	**9.14**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 12 : Loans					
(unsecured, considered good unless otherwise stated)					
Loans to Employees	7.46	6.51	7.92	3.34	3.18
Loans & Advances					
- Others	1.36	3.28	1.12	-	1.89
- Promoters*	133.58	21.83	-	-	-
- Related Parties*	33.39	-	-	-	-
Total	**175.79**	**31.62**	**9.04**	**3.34**	**5.07**
Note 13: Other Current Financial Assets					
Security and Other Deposits	2.22	-	0.16	-	0.01
Other Receivable#	-	3.79	-	-	-
Interest Accrued on Fixed Deposits	0.13	1.48	2.99	4.52	4.37
Total	**2.35**	**5.26**	**3.15**	**4.52**	**4.38**
#Other Receivable includes Mark to Market Value of Derivatives.					
Note 14 : Other Current Assets					
(unsecured, considered good unless otherwise stated)					
Advances to Suppliers					
- Other	23.78	19.11	22.05	9.23	8.68
- Related Parties *	0.03	1.70	-	-	-
Balances with Statutory Authorities	170.69	96.29	83.67	104.05	81.08
Other Receivable	19.17	12.06	9.73	6.92	3.08
Prepaid Expenses	7.84	23.52	21.04	12.39	4.82
Total	**221.51**	**152.68**	**136.49**	**132.59**	**97.67**

* Refer Note 43 for Related Parties Outstanding balance

Note 15 : Equity Share Capital

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Authorised Share Capital#					
29,20,000 equity Shares of Rs 10/- each	29.20	29.20	29.20	29.20	29.20
	29.20	**29.20**	**29.20**	**29.20**	**29.20**
Issued, Subscribed and Fully Paid up :	29.18	29.00	29.00	29.00	28.30
29,18,400 equity Shares of Rs 10/- each					
	29.18	**29.00**	**29.00**	**29.00**	**28.30**

(Refer Accounting for Amalgamation in Note 2(a) of Annexure V - Basis of preparation and Significant Accounting Policies.

Pursuant to the scheme of Amalgamation as explained in note 47, the authorised share capital of the Company stands increased to Rs. 29.20 million.

a) Reconciliation of Number of Shares outstanding

(Amount - Rs. in million)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares :										
Balance as at the beginning of the year	2,900,000	29.00	2,900,000	29.00	2,900,000	29.00	2,830,000	28.30	2,830,000	28.30
Add: Shares issued during the year	18,400	0.18	-	-	-	-	70,000	0.70	-	-
Less: Shares bought back during the year	-	-	-	-	-	-	-	-	-	-
Balance as at the end of the year	**2,918,400**	**29.18**	**2,900,000**	**29.00**	**2,900,000**	**29.00**	**2,900,000**	**29.00**	**2,830,000**	**28.30**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014	
	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares										
Khubilal J. Rathod	583,680	20%	580,000	20%	580,000	20%	410,000	14.14%	410,000	14.49%
Vimalchand J. Rathod	437,760	15%	435,000	15%	435,000	15%	645,000	22.24%	645,000	22.79%
Rajesh K. Rathod	291,840	10%	290,000	10%	290,000	10%	540,000	18.62%	540,000	19.08%
Mohit K. Rathod	291,840	10%	290,000	10%	290,000	10%	350,000	12.07%	320,000	11.31%
Sumitkumar V. Rathod	291,840	10%	290,000	10%	290,000	10%	360,000	12.41%	360,000	12.72%
Nirmala K. Rathod	291,840	10%	290,000	10%	290,000	10%	220,000	7.59%	220,000	7.77%
Manjula V. Rathod	291,840	10%	290,000	10%	290,000	10%	40,000	1.38%	40,000	1.41%

c) For the period of five years immediately preceding the date as at which the Special Purpose Restated Standalone Financial Information is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) Rights/Preference/Restriction attached to Equity Shares

The Company has only one class of Equity shares having par value of Rs 10. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential allotment in proportion to their shareholding. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (AGM) and in the case of interim dividend, it is ratified by the Shareholders at the AGM..

e) The Company has issued 18,400 Equity Shares of Rs. 10/- each towards Rights Issue to the Existing Shareholders at a price of Rs. 21,745/- per share (including premium of Rs. 21,735/-) aggregating to Rs. 400.11 million.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 16 : Other Equity

(Rs. in million)

Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
i)Reserves and Surplus					
a)Retained Earnings					
Balance at the beginning of the year	1,703.42	1,199.96	673.13	279.10	-
Profit/(Loss) for the year	491.62	503.46	526.83	411.67	279.10
Less: Opening Provision for Depreciation Adjusted (Retained Earnings)	-	-	-	26.97	-
Add: Deferred Tax on the above	-	-	-	9.33	-
Balance at the end of the year	**2,195.03**	**1,703.42**	**1,199.96**	**673.13**	**279.10**
b)Securities Premium					
Balance at the beginning of the year	-	-	-	-	-
Add: Issue of Right Shares	399.92				
Balance at the end of the year	**399.92**	**-**	**-**	**-**	**-**
Total Reserves and Surplus (a+b)	**2,594.96**	**1,703.42**	**1,199.96**	**673.13**	**279.10**
ii) Other items of Other Comprehensive Income					
Balance at the beginning of the year	2.89	(4.21)	(4.57)	(0.80)	-
Re-measurement Gains/(Losses) on Defined Benefit Plans	(7.28)	7.09	0.36	(3.77)	(0.80)
Balance at the end of the year	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**
Balance at the end of the year of other equity (i+ii)	**2,590.56**	**1,706.30**	**1,195.75**	**668.56**	**278.30**

Note 17 : Analysis of accumulated Other Comprehensive Income (OCI), Net of Tax

(Rs. in million)

Items of OCI	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Remeasurement of Defined Benefit Liability (Asset)	(7.28)	7.09	0.36	(3.77)	(0.80)
Remeasurement of Defined Benefit Liability (Asset)					
Opening Balance	2.89	(4.21)	(4.57)	(0.80)	-
Remeasurement of Defined Benefit Liability (Asset)	(7.28)	7.09	0.36	(3.77)	(0.80)
Closing Balance	**(4.39)**	**2.89**	**(4.21)**	**(4.57)**	**(0.80)**

Remeasurement of Defined Benefit Liability (Asset) comprises actuarial gains and losses.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 18 : Non-Current Borrowings					
Secured					
Term Loans					
Rupee Loan from Banks					
Term Loan	140.00	53.33	60.00	-	-
Vehicle Loan	-	1.18	2.29	3.29	4.20
	140.00	54.51	62.29	3.29	4.20
Unsecured					
From Other Parties*					
Loans from Directors	132.05	-	-	-	-
Loans from Related Parties	97.21	-	-	-	-
	229.26	-	-	-	-
Less: Current Maturities of Long-Term Debt (Refer Note 23)	13.33	14.51	7.77	1.01	0.91
Total	**355.93**	**40.00**	**54.51**	**2.29**	**3.29**

*Refer Note 43 for Related Parties outstanding balance.
(Refer Note 40 for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	40.00	11% (Subsidised rate 6%)	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly
Term Loan secured against first exclusive charge on Plant & Machinery and Other Equipments financed out of term loan.	Citi Bank N.A.	Term Loan	INR	100.00	9%	End to End tenor of 5 years with 6 months moratorium. Repayment will be quarterly

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.
There have been no breaches in the financial covenants with respect to the borrowings.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 19 : Other Non-Current Financial Liabilities					
Security and Other Deposits	0.75	0.45	0.45	0.30	0.80
Revenue Received In Advance	55.93	-	-	-	-
Total	**56.68**	**0.45**	**0.45**	**0.30**	**0.80**

(Refer Note 40 of Annexure VI for information on Company's exposure to liquidity risk.)

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 20 : Non-Current Provisions					
Provision For Employee Benefits (Refer Note 38)	25.34	16.00	20.55	16.69	9.97
Total	**25.34**	**16.00**	**20.55**	**16.69**	**9.97**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 21 : Current Borrowings					
Secured - At Amortised Cost					
Working Capital Loans					
From Banks					
Foreign Currency Loans					
Buyers Credit Loan	-	-	-	20.64	23.84
Foreign Bill Purchase	-	6.00	-	-	-
Other - FCNR	-	-	-	30.89	-
Rupee Loans					
Cash Credit	217.75	143.27	58.64	99.38	95.22
Packing Credit	250.00	130.00	-	47.61	12.52
	467.75	**279.27**	**58.64**	**198.52**	**131.58**
Unsecured					
From Other Parties*					
Loans from Promoters	-	41.16	309.19	298.54	307.84
Loans from Directors	33.01	328.50	427.11	373.53	372.50
Loans from Related Parties	24.30	238.75	310.36	456.75	413.27
	57.32	**608.41**	**1,046.66**	**1,128.82**	**1,093.61**
Total	**525.06**	**887.68**	**1,105.30**	**1,327.34**	**1,225.19**

*Refer Note 43 for Related Parties balance.
(Refer Note 40 for information on Company's exposure to interest rate, foreign currency and liquidity risks.)

Working Capital Loans from Banks are secured by hypothecation of all present and future stock, receivables, all present and future movable fixed assets and equitable mortgage on immovable property.

The unsecured loan taken from Directors and related parties is subject to interest @ 9.50% p.a. The same was repayable on demand upto FY 2017-18 and thereafter the same has been rescheduled for payment upto Financial Year ending March 31, 2030.

Nature of Borrowings	Name of Lender	Nature of Borrowing	Loan Currency	Amount outstanding as at March 31, 2018 (INR million)	Rate of Interest	Repayment Term
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	107 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	117 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	100.00	6.40%	82 Days
Packing Credit from Bank	Citi Bank N.A.	Packing Credit	INR	50.00	6.40%	104 Days
Cash Credit from Bank	Citi Bank N.A.	Cash Credit	INR	217.75	9.50%	Revolving 365 days

Pre-payment penalty at the rate of 2% of the sanction amount or principal outstanding whichever is higher.
In case of any Delays/Defaults/Overdues, additional interest @ 4% will be charged over the rate derived above.

(Rs. in million)

Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Note 22 : Trade Payables					
i) Micro, Small and Medium Enterprises	54.59	70.49	38.99	40.92	33.97
ii) Related Parties	20.71	30.10	0.92	0.17	8.13
iii) Others	476.04	409.56	319.89	322.93	245.57
Total	**551.34**	**510.16**	**359.80**	**364.02**	**287.67**

(Refer Note 40 for information on Company's exposure to foreign currency and liquidity risks.)
(Refer Note 43 for Related Parties outstanding balance)

1) Trade payables are non-interest bearing and are normally settled on 90 days terms.

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

(Rs. in million)

Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Principal amount remaining unpaid to suppliers at the end of the period	54.59	70.49	38.99	40.92	33.97
Interest accrued and due to suppliers on the above amount	-	-	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-	-	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-	-	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-	-	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-	-	-	-
Interest accrued and remaining unpaid at the year end.	**-**	**-**	**-**	**-**	**-**
Total	**54.59**	**70.49**	**38.99**	**40.92**	**33.97**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 23 : Other Current Financial Liabilities					
Security and Other Deposits	0.90	18.50	0.07	0.50	-
Current Maturities of Long-Term Debt (Refer Note 18)	13.33	14.51	7.77	1.01	0.91
Other Payables#	71.22	60.59	46.87	40.44	31.09
Total	**85.45**	**93.61**	**54.71**	**41.94**	**32.00**

#Other Payables includes Mark to Market Value of Derivatives.
Refer Note 40 for information on Company's exposure to interest rate, foreign currency and liquidity risks.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 24 : Government Grants					
Opening Balance	6.49	7.42	4.72	-	-
Grants during the year	-	-	3.47	5.03	-
Less: Release to Profit or Loss	0.88	0.93	0.77	0.31	-
Closing Balance	**5.61**	**6.49**	**7.42**	**4.72**	**-**

Government Grant is bifurcated as follows :					
Current	0.83	0.88	0.93	0.77	-
Non-current	4.78	5.61	6.49	3.94	-
	5.61	**6.49**	**7.42**	**4.72**	**-**

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 25 : Other Current Liabilities					
Statutory Remittances	22.84	12.49	10.65	7.79	5.32
Revenue Received In Advance	24.32	43.21	8.60	14.55	8.04
Capital Creditors	19.70	38.41	14.45	20.41	6.05
Total	**66.86**	**94.11**	**33.70**	**42.75**	**19.41**
Note 26 : Current Provisions					
Provision for Employee Benefits (Refer Note 38) #	33.38	32.08	22.25	18.46	13.58
Total	**33.38**	**32.08**	**22.25**	**18.46**	**13.58**

Provision for Employee Benefits includes Leave Entitlement, Gratuity and Bonus on accrual basis.

(Rs. in million)

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Note 27 : Current Tax Liabilities (Net)					
Current Tax Payable	136.82	271.80	198.68	142.44	95.64
Less : Advance Tax	134.65	147.42	173.14	110.40	65.01
Total	**2.17**	**124.38**	**25.55**	**32.04**	**30.63**

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Note 28 : Revenue from Operations					
Operating Income					
Sale of Goods (Including Excise Duty)					
Manufactured					
Domestic	3,761.97	2,657.69	2,249.43	1,741.35	1,401.14
Export	1,028.68	1,276.86	1,306.56	1,303.60	1,015.96
Sale of Services	0.94	0.01	0.15	-	-
Traded					
Domestic	46.69	4.90	30.86	98.28	86.63
Export	114.46	119.85	112.16	120.28	84.63
Other Operating Income					
Sales - Scrap	22.02	24.47	7.66	1.73	12.00
Export Incentive	87.15	138.82	147.91	133.09	94.61
Total	**5,061.93**	**4,222.59**	**3,854.73**	**3,398.34**	**2,694.97**
Note 29 : Other Income					
Interest Income on					
- Bank Deposits	0.02	0.48	0.55	0.69	0.61
- Others	1.81	1.79	1.67	3.36	5.08
Other Non-Operating Income	60.25	39.52	53.57	33.84	5.33
Total	**62.08**	**41.80**	**55.79**	**37.89**	**11.02**
Note 30 : Cost of Materials Consumed					
Opening Stock	313.46	244.74	201.64	175.03	128.66
Add : Purchases	2,488.59	1,843.98	1,469.21	1,524.55	1,156.97
Less : Goods Destroyed by fire	-	104.11	-	3.70	-
Less : Closing Stock	373.28	313.49	244.74	201.64	175.03
Total	**2,428.77**	**1,671.12**	**1,426.11**	**1,494.25**	**1,110.59**
Note 31 : Purchase of Stock-in-Trade					
Purchase of Stock-in-Trade	262.68	482.51	641.25	522.49	454.39
Total	**262.68**	**482.51**	**641.25**	**522.49**	**454.39**
Note 32 : Changes in Inventories					
Opening Stock					
Semi - Finished Goods	226.23	161.49	117.94	59.48	64.71
Finished Goods	194.45	196.13	170.53	105.79	73.24
Stock-in-Trade	13.44	22.02	25.56	4.49	3.08
	434.12	**379.64**	**314.03**	**169.76**	**141.03**
Closing Stock					
Semi - Finished Goods	320.17	226.23	161.49	117.94	59.48
Finished Goods	183.76	194.45	196.13	170.53	105.79
Stock-in-Trade	3.48	19.31	22.02	25.56	4.49
	507.41	**439.99**	**379.64**	**314.03**	**169.76**
(Increase)/ Decrease in Inventories	**(73.29)**	**(60.36)**	**(65.60)**	**(144.27)**	**(28.74)**
Note 33 : Employee Benefits Expenses					
Salaries, Wages and Bonus *	674.50	449.05	343.76	294.76	251.25
Contribution to Provident and Other Funds (Refer note : 38)	45.98	39.46	29.77	21.07	16.12
Leave Salary	8.91	7.43	6.44	4.96	3.30
Staff Welfare Expenses	11.66	15.33	18.46	16.97	15.67
Total	**741.04**	**511.28**	**398.44**	**337.76**	**286.33**
* Refer Note 43 for Payments to Key Managerial Personnel.					
Note 34 : Finance Costs					
Interest on Loans from Banks	34.92	11.22	6.56	10.39	5.23
Interest (Others)*	129.86	76.16	100.27	93.78	88.84
Other Borrowing Cost	7.41	7.21	4.34	2.87	3.13
Total	**172.19**	**94.59**	**111.17**	**107.04**	**97.20**

* Refer Note 43 for Interest paid to Related Parties

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Note 35 : Depreciation/ Amortisation Expense					
Depreciation /Amortisation Expense	152.49	119.19	103.76	82.46	59.38
Total	**152.49**	**119.19**	**103.76**	**82.46**	**59.38**
Note 36 : Other Expenses					
Manufacturing Expenses					
Consumable Expenses	25.98	25.34	23.99	24.17	17.08
Electric Power, Fuel and Water	92.95	83.20	75.82	68.96	64.88
(Decrease) / Increase in excise duty on Closing Stock of Finished Goods	1.28	(0.34)	(0.21)	(0.23)	(0.32)
Factory Rent	14.88	14.91	8.94	7.70	6.68
Freight Inward	16.59	25.70	27.25	19.67	12.98
Job Work and Other Related Expenditure	188.10	178.29	156.99	96.33	65.80
Loading and Unloading Expenses	2.60	4.14	2.87	3.02	2.09
Machine and Mould Maintenance	41.54	29.48	28.36	31.93	24.26
Other Factory Expenses	12.86	9.66	9.42	5.26	3.83
	396.76	**370.37**	**333.41**	**256.82**	**197.28**
Establishment Expenses					
Charity Expenses	0.25	1.88	0.26	1.18	0.21
Electricity Charges	4.72	1.78	0.87	0.77	0.45
Insurance Expenses	9.50	3.59	2.68	2.14	2.34
Legal and Professional Fees	12.68	5.48	6.93	2.90	2.80
Legal Expenses	0.34	0.12	0.25	0.11	0.14
Postage and Courier	1.27	1.18	0.93	0.75	0.95
Printing and Stationery	3.37	3.39	2.94	2.91	2.40
Rent	4.53	3.73	1.95	1.60	0.38
Miscellaneous Expenses	0.97	0.53	2.03	0.81	0.11
Office and General Expenses	6.94	1.38	0.86	1.91	0.48
Repairs and Maintenance					
Computer	2.09	1.59	2.35	1.37	0.78
Others	8.70	7.98	7.44	5.24	4.66
Vehicles	4.90	4.64	3.53	2.88	2.03
Telephone and Communication Charges	3.30	2.25	1.82	1.73	1.60
Travelling and Conveyance	19.11	13.60	11.40	13.18	12.89
Merger Expenses	0.86	-	-	-	-
Inventory/Assets lost by fire	-	16.04	-	1.57	-
Share Issue Expenditure	0.53	-	-	-	-
Payment to Auditors (Refer Note 36.1)	6.44	5.52	3.89	3.69	3.08
	90.48	**74.69**	**50.12**	**44.72**	**35.31**
Selling and Distribution Expenses					
Advertisement Expenses	34.36	63.92	27.70	27.23	37.33
Sales Promotion and Marketing Expenses	29.36	38.04	23.15	24.87	26.09
Commission and Brokerage	10.94	14.36	9.35	10.83	5.03
Marketing Expenses	65.21	42.64	25.42	21.00	16.32
Freight, Clearing and Forwarding Charges	32.14	49.37	47.62	42.04	31.70
Freight Outward	74.44	61.97	47.27	41.10	35.55
Service Tax Expenses	2.23	3.28	2.17	1.13	0.79
Export Expenses	6.55	7.13	5.46	4.48	3.86
	255.23	**280.71**	**188.14**	**172.67**	**156.66**
Total	**742.47**	**725.76**	**571.67**	**474.21**	**389.25**

Refer Note 43 for Related Party Transactions

Note 36.1 : Payment to Auditors

(Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
As Auditors					
- Statutory Audit	4.50	4.86	3.69	3.50	2.75
- Tax Audit	1.93	0.67	0.20	0.20	0.33
Total	**6.44**	**5.52**	**3.89**	**3.69**	**3.08**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 37 : Earnings Per Share (EPS)

As per Indian Accounting Standard 33 "Earnings Per Share", the disclosures as defined are given below :

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Face Value per Equity Share (Rs)	10.00	10.00	10.00	10.00	10.00
Basic Earnings per Share (Rs)	169.16	173.61	181.66	141.96	98.62
Net Profit after Tax as per Special Purpose Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	491.62	503.46	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Diluted Earnings per Share (Rs)	169.16	173.61	181.66	141.96	98.62
Net Profit after Tax as per Special Purpose Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	491.62	503.46	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Reconciliation of Weighted Average Number of Shares outstanding					
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
Total Weighted Average Potential Equity Shares	-	-	-	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Face Value per Equity Share (Rs)	10.00	10.00	10.00	10.00	10.00
Basic Earnings per Share (Rs)	21.07	21.58	22.58	17.65	12.00
Net Profit after Tax as per Special Purpose Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	491.62	503.46	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Diluted Earnings per Share (Rs)	21.07	21.58	22.58	17.65	12.00
Net Profit after Tax as per Special Purpose Restated Standalone Statement of Profit and Loss attributable to Equity Shareholders (Rs in million).	491.62	503.46	526.83	411.67	279.10
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Reconciliation of Weighted Average Number of Shares outstanding					
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
Total Weighted Average Potential Equity Shares	-	-	-	-	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800

Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Special Purpose Restated Standalone Other Financial Information.

Note 38 : 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 has been recognized as an Expense in Special Purpose Restated Standalone Statement of Profit and Loss on account of Provident Fund and Other Funds.

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Employer's Contribution to Provident Fund	14.93	11.14	8.06	6.44	5.01
Employer's Contribution to Employee State Insurance Scheme	3.71	2.31	1.72	1.27	1.38
Employer's Contribution to Pension Scheme	21.98	17.12	13.34	10.26	7.66

(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, an 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 his/her retirement age. Every Employee who has completed five years or more of service gets Gratuity on departure/exit @ 15 days Salary (last drawn Salary) for each completed year of service, in accordance with provision of the Payment of Gratuity Act, 1972.

The following table summaries the components of net benefit expense recognised in Special Purpose Restated Statement of Profit and Loss and the unfunded status and amounts recognised in the Balance Sheet for the Gratuity plan.

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Defined Benefit Obligation at the beginning of the year	17.40	23.07	19.34	10.98	7.99
Add: Current Service Cost	3.01	3.48	2.88	1.64	1.16
Interest Cost	0.32	-	-	-	-
Past Service Cost	1.17	1.70	1.40	0.94	0.62
Remeasurement during the period due to :					
Actuarial loss / (gain) arising from change in financial assumptions	(1.04)	1.01	(0.11)	2.06	(1.01)
Actuarial loss / (gain) arising on account of experience changes	11.65	(11.86)	(0.44)	3.72	2.22
Benefits paid	3.54	-	-	-	-
Defined Benefit Obligation at end of the year	**28.96**	**17.40**	**23.07**	**19.34**	**10.98**

Net Liability is bifurcated as follows :					
Current	3.62	1.40	2.52	2.65	1.01
Non-current	25.34	16.00	20.55	16.69	9.97
Net Liability	**28.96**	**17.40**	**23.07**	**19.34**	**10.98**

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

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-
Add: Current Service Cost	-	-	-	-	-
Interest Cost	-	-	-	-	-
Remeasurement during the period due to :	-	-	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-	-	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-	-	-	-
	-	-	-	-	-
Benefits paid	-	-	-	-	-
Fair Value of Plan Asset end of the year	**-**	**-**	**-**	**-**	**-**

III) Reconciliation of Fair Value of Assets and Obligations

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Fair Value of Plan Assets	-	-	-	-	-
Present Value of Obligation	28.96	17.40	23.07	19.34	10.98
Amount Recognised in Balance Sheet Surplus/(Deficit)	**(28.96)**	**(17.40)**	**(23.07)**	**(19.34)**	**(10.98)**

IV) Expenses recognised during the year

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
In Income Statement					
Current Service Cost	3.01	3.48	2.88	1.64	1.16
Interest Cost	0.32	-	-	-	-
Return on Plan Assets	-	-	-	-	-
Actuarial (Gain)/Loss	1.17	1.70	1.40	0.94	0.62
Net Cost	**4.50**	**5.18**	**4.28**	**2.58**	**1.78**

Note 38 : Gratuity and Other Post Employment Benefit Plans

In Other Comprehensive Income					
Actuarial (Gain)/Loss	10.61	(10.85)	(0.55)	5.78	1.21
Return on Plan Assets	-	-	-	-	-
Net(Income)/Expenses for the year recognised in Other Comprehensive Income	**10.61**	**(10.85)**	**(0.55)**	**5.78**	**1.21**

V) Investments details

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Government Securities	-	-	-	-	-
Public Securities	-	-	-	-	-
Others	-	-	-	-	-

VI) Actuarial Assumptions

Mortality Table (Indian Assured Lives Mortality)	31-Mar-2018 (Ultimate)	31-Mar-2017 (Ultimate)	31-Mar-2016 (Ultimate)	31-Mar-2015 (Ultimate)	31-Mar-2014 (Ultimate)
Discount Rate (p.a.)	7.55%	7.20%	7.80%	7.75%	9.00%
Expected Rate of Return on Plan Assets (p.a.)	0.00%	0.00%	0.00%	0.00%	0.00%
Salary Escalation (p.a.)	4.50%	4.50%	4.50%	4.50%	4.50%

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 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.

The Gratuity liabilities of the Company are unfunded and hence there are no Assets held to meet the Liabilities.

VII) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are Discount Trade, expected Salary Increase and Employee Turnover. The Sensitivity Analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

Indian Gratuity Plan:

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Changes in Discount rate					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact of Increase in 50 dps on Defined Benefit Obligation	(29.75)	(16.55)	(21.98)	(18.47)	(10.52)
Impact of Decrease in 50 dps on Defined Benefit Obligation	32.86	18.32	24.24	20.29	11.46
Changes in rate of salary increase					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact of Increase in 50 dps on Defined Benefit Obligation	32.83	18.27	24.12	20.20	11.45
Impact of Decrease in 50 dps on Defined Benefit Obligation	(29.75)	(16.61)	(22.04)	(18.50)	(10.53)

VIII) These plans typically expose the Company to actuarial risks such as: Investment Risk, Actuarial Risk, Salary Risk, Market Risk and Legislative Risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government Bonds.

Actuarial Risk:
It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates and variability in withdrawal rates.

Salary Risk :
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Market Risk:
Market risk is the collective term for the risks that are related to the changes and fluctuations of the financial market. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.

Legislative Risk:
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. This will affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

IX) The following payments are expected contributions to the Defined Benefit Plan in future years

(Rs. in million)

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Within the next 12 months (next annual reporting period)	3.23	1.40	2.52	2.65	1.01
Between 2 and 5 years	6.82	4.51	5.88	5.11	4.29
Beyond 10 years	11.72	6.66	9.19	6.59	3.69
Total expected payments	**21.77**	**12.57**	**17.59**	**14.35**	**8.99**
The weighted average duration of the Defined Benefit Plan Obligation at the end of the reporting period	11.36 Years	11.13 Years	11.29 Years	10.73 Years	10.09 Years

Note 39 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2018 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	1.00	1.00	-	-	1.00	1.00
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	1,150.38	1,150.38	-	-	1,150.38	1,150.38
Cash and Cash Equivalents	-	-	11.74	11.74	-	-	11.74	11.74
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	177.56	177.56	-	-	177.56	177.56
Other Financial Assets	-	-	15.80	15.80	-	-	15.80	15.80
Total Financial Assets	**-**	**-**	**1,356.47**	**1,356.47**	**-**	**-**	**1,356.47**	**1,356.47**
Financial Liabilities								
Non-Current Borrowings	-	-	355.93	355.93	-	-	355.93	355.93
Current Borrowings	-	-	525.06	525.06	-	-	525.06	525.06
Trade Payables	-	-	551.34	551.34	-	-	551.34	551.34
Other Financial Liabilities	-	-	142.13	142.13	-	-	142.13	142.13
Total Financial Liabilities	**-**	**-**	**1,574.46**	**1,574.46**	**-**	**-**	**1,574.46**	**1,574.46**

As at March 31, 2017 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	1.00	1.00	-	-	1.00	1.00
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	861.71	861.71	-	-	861.71	861.71
Cash and Cash Equivalents	-	-	67.47	67.47	-	-	67.47	67.47
Other Bank Balances	-	-	0.13	0.13	-	-	0.13	0.13
Loans	-	-	33.08	33.08	-	-	33.08	33.08
Other Financial Assets	-	-	25.51	25.51	-	-	25.51	25.51
Total Financial Assets	**-**	**-**	**988.90**	**988.90**	**-**	**-**	**988.90**	**988.90**
Financial Liabilities								
Non-Current Borrowings	-	-	40.00	40.00	-	-	40.00	40.00
Current Borrowings	-	-	887.68	887.68	-	-	887.68	887.68
Trade Payables	-	-	510.16	510.16	-	-	510.16	510.16
Other Financial Liabilities	-	-	94.06	94.06	-	-	94.06	94.06
Total Financial Liabilities	**-**	**-**	**1,531.90**	**1,531.90**	**-**	**-**	**1,531.90**	**1,531.90**

As at March 31, 2016 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	789.11	789.11	-	-	789.11	789.11
Cash and Cash Equivalents	-	-	15.35	15.35	-	-	15.35	15.35
Other Bank Balances	-	-	0.14	0.14	-	-	0.14	0.14
Loans	-	-	13.33	13.33	-	-	13.33	13.33
Other Financial Assets	-	-	24.59	24.59	-	-	24.59	24.59
Total Financial Assets	**-**	**-**	**842.52**	**842.52**	**-**	**-**	**842.52**	**842.52**
Financial Liabilities								
Non-Current Borrowings	-	-	54.51	54.51	-	-	54.51	54.51
Current Borrowings	-	-	1,105.30	1,105.30	-	-	1,105.30	1,105.30
Trade Payables	-	-	359.80	359.80	-	-	359.80	359.80
Other Financial Liabilities	-	-	55.16	55.16	-	-	55.16	55.16
Total Financial Liabilities	**-**	**-**	**1,574.77**	**1,574.77**	**-**	**-**	**1,574.77**	**1,574.77**

Note 39 : Financial Instruments

Fair Value Measurement Hierarchy

As at March 31, 2015 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	-	-	-	-	-	-
Trade Receivables	-	-	693.22	693.22	-	-	693.22	693.22
Cash and Cash Equivalents	-	-	4.04	4.04	-	-	4.04	4.04
Other Bank Balances	-	-	0.58	0.58	-	-	0.58	0.58
Loans	-	-	8.23	8.23	-	-	8.23	8.23
Other Financial Assets	-	-	24.51	24.51	-	-	24.51	24.51
Total Financial Assets	**-**	**-**	**730.58**	**730.58**	**-**	**-**	**730.58**	**730.58**
Financial Liabilities								
Non-Current Borrowings	-	-	2.29	2.29	-	-	2.29	2.29
Current Borrowings	-	-	1,327.34	1,327.34	-	-	1,327.34	1,327.34
Trade Payables	-	-	364.02	364.02	-	-	364.02	364.02
Other Financial Liabilities	-	-	42.24	42.24	-	-	42.24	42.24
Total Financial Liabilities	**-**	**-**	**1,735.89**	**1,735.89**	**-**	**-**	**1,735.89**	**1,735.89**

As at March 31, 2014 **(Rs. in million)**

Particulars	Carrying amount				Fair Value Measurement Hierarchy			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Shares	-	-	-	-	-	-	-	-
Investments in Bonds	-	-	10.00	10.00	-	-	10.00	10.00
Trade Receivables	-	-	573.92	573.92	-	-	573.92	573.92
Cash and Cash Equivalents	-	-	9.14	9.14	-	-	9.14	9.14
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	8.56	8.56	-	-	8.56	8.56
Other Financial Assets	-	-	23.58	23.58	-	-	23.58	23.58
Total Financial Assets	**-**	**-**	**625.19**	**625.19**	**-**	**-**	**625.19**	**625.19**
Financial Liabilities								
Non-Current Borrowings	-	-	3.29	3.29	-	-	3.29	3.29
Current Borrowings	-	-	1,225.19	1,225.19	-	-	1,225.19	1,225.19
Trade Payables	-	-	287.67	287.67	-	-	287.67	287.67
Other Financial Liabilities	-	-	32.80	32.80	-	-	32.80	32.80
Total Financial Liabilities	**-**	**-**	**1,548.94**	**1,548.94**	**-**	**-**	**1,548.94**	**1,548.94**

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

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

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

Level 3: Inputs based on unobservable market data.

Valuation Methodology :

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

a) Fair valuation of Financial Assets and Liabilities with short-term maturities is considered as approximate to respective carrying amount due to the Short Term maturities of these Instrument.

b) The fair value is determined by using the valuation model/technique with observable inputs and assumptions.

c) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates and yield curves at the balance sheet date.

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

e) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Note 40 : Financial Risk Management

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

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

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

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

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

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

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

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

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

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

Ageing of Trade Receivables are as follows:

Due from the date of Invoice	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
0-3 months	1,014.38	791.25	695.43	660.71	549.08
3-6 months	3.86	60.76	75.72	29.59	15.20
6 months to 12 months	123.58	7.64	17.18	2.38	9.13
beyond 12 months	8.56	2.06	0.77	0.55	0.52
Total	**1,150.38**	**861.71**	**789.11**	**693.22**	**573.92**

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.

As of March 31, 2018, 2017, 2016, 2015 and 2014, the Company had unutilized credit limits from banks of Rs.132.25 million, Rs.120.73 million, Rs.341.36 million, 201.48 million and 268.42 million respectively
The Current Ratio of the Company as at March 31, 2018 is 1.93 times (as at March 31, 2017, 2016, 2015 and 2014 is 1.08 times, 0.99 times, 0.74 times and 0.65 times respectively) whereas the Liquid Ratio of the Company as at March 31, 2018 is 1.09 times (as at March 31, 2017, 2016, 2015 and 2014 is 0.57 times, 0.52 times, 0.40 times and 0.38 times respectively).

Exposure to liquidity risk
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:

(Rs. in million)

PARTICULARS	As at March 31,2018					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	491.12	33.95	228.93	127.00	-	880.99
Trade payables	551.34	-	-	-	-	551.34
Other financial liabilities	70.17	14.23	56.68	-	-	141.08
	1,112.63	**48.18**	**285.61**	**127.00**	**-**	**1,573.41**
Derivative Liabilities	1.05	-	-	-	-	1.05
TOTAL	**1,113.68**	**48.18**	**285.61**	**127.00**	**-**	**1,574.46**

Note 40 : Financial Risk Management

(Rs. in million)

PARTICULARS	As at March 31,2017					
	0-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	416.22	471.47	26.67	13.33	-	927.68
Trade payables	510.16	-	-	-	-	510.16
Other financial liabilities	60.60	33.01	0.45	-		94.06
	986.97	**504.48**	**27.12**	**13.33**	**-**	**1,531.90**
Derivative Liabilities	-	-	-	-	-	-
TOTAL	**986.97**	**504.48**	**27.12**	**13.33**	**-**	**1,531.90**

(Rs. in million)

PARTICULARS	As at March 31,2016					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	213.82	891.48	34.51	20.00	-	1,159.81
Trade payables	359.80	-	-	-	-	359.80
Other financial liabilities	45.61	7.84	0.45	-		53.90
	619.23	**899.32**	**34.96**	**20.00**	**-**	**1,573.51**
Derivative Liabilities	1.26	-	-	-	-	1.26
TOTAL	**620.49**	**899.32**	**34.96**	**20.00**	**-**	**1,574.77**

(Rs. in million)

PARTICULARS	As at March 31,2015					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	427.90	899.45	2.29	-	-	1,329.63
Trade payables	364.02	-	-	-	-	364.02
Other financial liabilities	38.17	1.50	0.30	-		39.97
	830.09	**900.95**	**2.59**	**-**	**-**	**1,733.62**
Derivative Liabilities	2.27	-	-	-	-	2.27
TOTAL	**832.36**	**900.95**	**2.59**	**-**	**-**	**1,735.89**

(Rs. in million)

PARTICULARS	As at March 31,2014					
	3-6 Months	6-12 Months	1-3 years	3-5 Years	Above 5 Years	TOTAL
Non-derivative financial liabilities						
Borrowings	339.12	886.07	3.29	-	-	1,228.48
Trade payables	287.67	-	-	-	-	287.67
Other financial liabilities	28.44	0.91	0.80	-		30.15
	655.23	**886.98**	**4.09**	**-**	**-**	**1,546.30**
Derivative Liabilities	2.65	-	-	-	-	2.65
TOTAL	**657.88**	**886.98**	**4.09**	**-**	**-**	**1,548.94**

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	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
Borrowings					
Loan from Banks	594.41	319.27	113.15	200.81	134.87
Unsecured Loan from Directors & their relatives	286.58	608.41	1,046.66	1,128.82	1,093.61
Total	**880.99**	**927.68**	**1,159.81**	**1,329.63**	**1,228.48**

Note 40 : Financial Risk Management

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

Particulars	31-Mar-2018	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014
1% Change in increase in Interest Rate	1.65	0.87	1.07	1.04	0.94
1% Change in decrease in Interest Rate	(1.65)	(0.87)	(1.07)	(1.04)	(0.94)

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

iv) Market Risk- Currency Risk

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

Exposure to Currency Risk

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

(Rs. in million)

As at 31 March 2018	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	319.70	19.92	1.33	-
Other Assets	36.18	32.23	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	41.28	31.82	0.17	4.90
Other Liabilities	25.36	-	-	-
Net Exposure	**289.24**	**20.33**	**1.16**	**(4.90)**

(Rs. in million)

As at 31 March 2017	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	285.20	12.00	1.16	-
Other Assets	29.24	0.07	-	0.30
Financial Liabilities				
Borrowings				
Trade Payables	47.96	19.72	0.18	-
Other Liabilities	10.57	-	-	-
Net Exposure	**255.90**	**(7.65)**	**0.98**	**0.30**

(Rs. in million)

As at 31 March 2016	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	159.30	8.46	2.02	-
Other Assets	24.95	2.95	-	0.62
Financial Liabilities				
Borrowings				
Trade Payables	50.27	21.58	0.26	2.24
Other Liabilities	6.98	0.30	0.38	-
Net Exposure	**127.00**	**(10.47)**	**1.38**	**(1.62)**

(Rs. in million)

As at 31 March 2015	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	302.74	11.62	0.43	-
Other Assets	23.25	0.44	-	0.11
Financial Liabilities				
Borrowings				
Trade Payables	76.54	5.18	-	1.57
Other Liabilities	13.28	0.07	0.55	-
Net Exposure	**236.16**	**6.81**	**(0.12)**	**(1.46)**

Note 40 : Financial Risk Management

(Rs. in million)

As at 31 March 2014	USD	EURO	GBP	JPY
Financial Assets				
Trade Receivables	242.10	13.76	0.90	-
Other Assets	12.26	0.24	-	-
Financial Liabilities				
Borrowings				
Trade Payables	42.93	2.19	-	1.61
Other Liabilities	7.69	0.03	0.22	-
Net Exposure	**203.73**	**11.78**	**0.67**	**(1.61)**

Sensitivity analysis

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

As at 31 March 2018

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR	2.89	0.20	0.01	(0.05)
Impact on Profit & Loss				
Total	**2.89**	**0.20**	**0.01**	**(0.05)**
1% appreciation in INR	(2.89)	(0.20)	(0.01)	0.05
Impact on Profit & Loss				
Total	**(2.89)**	**(0.20)**	**(0.01)**	**0.05**

As at March 31, 2017

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR	2.56	(0.08)	0.01	0.00
Impact on Profit & Loss				
Total	**2.56**	**(0.08)**	**0.01**	**0.00**
1% appreciation in INR	(2.56)	0.08	(0.01)	(0.00)
Impact on Profit & Loss				
Total	**(2.56)**	**0.08**	**(0.01)**	**(0.00)**

As at March 31, 2016

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	1.27	(0.10)	0.01	(0.02)
Total	**1.27**	**(0.10)**	**0.01**	**(0.02)**
1% appreciation in INR				
Impact on Profit & Loss	(1.27)	0.10	(0.01)	0.02
Total	**(1.27)**	**0.10**	**(0.01)**	**0.02**

As at March 31, 2015

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.36	0.07	(0.00)	(0.01)
Total	**2.36**	**0.07**	**(0.00)**	**(0.01)**
1% appreciation in INR				
Impact on Profit & Loss	(2.36)	(0.07)	0.00	0.01
Total	**(2.36)**	**(0.07)**	**0.00**	**0.01**

Note 40 : Financial Risk Management
As at March 31, 2014

Particulars	USD	EURO	GBP	JPY
1% depreciation in INR				
Impact on Profit & Loss	2.04	0.12	0.01	(0.02)
Total	**2.04**	**0.12**	**0.01**	**(0.02)**
1% appreciation in INR				
Impact on Profit & Loss	(2.04)	(0.12)	(0.01)	0.02
Total	**(2.04)**	**(0.12)**	**(0.01)**	**0.02**

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

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)

Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 41: Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31, 2018

(Rs. In million)

Particulars	As at April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2018
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	6.02	(0.92)	3.33	-	8.43
Expenses allowable on payment basis	8.14	(1.59)	-	-	6.56
Others	112.05	(13.00)	-	-	99.05
					-
Deferred Tax Assets (A)	126.22	(15.50)	3.33	-	114.05
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(97.80)	(17.80)	-	-	(115.60)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Others	(3.79)	3.79	-	-	-
Deferred Tax Liabilities (B)	(101.59)	(14.02)	-	-	(115.60)
Net Deferred Tax Asset/ (Liabilities) (A+B)	**24.63**	**(29.52)**	**3.33**	**-**	**(1.56)**
AMT/MAT Credit Receivables*	136.00	(31.79)	-	-	104.21
Net Deferred Tax Asset/ (Liabilities)	**160.62**	**(61.30)**	**3.33**	**-**	**102.65**

Movement in Deferred Tax balances for the year ended March 31, 2017

(Rs. In million)

Particulars	As at April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2017
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	7.98	1.79	(3.75)	-	6.02
Expenses allowable on payment basis	4.66	3.48	-	-	8.14
Others	59.52	52.53	-	-	112.05
Deferred Tax Assets (A)	72.17	57.80	(3.75)	-	126.22
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(78.49)	(19.31)	-	-	(97.80)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Others	(1.76)	(2.03)	-	-	(3.79)
Deferred Tax Liabilities (B)	(80.25)	(21.33)	-	-	(101.59)
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(8.08)**	**36.47**	**(3.75)**	**-**	**24.63**
AMT/MAT Credit Receivables*	84.70	51.30	-	-	136.00
Net Deferred Tax Asset/ (Liabilities)	**76.62**	**87.76**	**(3.75)**	**-**	**160.62**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 41: Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31, 2016

(Rs. In million)

Particulars	As at April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2016
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	6.69	1.48	(0.19)	-	7.98
Expenses allowable on payment basis	3.84	0.82	-	-	4.66
Others	20.19	39.34	-	-	59.52
					-
Deferred Tax Assets (A)	30.72	41.64	(0.19)	-	72.17
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(47.85)	(30.64)	-	-	(78.49)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Others	(0.07)	(1.69)	-	-	(1.76)
Deferred Tax Liabilities (B)	(47.92)	(32.34)	-	-	(80.25)
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(17.20)**	**9.30**	**(0.19)**	**-**	**(8.08)**
AMT/MAT Credit Receivables*	67.36	17.34	-	-	84.70
Net Deferred Tax Asset/ (Liabilities)	**50.16**	**26.65**	**(0.19)**	**-**	**76.62**

Movement in Deferred Tax balances for the year ended March 31, 2015

(Rs. In million)

Particulars	As at April 1, 2014	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2015
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	-	-	-	-	-
Provision for Gratuity	3.73	0.95	2.01	-	6.69
Expenses allowable on payment basis	3.20	0.64		-	3.84
Others	13.56	6.63	-	-	20.19
					-
Deferred Tax Assets (A)	20.49	8.22	2.01	-	30.72
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(51.45)	(5.73)	-	9.33	(47.85)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Others	(2.97)	2.90	-	-	(0.07)
Deferred Tax Liabilities (B)	(54.42)	(2.83)	-	9.33	(47.92)
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(33.93)**	**5.39**	**2.01**	**9.33**	**(17.20)**
AMT/MAT Credit Receivables*	61.96	5.40	-	-	67.36
Net Deferred Tax Asset/ (Liabilities)	**28.03**	**10.79**	**2.01**	**9.33**	**50.16**

Note 41: Movement in Deferred Tax

Movement in Deferred Tax balances for the year ended March 31, 2014

(Rs. In million)

Particulars	As at April 1, 2013	Recognised in profit or loss	Recognised in OCI	Recognised in Equity	As at March 31, 2014
Deferred Tax Assets (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets					-
Provision for Gratuity	2.72	0.61	0.41	-	3.73
Expenses allowable on payment basis	2.56	0.64	-	-	3.20
Others	-	13.56	-	-	13.56
Deferred Tax Assets (A)	5.27	14.81	0.41	-	20.49
Deferred Tax Liabilities (Net) in relation to :					
Property, Plant and Equipment and other Intangibles Assets	(56.84)	5.39	-	-	(51.45)
Provision for Gratuity	-	-	-	-	-
Expenses allowable on payment basis	-	-	-	-	-
Others	-	(2.97)	-	-	(2.97)
Deferred Tax Liabilities (B)	(56.84)	2.42	-	-	(54.42)
Net Deferred Tax Asset/ (Liabilities) (A+B)	**(51.57)**	**17.23**	**0.41**	**-**	**(33.93)**
AMT/MAT Credit Receivables*	23.98	37.97	-	-	61.96
Net Deferred Tax Asset/ (Liabilities)	**(27.58)**	**55.20**	**0.41**	**-**	**28.03**

* The above movement in Unused Tax credit includes adjustment of MAT/AMT i.e. net of created and utilised. MAT/AMT utilised of Rs. 31.79 million, Rs. 0.45 million, Rs. 9.51 million and Rs. 10.21 million for the years ended March 31, 2018, 2017, 2016 and 2015 respectively is not reflected in Restated Statement of Profit and Loss.

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

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

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

Note 42 : Income Tax Expense

(a) Amounts recognised in Profit and Loss (Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Current Tax	168.61	272.25	206.56	151.59	95.37
Deferred Income Tax Liability / (Asset), Net					
Origination and reversal of temporary differences	29.52	(36.47)	(9.30)	(5.39)	(17.23)
Deferred Tax charge/ (credit)	29.52	(36.47)	(9.30)	(5.39)	(17.23)
Less: AMT-MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
Tax expense	**198.13**	**184.04**	**170.41**	**130.59**	**40.17**

(b) Amounts recognised in Other Comprehensive Income (Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Re-measurement on Defined Benefit Liability					
Before Tax	(10.61)	10.85	0.55	(5.78)	(1.21)
Tax (expense)/ benefit	3.33	(3.75)	(0.19)	2.01	0.41
Net of tax	**(7.28)**	**7.09**	**0.36**	**(3.77)**	**(0.80)**

(c) Reconciliation of Effective Income Tax Rate (Rs. in million)

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Profit before Tax	689.74	687.50	697.23	542.26	319.27
Company's Domestic Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%
Income Tax using the Company's tax rate	238.71	237.93	241.30	184.31	108.52
Tax effect of:					
Permanent disallowances	(0.54)	(0.69)	(0.89)	(1.09)	(0.13)
Tax on exempted income	(43.38)	(49.45)	(69.81)	(54.65)	(68.63)
Adjustments in respect of current income tax of previous years	-	-	-	-	-
Income Tax related to items that will not be reclassified to profit or loss	3.33	(3.75)	(0.19)	2.01	0.41
Total	**198.13**	**184.04**	**170.41**	**130.59**	**40.17**
Income Tax expense as per Restated Standalone Statement of Profit and Loss					
Current Tax	168.61	272.25	206.56	151.59	95.37
Deferred Tax	29.52	(36.47)	(9.30)	(5.39)	(17.23)
AMT/MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
Total	**198.13**	**184.04**	**170.41**	**130.59**	**40.17**

Note 43 : Related Party Disclosure

As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosures as defined are given below :

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

	Nature of Relationship	Name of Related Party
(i)	Subsidiary Company	Flair Distributor Private Limited

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

	Nature of Relationship	Name of Related Party
(i)	**Key Managerial Personnel (KMP)**	Khubilal Rathod Vimalchand Rathod Mohit Rathod Rajesh Rathod Sumit Rathod Mayur Gala
(ii)	**Relatives of Key Managerial Personnel**	Nirmala Rathod Manjula Rathod Sangeeta Rathod Shalini Rathod Sonal Rathod Keimaya Rathod Sunita Jain Khubilal Rathod (HUF) Vimalchand Rathod (HUF) Jayesh Jain
(iii)	**Enterprises over which any person described in (i) and (ii) above is able to influence:**	Ajay Plastics Pvt. Ltd. (merged with Flair Pens Ltd.) Flair Pens Ltd. Flair Kenya Ltd. Stypen Manufacturing Company (India) Pvt. Ltd. Pentel Stationery (India) Pvt. Ltd. Europa Metaltech Industries Flair Pen & Plastic Industries Flair Writing Aids Hauser Lifestyle Products Rathod N Rathod

(c) Transactions with Related Parties

Sr. No.	Nature of Transaction	Relationship	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	**Sale of Goods**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	20.97	21.47	16.11	8.18	8.81
	Flair Pens Ltd.	Other Related Party	-	186.44	262.24	311.81	258.45
	Hauser Lifestyle Products	Other Related Party	5.58	0.17	1.01	0.71	1.03
	Flair Kenya Ltd.	Other Related Party	3.97	5.03	0.81	5.10	6.73
2	**Sale of Licence Premium**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	-	-	2.11
	Hauser Lifestyle Products	Other Related Party	-	-	-	0.76	0.61
	Flair Pens Ltd.	Other Related Party	-	-	0.17	-	-
3	**Sale of Fixed Assets**						
	Hauser Lifestyle Products	Other Related Party	-	-	-	-	0.51
	Flair Pen & Plastic Industries	Other Related Party	-	-	129.87	-	-
	Vimalchand Rathod	Key Managerial Personnel	-	0.10	-	-	-
4	**Purchase of Goods**						
	Flair Pens Ltd.	Other Related Party	4.99	2.44	2.89	3.83	7.22
	Hauser Lifestyle Products	Other Related Party	3.12	3.26	0.74	0.35	0.78
	Europa Metaltech Industries	Other Related Party	-	-	-	-	0.09
	Flair Distributors Pvt. Ltd.	Subsidiary Company	33.01	-	-	-	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	22.66	12.06	7.03	5.53	7.81
5	**Purchase of Fixed Assets**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	0.60	-	1.40	4.12
	Flair Pen & Plastic Industries	Other Related Party	-	-	-	-	0.72
	Flair Pens Ltd.	Other Related Party	12.00	25.47	0.18	-	-
	Vimalchand Rathod	Key Managerial Personnel	-	0.10	-	-	-
6	**Rent Expense**						
	Flair Pens Ltd.	Other Related Party	4.47	4.81	3.39	3.02	2.36
	Ajay Plastics Pvt. Ltd.	Other Related Party	-	-	-	-	0.08
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.60	0.24	0.24	0.24	0.24

Note 43 : Related Party Disclosure

	Flair Writing Aids	Other Related Party	0.15	0.28	0.27	0.27	0.27
	Flair Pen & Plastic Industries	Other Related Party	7.88	7.34	4.10	3.48	2.70
	Rathod N Rathod	Other Related Party	0.18	0.18	0.18	0.18	0.18
	Nirmala Rathod	Relative of KMP	2.18	2.26	0.80	-	-
	Manjula Rathod	Relative of KMP	2.18	2.26	0.80	-	-
	Khubilal Rathod	Key Managerial Personnel	0.25	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	0.25	-	-	-	-
	Vimalchand Rathod (HUF)	Relative of KMP	0.96	0.88	0.72	-	-
7	**Rent Income**						
	Flair Pens Ltd.	Other Related Party	-	-	1.29	-	-
8	**Rent Deposit (paid)**						
	Flair Pen & Plastic Industries	Other Related Party	-	-	-	-	0.13
	Flair Pens Ltd.	Other Related Party	-	20.00	20.00	20.00	-
9	**Rent Deposit (recovered)**						
	Flair Pens Ltd.	Other Related Party	-	20.00	20.00	20.00	-
	Flair Pen & Plastic Industries	Other Related Party	-	-	-	0.13	-
10	**Staff Welfare Expenses**						
	Hauser Lifestyle Products	Other Related Party	-	-	0.01	-	0.02
11	**Advertisement and Sales Promotion Expenses**						
	Flair Pens Ltd.	Other Related Party	-	0.12	0.02	-	0.03
	Hauser Lifestyle Products	Other Related Party	4.19	3.78	3.63	4.40	4.94
12	**Labour and Moulding Charges (paid)**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	-	-	1.21
13	**Labour and Moulding Charges (received)**						
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	0.02	-	-
	Hauser Lifestyle Products	Other Related Party	0.92	-	0.13	-	-
14	**Re-imbursement of Expenses (paid)**						
	Flair Pens Ltd.	Other Related Party	16.17	0.55	0.64	0.32	0.83
	Hauser Lifestyle Products	Other Related Party	-	-	-	0.01	1.48
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.08	-	0.05	0.05	0.04
	Hauser Lifestyle Products	Other Related Party	-	-	-	-	0.09
	Ajay Plastics Pvt. Ltd.	Other Related Party	-	-	-	-	0.03
	Flair Writing Aids	Other Related Party	-	-	0.01	0.01	0.01
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	-	-	0.05	-	-
15	**Re-imbursement of Expenses (received)**						
	Flair Distributors Pvt. Ltd.	Subsidiary Company	0.44	-	-	-	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	0.04	-	0.00	0.05	0.04
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.10	0.11	0.22	0.37	0.33
	Flair Pens Ltd.	Other Related Party	-	1.05	0.95	1.43	1.41
	Hauser Lifestyle Products	Other Related Party	0.02	0.00	0.00	0.03	0.01
	Flair Pen & Plastic Industries	Other Related Party	-	-	-	-	0.00
16	**Interest Expenses**						
	Flair Pens Ltd.	Other Related Party	-	-	-	-	0.01
	Sunita Jain	Relative of KMP	0.36	0.36	0.36	0.39	0.43
	Vimalchand Rathod (HUF)	Relative of KMP	-	-	3.71	1.65	0.86
	Khubilal Rathod (HUF)	Relative of KMP	-	-	2.12	1.47	0.99
	Keimaya Rathod	Relative of KMP	0.16	0.09	0.10	-	-
	Khubilal Rathod	Key Managerial Personnel	20.67	12.39	12.97	14.24	15.15
	Vimalchand Rathod	Key Managerial Personnel	12.60	8.48	14.38	13.10	11.27
	Rajesh Rathod	Key Managerial Personnel	18.92	10.32	11.63	10.92	9.14
	Mohit Rathod	Key Managerial Personnel	19.61	10.45	11.08	9.44	11.76
	Sumit Rathod	Key Managerial Personnel	20.21	10.10	14.73	12.99	12.54
	Nirmala Rathod	Relative of KMP	7.18	5.57	7.29	7.96	6.54
	Manjula Rathod	Relative of KMP	4.73	3.21	6.71	7.79	8.23
	Sangeeta Rathod	Relative of KMP	10.13	6.41	6.08	5.42	4.12
	Shalini Rathod	Relative of KMP	10.37	7.34	6.91	6.50	6.03
	Sonal Rathod	Relative of KMP	4.64	1.26	1.55	1.52	1.37
17	**Interest Income**						
	Flair Pens Ltd.	Other Related Party	-	-	-	-	2.16
18	**Investment in Subsidiary Company**						
	Flair Distributor Private Limited	Subsidiary Company	-	1.00	-	-	-
19	**Director / Managerial Remuneration**						
	Khubilal Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Mohit Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Sumit Rathod	Key Managerial Personnel	1.80	-	-	-	-
	Rajesh Rathod	Key Managerial Personnel	1.80	1.65	0.72	0.60	0.60

Note 43 : Related Party Disclosure

	Vimalchand Rathod	Key Managerial Personnel	1.80	1.65	-	-	-
	Mayur Gala	Key Managerial Personnel	2.28	-	-	-	-
	Jayesh Jain	Relative of KMP	2.14	-	-	-	-
20	**Loan Taken**						
	Khubilal Rathod	Key Managerial Personnel	108.78	188.56	240.29	94.86	51.84
	Vimalchand Rathod	Key Managerial Personnel	44.47	164.00	140.85	129.64	118.12
	Rajesh Rathod	Key Managerial Personnel	88.22	195.28	190.62	98.57	38.38
	Mohit Rathod	Key Managerial Personnel	59.11	171.11	207.15	108.45	45.80
	Sumit Rathod	Key Managerial Personnel	64.04	118.01	242.18	100.91	177.87
	Nirmala Rathod	Relative of KMP	13.01	80.16	24.58	41.83	19.84
	Manjula Rathod	Relative of KMP	17.36	67.25	42.46	1.19	26.33
	Sangeeta Rathod	Relative of KMP	18.93	138.24	58.69	58.85	0.98
	Shalini Rathod	Relative of KMP	21.07	44.94	21.02	5.00	22.79
	Sonal Rathod	Relative of KMP	18.76	54.15	10.94	11.60	4.08
	Sunita Jain	Relative of KMP	-	3.02	-	-	0.30
	Keimaya Rathod	Relative of KMP	-	1.63	1.55	-	-
	Khubilal Rathod (HUF)	Relative of KMP	-	-	9.35	2.78	22.38
	Vimalchand Rathod (HUF)	Relative of KMP	-	-	63.68	38.23	27.83
21	**Loan Repaid**						
	Khubilal Rathod	Key Managerial Personnel	227.33	298.58	263.44	136.30	48.08
	Vimalchand Rathod	Key Managerial Personnel	120.49	364.69	140.57	124.66	112.75
	Rajesh Rathod	Key Managerial Personnel	182.57	222.07	203.56	88.28	32.67
	Mohit Rathod	Key Managerial Personnel	137.04	178.52	198.09	143.04	66.18
	Sumit Rathod	Key Managerial Personnel	117.04	213.19	233.32	108.59	184.11
	Nirmala Rathod	Relative of KMP	53.94	112.43	42.08	31.16	25.20
	Manjula Rathod	Relative of KMP	68.70	116.29	62.75	16.58	42.37
	Sangeeta Rathod	Relative of KMP	69.13	134.64	68.57	39.37	21.33
	Shalini Rathod	Relative of KMP	50.76	48.19	24.23	7.47	22.94
	Sonal Rathod	Relative of KMP	42.55	62.75	13.55	11.94	3.61
	Sunita Jain	Relative of KMP	-	3.01	-	0.42	0.45
	Keimaya Rathod	Relative of KMP	-	1.55	-	-	-
	Khubilal Rathod (HUF)	Relative of KMP	-	1.90	19.96	5.26	18.12
	Vimalchand Rathod (HUF)	Relative of KMP	-	3.34	148.84	22.85	27.83
21	**Issue of Shares**						
	Khubilal Rathod	Key Managerial Personnel	80.02	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	60.02	-	-	-	-
	Rajesh Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Mohit Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Sumit Rathod	Key Managerial Personnel	40.01	-	-	-	-
	Nirmala Rathod	Relative of KMP	40.01	-	-	-	-
	Manjula Rathod	Relative of KMP	40.01	-	-	-	-
	Sangeeta Rathod	Relative of KMP	20.01	-	-	-	-
	Shalini Rathod	Relative of KMP	20.01	-	-	-	-
	Sonal Rathod	Relative of KMP	20.01	-	-	-	-

(d) Outstanding balances as at the year/period end

Sr. No.	Nature of Balance Outstanding	Relationship	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	**Investment**						
	Flair Distributor Private Limited	Subsidiary Company	1.00	1.00	-	-	-
2	**Trade Payables**						
	Flair Distributor Private Limited	Subsidiary Company	4.58	-	-	-	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	4.80	3.31	-	-	5.87
	Europa Metaltech Industries	Other Related Party	-	-	-	-	0.07
	Flair Pens Ltd.	Other Related Party	11.40	24.58	-	-	1.83
	Flair Pen & Plastic Industries	Other Related Party	1.36	-	-	-	-
	Stypen Mfg. Co (India) Pvt. Ltd.	Other Related Party	0.01	-	-	-	-
	Rathod N Rathod	Other Related Party	0.03	-	-	-	-
	Hauser Lifestyle Products	Other Related Party	2.42	1.08	0.12	0.16	0.12
3	**Trade Receivables**						
	Flair Distributors Pvt. Ltd.	Subsidiary Company	0.29	-	-	-	-
	Flair Pens Ltd.	Other Related Party	-	6.41	47.74	37.66	54.66
	Hauser Lifestyle Products	Other Related Party	6.22	-	0.00	0.18	-
	Flair Kenya Ltd.	Other Related Party	2.70	1.89	0.96	1.35	4.57
	Flair Pen & Plastic Industries	Other Related Party	-	-	12.24	-	-
	Pentel Stationery (India) Pvt. Ltd.	Other Related Party	2.76	2.60	0.52	-	-
4	**Loan Outstanding (Assets)**						
	Vimalchand Rathod	Key Managerial Personnel	81.34	21.83	-	-	-
	Khubilal Rathod	Key Managerial Personnel	52.24	-	-	-	-
	Manjula Rathod	Relative of KMP	25.53	-	-	-	-

Note 43 : Related Party Disclosure

	Sonal Rathod	Relative of KMP	7.85	-	-	-	-
5	**Loan Outstanding (Liability)**						
	Khubilal Rathod	Key Managerial Personnel	-	41.16	138.80	147.60	174.89
	Vimalchand Rathod	Key Managerial Personnel	-	-	170.39	150.94	132.95
	Mohit Rathod	Key Managerial Personnel	69.19	127.36	124.34	101.81	127.05
	Rajesh Rathod	Key Managerial Personnel	38.70	112.58	129.09	124.20	103.16
	Sumit Rathod	Key Managerial Personnel	57.18	88.56	173.69	147.52	142.29
	Nirmala Rathod	Relative of KMP	19.29	50.43	77.26	85.47	66.86
	Manjula Rathod	Relative of KMP	-	18.12	64.05	79.44	87.05
	Sangeeta Rathod	Relative of KMP	33.67	73.04	63.18	66.43	40.13
	Shalini Rathod	Relative of KMP	63.63	82.31	78.40	73.92	70.02
	Sonal Rathod	Relative of KMP	-	10.08	17.57	17.28	16.19
	Sunita Jain	Relative of KMP	3.05	3.05	3.01	3.04	3.43
	Khubilal Rathod (HUF)	Relative of KMP	-	-	1.91	26.93	28.09
	Vimalchand Rathod (HUF)	Relative of KMP	-	-	3.34	104.23	101.50
	Keimaya Rathod	Relative of KMP	1.87	1.72	1.63	-	-
6	**Rent Payable**						
	Rathod N Rathod	Other Related Party	-	0.03	-	-	0.11
	Flair Pen & Plastic Industries	Other Related Party	-	0.54	0.56	-	0.13
	Flair Writing Aids	Other Related Party	-	0.13	-	-	-
	Khubilal Rathod	Key Managerial Personnel	0.14	-	-	-	-
	Vimalchand Rathod	Key Managerial Personnel	0.14	-	-	-	-
	Nirmala Rathod	Relative of KMP	0.72	0.14	0.12	-	-
	Manjula Rathod	Relative of KMP	0.68	0.14	0.12	-	-
	Vimalchand Rathod (HUF)	Relative of KMP	-	0.14	-	-	-
7	**Remuneration Payable**						
	Rajesh Rathod	Relative of KMP	-	0.11	-	-	-
	Vimalchand Rathod	Relative of KMP	-	0.15	-	-	-

Note 44 : Capital Management

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

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Gross Debt					
Long Term Debt	355.93	40.00	54.51	2.29	3.29
Short Term Debt	525.06	887.68	1,105.30	1,327.34	1,225.19
Current Maturities of Long Term Debt included in Other Financial Liabilities	13.33	14.51	7.77	1.01	0.91
Less: Cash and Cash Equivalents	11.74	67.47	15.35	4.04	9.14
Net Debt (A)	**882.59**	**874.72**	**1,152.23**	**1,326.59**	**1,220.25**
Total Equity (As per Balance Sheet) (B)	**2,619.75**	**1,735.30**	**1,224.75**	**697.56**	**306.60**
Net Gearing Ratio (A/B)	**0.34**	**0.50**	**0.94**	**1.90**	**3.98**

Note 45 : Segment Reporting

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

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

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

Note 46 : Corporate Social Responsibility Expenditure (CSR)

As per Section 135 (1) of the Companies Act, 2013, Company has a formed Corporate Social Responsibility (CSR) Committee by passing a resolution in the board meeting held on October 27, 2017.
Sub section (5) of section 135 states that "The Board of every company referred to in sub-section (1) shall ensure that the company spends in every financial year at least two per cent of the average net profits of the company, made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy ".

The Company has been advised that, sub section (5) of section 135 of the Act is not applicable to the Company in the relevant financial year and hence the Company has not made any provision for CSR Expenditure.

Note 47 : Scheme of Amalgamation

The Special Purpose Restated Standalone Financial Information has been compiled by the Management of the Company to illustrate the financial position and financial performance of the Company for the financial years ended March 31, 2018, 2017, 2016 2015 and 2014, as it would have been, had each of the Entity been converted into the relevant Transferor Company and merged with the Company, in each case, with effect from April 1, 2013. The financial information in the financial statements in respect of financial years ended March 31, 2017, 2016, 2015 and 2014, have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination Also Refer 'Scheme of Amalgamation' and 'Accounting for Amalgamation' forming part of 'Basis of Preparation' - Annexure V(2) of the Special Purpose Restated Standalone Financial Information

Note 48 : Leases

The Company has entered into non-cancellable lease arrangements with Diamond and Gem Development Corporation Ltd, Surat (SEZ) for Land and Building for two of its unit(s). The company has paid sub-lease consideration in advance. The said lease being operating in nature ,the advance lease payments are recognized as an expense in Special Purpose Restated Statement of Profit and Loss on straight-line basis over the lease term.

Note 49 : Government Grant

The Company has received following government grants:

Refund of Excise Duty
Under Export Promotion Capital Goods (EPCG) scheme, the Company has received a refund of excise duty for the assets purchased. The assets are recorded excluding excise duty and refund receivable is recognised as Current Financial Assets in books of account.

Grant of Subsidy
The Company has received a subsidy for the assets purchased. The subsidy received is recognized as "Government Grants" and the same has being amortised over the useful life of the respective Capital Assets.

Note 50 : Goods and Service Tax

The Company has been advised to take Transition Credit on Capital Assets acquired in earlier years under the provisions of Goods and Service Tax Act,2017. Such Credit taken amounted to Rs 18.52 million.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 51 : Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on March 31, 2018

This note explains the principal adjustments made by the Company in restating its Audited Standalone Financial Statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Special Purpose Restated Standalone Financial Information has affected the Company's financial position, financial performance and cash flows.

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		*	*	1	2	3 = 1+2
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		-	-	1,405.84	(0.10)	1,405.74
Capital Work in Progress		-	-	83.10	-	83.10
Intangible Assets		-	-	32.57	(0.16)	32.42
Financial Assets						
i) Investments		-	-	1.00	-	1.00
ii) Loans	2	-	-	1.77	-	1.77
iii) Other Financial Assets		-	-	15.24	(1.79)	13.45
Deferred Tax Assets (Net)	4	-	-	58.44	44.20	102.65
Other Non-Current Assets	5	-	-	243.59	1.40	244.99
Total Non-Current Assets		**-**	**-**	**1,841.55**	**43.56**	**1,885.12**
Current Assets						
Inventories		-	-	880.69	-	880.69
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		-	-	1,153.72	(3.34)	1,150.38
iii) Cash and Cash Equivalents		-	-	11.74	-	11.74
v) Loans	2	-	-	8.82	166.97	175.79
vi) Other Financial Assets	7	-	-	2.35	-	2.35
Other Current Assets	5	-	-	221.13	0.38	221.51
Total Current Assets		**-**	**-**	**2,278.44**	**164.01**	**2,442.46**
Total Assets		**-**	**-**	**4,120.00**	**207.58**	**4,327.58**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		-	-	2.18	27.00	29.18
Equity Share Suspense		-	-	27.00	(27.00)	-
Other Equity		-	-	1,556.94	1,033.63	2,590.56
Total Equity		**-**	**-**	**1,586.12**	**1,033.63**	**2,619.75**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	997.00	(641.07)	355.93
ii) Other Financial Liabilities		-	-	55.93	0.75	56.68
Provisions	1	-	-	25.34	-	25.34
Government Grant	6	-	-	4.78	-	4.78
Total Non-Current Liabilities		**-**	**-**	**1,083.06**	**(640.32)**	**442.74**
Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	691.58	(166.52)	525.06
ii) Trade Payables		-	-	551.34	-	551.34
iii) Other Financial Liabilities	7	-	-	92.57	(7.12)	85.45
Government Grant	6	-	-	0.83	-	0.83
Other Current Liabilities		-	-	47.16	19.70	66.86
Provisions	1	-	-	33.38	-	33.38
Current Tax Liabilities (Net)		-	-	33.96	(31.79)	2.17
Total Current Liabilities		**-**	**-**	**1,450.81**	**(185.73)**	**1,265.09**
Total Liabilities		**-**	**-**	**2,533.88**	**(826.05)**	**1,707.83**
Total Equity And Liabilities		**-**	**-**	**4,120.00**	**207.58**	**4,327.58**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Standalone Financial Statements for the year ended March 31, 2018.
Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements for the year ended March 31, 2018.
*As the Company has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on March 31, 2017

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		1,173.59	(13.23)	1,160.36	(3.44)	1,156.91
Capital Work In Progress		23.33	(2.68)	20.65	-	20.65
Intangible Assets		36.08		36.08	(2.10)	33.98
Financial Assets						
i) Investments		1.00	-	1.00	-	1.00
ii) Loans	2	4.99	-	4.99	(3.54)	1.45
iii) Other Financial Assets		21.72	-	21.72	(1.48)	20.24
Deferred Tax Assets (Net)	4	68.89	-	68.89	91.74	160.62
Other Non-Current Assets	5	329.46	-	329.46	(57.71)	271.75
Total Non-Current Assets		**1,659.06**	**(15.91)**	**1,643.15**	**23.47**	**1,666.61**
Current Assets						
Inventories		753.48	1.28	754.76	-	754.76
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		885.86	-	885.86	(24.15)	861.71
iii) Cash and Cash Equivalents		67.47	-	67.47	-	67.47
iv) Bank Balance Other Than (Iii) Above		0.13	-	0.13	-	0.13
v) Loans	2	6.63	-	6.63	25.00	31.62
vi) Other Financial Assets	7	1.25	-	1.25	4.01	5.26
Other Current Assets	5	72.92	24.41	97.34	55.34	152.68
Total Current Assets		**1,787.74**	**25.70**	**1,813.44**	**60.20**	**1,873.64**
Total Assets		**3,446.80**	**9.78**	**3,456.58**	**83.67**	**3,540.25**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00	-	29.00	-	29.00
Other Equity		1,875.78	-	1,875.78	(169.48)	1,706.30
Total Equity		**1,904.78**	**-**	**1,904.78**	**(169.48)**	**1,735.30**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		40.00	-	40.00	-	40.00
ii) Other Financial Liabilities		18.95	(14.11)	4.84	(4.40)	0.45
Provisions	1	-	16.00	16.00	-	16.00
Government Grant	6	-	5.19	5.19	0.42	5.61
Total Non-Current Liabilities		**58.95**	**7.08**	**66.03**	**(3.98)**	**62.06**
Current Liabilities						
Financial Liabilities						
i) Borrowings		650.63	-	650.63	237.06	887.68
ii) Trade Payables		510.91	-	510.91	(0.75)	510.16
iii) Other Financial Liabilities	7	57.23	-	57.23	36.38	93.61
Government Grant	6	-	1.30	1.30	(0.42)	0.88
Other Current Liabilities		94.11	-	94.11	-	94.11
Provisions	1	47.18	1.40	48.58	(16.50)	32.08
Current Tax Liabilities (Net)		123.02	-	123.02	1.37	124.38
Total Current Liabilities		**1,483.07**	**2.70**	**1,485.77**	**257.13**	**1,742.89**
Total Liabilities		**1,542.02**	**9.78**	**1,551.80**	**253.15**	**1,804.95**
Total Equity And Liabilities		**3,446.80**	**9.78**	**3,456.58**	**83.67**	**3,540.25**

Column (1) represents financial information prepared under Previous GAAP framework presented in the Proforma Financial Statements, which has been re-classified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in the Proforma Financial Statements for the year ended March 31, 2017.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on March 31, 2016

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		1,110.55	(11.74)	1,098.81	(3.92)	1,094.88
Capital Work In Progress		-	-	-	-	-
Intangible Assets		12.85	-	12.85	(1.69)	11.16
Financial Assets						
i) Investments		-	-	-	-	-
ii) Loans	2	4.64	-	4.64	(0.35)	4.29
iii) Other Financial Assets		24.43	-	24.43	(2.99)	21.44
Deferred Tax Assets (Net)	4	88.13	-	88.13	(11.51)	76.62
Other Non-Current Assets	5	104.32	8.50	112.82	9.15	121.97
Total Non-Current Assets		**1,344.93**	**(3.24)**	**1,341.68**	**(11.31)**	**1,330.37**
Current Assets						
Inventories		624.37	0.94	625.32	-	625.32
Financial Assets						
i) Investment		-		-	-	-
ii) Trade Receivables		792.73	-	792.73	(3.62)	789.11
iii) Cash and Cash Equivalents		15.35	-	15.35	-	15.35
iv) Bank Balance Other Than (Iii) Above		0.14	-	0.14	-	0.14
v) Loans	2	9.06	-	9.06	(0.02)	9.04
vi) Other Financial Assets	7	1.46	-	1.46	1.68	3.15
Other Current Assets	5	83.73	11.74	95.47	41.01	136.49
Total Current Assets		**1,526.84**	**12.69**	**1,539.53**	**39.05**	**1,578.60**
Total Assets		**2,871.77**	**9.44**	**2,881.21**	**27.75**	**2,908.97**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00	-	29.00	-	29.00
Other Equity		1,347.74	-	1,347.74	(151.99)	1,195.75
Total Equity		**1,376.74**	**-**	**1,376.74**	**(151.99)**	**1,224.75**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		54.51	-	54.51	-	54.51
ii) Other Financial Liabilities		0.45	-	0.45	-	0.45
Provisions	1	-	-	-	20.55	20.55
Government Grant	6	-	6.23	6.23	0.27	6.49
Total Non-Current Liabilities		**54.96**	**6.23**	**61.19**	**20.81**	**82.00**
Current Liabilities						
Financial Liabilities						
i) Borrowings		956.07	-	956.07	149.22	1,105.30
ii) Trade Payables		362.22	-	362.22	(2.42)	359.80
iii) Other Financial Liabilities	7	34.45	-	34.45	20.25	54.71
Government Grant	6	-	1.19	1.19	(0.27)	0.93
Other Current Liabilities		33.70	-	33.70	-	33.70
Provisions	1	29.44	2.02	31.46	(9.22)	22.25
Current Tax Liabilities (Net)		24.18	-	24.18	1.36	25.54
Total Current Liabilities		**1,440.06**	**3.21**	**1,443.27**	**158.93**	**1,602.22**
Total Liabilities		**1,495.03**	**9.44**	**1,504.46**	**179.74**	**1,684.22**
Total Equity And Liabilities		**2,871.77**	**9.44**	**2,881.21**	**27.75**	**2,908.97**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Standalone Financial Statements for the year ended March 31, 2016.

Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on March 31, 2015

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		911.40	(1.35)	910.05	(5.68)	904.37
Capital Work In Progress		124.48	-	124.48	-	124.48
Intangible Assets		10.65	-	10.65	-	10.65
Financial Assets						
i) Investments		-	-	-	-	-
ii) Loans	2	5.23	-	5.23	(0.35)	4.89
iii) Other Financial Assets		24.51	-	24.51	(4.52)	20.00
Deferred Tax Assets (Net)	4	70.37	-	70.37	(20.21)	50.16
Other Non-Current Assets	5	72.15	5.03	77.18	1.70	78.88
Total Non-Current Assets		**1,218.80**	**3.68**	**1,222.48**	**(29.06)**	**1,193.42**
Current Assets						
Inventories		515.67	0.73	516.40	-	516.40
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		704.81	-	704.81	(11.60)	693.22
iii) Cash and Cash Equivalents		4.04	-	4.04	-	4.04
iv) Bank Balance Other Than (Iii) Above		0.58	-	0.58	-	0.58
v) Loans	2	3.36	-	3.36	(0.02)	3.34
vi) Other Financial Assets	7	0.27	-	0.27	4.25	4.52
Other Current Assets	5	82.75	1.35	84.09	48.50	132.59
Total Current Assets		**1,311.48**	**2.08**	**1,313.56**	**41.13**	**1,354.69**
Total Assets		**2,530.28**	**5.76**	**2,536.04**	**12.07**	**2,548.11**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		29.00	-	29.00	-	29.00
Other Equity		764.00	-	764.00	(95.44)	668.56
Total Equity		**793.00**	**-**	**793.00**	**(95.44)**	**697.56**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		2.29	-	2.29	-	2.29
ii) Other Financial Liabilities		0.30	-	0.30	-	0.30
Provisions	1	-	(1.60)	(1.60)	18.29	16.69
Government Grant	6	-	3.80	3.80	0.14	3.94
Total Non-Current Liabilities		**2.59**	**2.20**	**4.78**	**18.43**	**23.22**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,248.21	-	1,248.21	79.14	1,327.34
ii) Trade Payables		365.61	-	365.61	(1.59)	364.02
iii) Other Financial Liabilities	7	22.59	-	22.59	19.36	41.94
Government Grant	6	-	0.92	0.92	(0.15)	0.77
Other Current Liabilities		42.60	-	42.60	0.16	42.75
Provisions	1	25.02	2.65	27.66	(9.21)	18.46
Current Tax Liabilities (Net)		30.68	-	30.68	1.37	32.04
Total Current Liabilities		**1,734.69**	**3.57**	**1,738.26**	**89.07**	**1,827.33**
Total Liabilities		**1,737.28**	**5.76**	**1,743.04**	**107.51**	**1,850.55**
Total Equity And Liabilities		**2,530.28**	**5.76**	**2,536.04**	**12.07**	**2,548.11**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Standalone Financial Statements for the year ended March 31. 2015.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on March 31, 2014

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		690.69	-	690.69	(4.20)	686.49
Capital Work In Progress		100.68	-	100.68	-	100.68
Intangible Assets		2.81	-	2.81	-	2.81
Financial Assets						
i) Investments		-	-	-	-	-
ii) Loans	2	3.48	-	3.48	-	3.48
iii) Other Financial Assets		23.57	-	23.57	(4.37)	19.20
Deferred Tax Assets (Net)	4	62.00	-	62.00	(33.97)	28.03
Other Non-Current Assets	5	42.63	-	42.63	0.35	42.97
Total Non-Current Assets		**925.86**	**-**	**925.86**	**(42.20)**	**883.66**
Current Assets						
Inventories		344.80	0.50	345.30	-	345.30
Financial Assets						
i) Investment		10.00	-	10.00	-	10.00
ii) Trade Receivables		576.94	-	576.94	(3.03)	573.92
iii) Cash and Cash Equivalents		9.14	-	9.14	-	9.14
iv) Bank Balance Other Than (Iii) Above		-	-	-	-	-
v) Loans	2	5.07	-	5.07	-	5.07
vi) Other Financial Assets	7	0.12	-	0.12	4.26	4.38
Other Current Assets	5	73.48	-	73.48	24.19	97.67
Total Current Assets		**1,019.55**	**0.50**	**1,020.05**	**25.42**	**1,045.47**
Total Assets		**1,945.41**	**0.50**	**1,945.91**	**(16.78)**	**1,929.13**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		28.30	-	28.30	-	28.30
Other Equity		336.54	-	336.54	(58.24)	278.30
Total Equity		**364.84**	**-**	**364.84**	**(58.24)**	**306.60**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		3.29	-	3.29	-	3.29
ii) Other Financial Liabilities		0.80	-	0.80	-	0.80
Provisions	1	-	(0.51)	(0.51)	10.48	9.97
Government Grant	6	-	-	-	-	-
Total Non-Current Liabilities		**4.09**	**(0.51)**	**3.58**	**10.48**	**14.06**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,198.60	-	1,198.60	26.59	1,225.19
ii) Trade Payables		288.95	-	288.95	(1.28)	287.67
iii) Other Financial Liabilities	7	19.28	-	19.28	12.72	32.00
Government Grant	6	-	-	-	-	-
Other Current Liabilities		19.23	-	19.23	0.18	19.41
Provisions	1	20.58	1.01	21.59	(8.01)	13.58
Current Tax Liabilities (Net)		29.83	-	29.83	0.79	30.63
Total Current Liabilities		**1,576.48**	**1.01**	**1,577.49**	**30.99**	**1,608.47**
Total Liabilities		**1,580.57**	**0.50**	**1,581.07**	**41.47**	**1,622.53**
Total Equity And Liabilities		**1,945.41**	**0.50**	**1,945.91**	**(16.78)**	**1,929.13**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the comparative information presented in Audited Standalone Financial Statements for the year ended March 31, 2014.

Reconciliation between Previous GAAP and Special Purpose Restated Standalone Financial Information as on April 01, 2013

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
ASSETS						
Non-Current Assets						
Property, Plant and Equipment		564.32	(6.92)	557.40	-	557.40
Capital Work In Progress		62.89	-	62.89	-	62.89
Intangible Assets		2.58	-	2.58	-	2.58
Financial Assets						
i) Investments		10.00	-	10.00	-	10.00
ii) Loans	2	2.65	-	2.65	-	2.65
iii) Other Financial Assets		23.41	-	23.41	(3.90)	19.51
Deferred Tax Assets (Net)	4	25.67	1.95	27.62	(55.20)	(27.58)
Other Non-Current Assets	5	30.65	-	30.65	0.39	31.03
Total Non-Current Assets		**722.17**	**(4.97)**	**717.20**	**(58.71)**	**658.48**
Current Assets						
Inventories		269.69	0.18	269.87	-	269.87
Financial Assets						
i) Investment		-	-	-	-	-
ii) Trade Receivables		478.75	-	478.75	(4.02)	474.73
iii) Cash and Cash Equivalents		2.37	-	2.37	-	2.37
iv) Bank Balance Other Than (Iii) Above		-	-	-	-	-
v) Loans	2	4.20	-	4.20	-	4.20
vi) Other Financial Assets	7	0.13	-	0.13	3.77	3.90
Other Current Assets	5	52.54	4.79	57.33	9.82	67.15
Total Current Assets		**807.67**	**4.97**	**812.64**	**9.58**	**822.22**
Total Assets		**1,529.84**	**-**	**1,529.84**	**(49.14)**	**1,480.70**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		28.00	-	28.00	-	28.00
Other Equity		-	-	-	-	-
Total Equity		**28.00**	**-**	**28.00**	**-**	**28.00**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
i) Borrowings		-	-	-	-	-
ii) Other Financial Liabilities		0.80	-	0.80	-	0.80
Provisions	1	-	-	-	7.99	7.99
Government Grant	6	-	-	-	-	-
Total Non-Current Liabilities		**0.80**	**-**	**0.80**	**7.99**	**8.79**
Current Liabilities						
Financial Liabilities						
i) Borrowings		1,256.57	-	1,256.57	(58.56)	1,198.00
ii) Trade Payables		196.55	-	196.55	(1.19)	195.35
iii) Other Financial Liabilities	7	13.39	-	13.39	9.67	23.06
Government Grant	6	-	-	-	-	-
Other Current Liabilities		12.64	-	12.64	0.10	12.74
Provisions	1	16.48	-	16.48	(7.14)	9.34
Current Tax Liabilities (Net)		5.42	-	5.42	-	5.42
Total Current Liabilities		**1,501.04**	**-**	**1,501.04**	**(57.13)**	**1,443.92**
Total Liabilities		**1,501.84**	**-**	**1,501.84**	**(49.14)**	**1,452.70**
Total Equity And Liabilities		**1,529.84**	**-**	**1,529.84**	**(49.14)**	**1,480.70**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Reconciliation of Total Comprehensive Income for the year 2017 - 2018

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			*	*	1	2	3=1+2
INCOME							
Revenue from Operations		3	-	-	5,041.07	20.86	5,061.93
Other Income			-	-	68.20	(6.12)	62.08
Total Income	**(A)**		**-**	**-**	**5,109.27**	**14.74**	**5,124.00**
EXPENSES							
Cost of Material Consumed			-	-	2,434.98	(6.21)	2,428.77
Purchase of Stock-in-Trade			-	-	262.68		262.68
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			-	-	(79.80)	6.52	(73.29)
Excise Duty on Sales		8	-	-	7.93	(0.01)	7.92
Employee Benefits Expense			-	-	741.72	(0.68)	741.04
Finance Costs			-	-	172.19	-	172.19
Depreciation/Amortisation Expense			-	-	152.75	(0.26)	152.49
Other Expenses			-	-	744.42	(1.96)	742.47
Total Expenses	**(B)**		**-**	**-**	**4,436.86**	**(2.60)**	**4,434.26**
Profit Before Tax	**(C=A-B)**		**-**	**-**	**672.41**	**17.33**	**689.74**
Tax Expense							
Current Tax			-	-	168.61	-	168.61
Less: Amt-Mat Credit Entitlement			-	-	-	-	-
Net Current Tax			-	-	168.61	-	168.61
Deferred Tax		4	-	-	7.49	22.03	29.52
Tax Adjustments for earlier years			-	-	(37.63)	37.63	-
Total Tax Expenses	**(D)**		**-**	**-**	**138.47**	**59.66**	**198.13**
Profit for the Year	**(E=C-D)**		**-**	**-**	**533.94**	**(42.32)**	**491.62**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Re-measurements of Defined Benefit Plans			-	-	(14.59)	3.98	(10.61)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss			-	-	4.25	(0.92)	3.33
Other Comprehensive Income for the Year (Net of tax)	**(F)**		**-**	**-**	**(10.34)**	**3.06**	**(7.28)**
Total Comprehensive Income for the Year	**(G=E+F)**		**-**	**-**	**523.60**	**(39.26)**	**484.34**

Column (1) represents financial information prepared under Ind AS framework, as per Audited Standalone Financial Statements for the year ended March 31, 2018.
Column (2) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements for the year ended March 31, 2018.
*As the Company has already prepared financial statements for the year end March 31, 2018, in accordance with Ind AS, these column are not applicable for this year/period.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Standalone Financial Information and the Previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Reconciliation of Total Comprehensive Income for the year 2016 - 2017

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			1	2	3 = 1+2	4	5= 3+4
INCOME							
Revenue from Operations		3	4,229.99	32.79	4,262.78	(40.19)	4,222.59
Other Income			36.01	5.97	41.98	(0.18)	41.80
Total Income	**(A)**		**4,266.00**	**38.76**	**4,304.76**	**(40.37)**	**4,264.38**
EXPENSES							
Cost of Material Consumed			1,664.74	-	1,664.74	6.38	1,671.12
Purchase of Stock-in-Trade			455.16	-	455.16	27.35	482.51
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			(60.36)	-	(60.36)	-	(60.36)
Excise Duty on Sales		8	0.00	32.79	32.79	-	32.79
Employee Benefits Expense			507.07	5.18	512.25	(0.98)	511.28
Finance Costs			28.58	-	28.58	66.01	94.59
Depreciation /Amortisation Expense			119.19	-	119.19	-	119.19
Other Expenses			732.52	(0.34)	732.18	(6.41)	725.76
Total Expenses	**(B)**		**3,446.91**	**37.63**	**3,484.54**	**92.35**	**3,576.89**
Profit Before Tax	**(C=A-B)**		**819.09**	**1.14**	**820.22**	**(132.72)**	**687.50**
Tax Expense							
Current Tax			272.25	-	272.25	-	272.25
Less: Amt-Mat Credit Entitlement			51.74	-	51.74	-	51.74
Net Current Tax			220.50	-	220.50	-	220.50
Deferred Tax		4	70.54	0.39	70.93	(107.40)	(36.47)
Tax Adjustments for earlier years			-	-	-	-	-
Total Tax Expense	**(D)**		291.05	0.39	291.43	(107.40)	184.04
Profit for the Year	**(E=C-D)**		**528.04**	**0.75**	**528.79**	**(25.33)**	**503.46**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Remeasurements of Defined Benefit Plans			-	10.85	10.85	-	10.85
Income tax relating to items that will not be reclassified to Statement of Profit and Loss			-	(3.75)	(3.75)	-	(3.75)
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**-**	**7.09**	**7.09**	**-**	**7.09**
Total Comprehensive Income for the Year	**(G=E+F)**		**528.04**	**7.84**	**535.88**	**(25.33)**	**510.55**

Column (1) represents financial information prepared under Previous GAAP framework presented in the Proforma Financial Statements, which has been re-classified to conform to Ind AS presentation requirements for the purpose of this note.
Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Standalone Financial Information and the Previous GAAP.

Reconciliation of Total Comprehensive Income for the year 2015 - 2016

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			1	2	3 = 1+2	4	5= 3+4
INCOME							
Revenue from Operations		3	3,782.89	26.49	3,809.38	45.36	3,854.73
Other Income			54.19	1.79	55.98	(0.18)	55.79
Total Income	**(A)**		**3,837.08**	**28.27**	**3,865.35**	**45.18**	**3,910.52**
EXPENSES							
Cost of Material Consumed			1,427.73	-	1,427.73	(1.62)	1,426.11
Purchase of Stock-in-Trade			602.14	-	602.14	39.11	641.25
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			(65.60)	-	(65.60)	-	(65.60)
Excise Duty On Sales		8	-	26.49	26.49	-	26.49
Employee Benefits Expense			394.20	4.28	398.48	(0.04)	398.44
Finance Costs			40.73	-	40.73	70.45	111.17
Depreciation /Amortisation Expense			103.76	-	103.76	-	103.76
Other Expenses			571.08	(0.21)	570.87	0.80	571.67
Total Expenses	**(B)**		**3,074.05**	**30.55**	**3,104.60**	**108.70**	**3,213.29**
Profit Before Tax	**(C=A-B)**		**763.03**	**(2.28)**	**760.76**	**(63.52)**	**697.23**
Tax Expenses							
Current Tax			206.56	-	206.56	-	206.56
Less: Amt-Mat Credit Entitlement			26.85	-	26.85	-	26.85
Net Current Tax			179.71	-	179.71	-	179.71
Deferred Tax		4	(0.42)	(0.77)	(1.19)	(8.11)	(9.30)
Tax Adjustments for earlier years			-	-	-	-	-
Total Tax Expense	**(D)**		**179.29**	**(0.77)**	**178.52**	**(8.11)**	**170.41**
Profit for the Year	**(E=C-D)**		**583.74**	**(1.50)**	**582.24**	**(55.41)**	**526.83**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Remeasurements of Defined Benefit Plans			-	0.55	0.55	-	0.55
Income tax relating to items that will not be reclassified to Statement of Profit and Loss			-	(0.19)	(0.19)	-	(0.19)
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**-**	**0.36**	**0.36**	**-**	**0.36**
Total Comprehensive Income for the Year	**(G=E+F)**		**583.74**	**(1.14)**	**582.60**	**(55.41)**	**527.19**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Standalone Financial Information and the Previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Reconciliation of Total Comprehensive Income for the year 2014 - 2015

(Rs. in million)

Particulars		Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
			1	2	3 = 1+2	4	5= 3+4
INCOME							
Revenue from Operations		3	3,345.23	20.28	3,365.51	32.83	3,398.34
Other Income			38.94	0.38	39.32	(1.43)	37.89
Total Income	**(A)**		**3,384.17**	**20.66**	**3,404.83**	**31.41**	**3,436.23**
EXPENSES							
Cost of Material Consumed			1,493.97	-	1,493.97	0.28	1,494.25
Purchase of Stock-In-Trade			507.23	-	507.23	15.26	522.49
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade			(144.27)	-	(144.27)	-	(144.27)
Excise Duty on Sales		8	0.06	19.97	20.03	-	20.03
Employee Benefits Expense			335.22	2.58	337.80	(0.04)	337.76
Finance Costs			55.13	-	55.13	51.91	107.04
Depreciation /Amortisation Expense			82.46	-	82.46	-	82.46
Other Expenses			467.50	0.11	467.62	6.59	474.21
Total Expenses	**(B)**		**2,797.30**	**22.67**	**2,819.97**	**74.00**	**2,893.97**
Profit Before Tax	**(C=A-B)**		**586.87**	**(2.01)**	**584.86**	**(42.59)**	**542.26**
Tax Expense							
Current Tax			151.02	-	151.02	0.57	151.59
Less: Amt-Mat Credit Entitlement			15.61	-	15.61	-	15.61
Net Current Tax			135.41	-	135.41	0.57	135.98
Deferred Tax		4	(2.97)	(0.68)	(3.65)	(1.74)	(5.39)
Tax Adjustments for earlier years			-	-	-	-	-
Total Tax Expense	**(D)**		**132.44**	**(0.68)**	**131.76**	**(1.17)**	**130.59**
Profit for the Year	**(E=C-D)**		**454.43**	**(1.33)**	**453.10**	**(41.43)**	**411.67**
Other Comprehensive Income		9					
Items that will not be reclassified to Profit or Loss							
Remeasurements of Defined Benefit Plans			-	(5.78)	(5.78)	-	(5.78)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss			-	2.01	2.01	-	2.01
Other Comprehensive Income for the Year (Net of Tax)	**(F)**		**-**	**(3.77)**	**(3.77)**	**-**	**(3.77)**
Total Comprehensive Income for the Year	**(G=E+F)**		**454.43**	**(5.10)**	**449.33**	**(41.43)**	**407.90**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.
Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows
There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Standalone Financial Information and the Previous GAAP.

Reconciliation of Total Comprehensive Income for the year 2013 - 2014

(Rs. in million)

Particulars	Note reference for transition to Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	Restatement adjustments	Restated Ind AS
		1	2	3 = 1+2	4	5= 3+4
INCOME						
Revenue from Operations	3	2,646.51	18.28	2,664.79	30.18	2,694.97
Other Income		14.07	(2.65)	11.42	(0.40)	11.02
Total Income (A)		**2,660.58**	**15.63**	**2,676.21**	**29.78**	**2,705.99**
EXPENSES						
Cost of Material Consumed		1,111.05		1,111.05	(0.45)	1,110.59
Purchase of Stock-In-Trade		437.82		437.82	16.58	454.39
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade		(28.74)		(28.74)		(28.74)
Excise Duty on Sales	8	0.02	18.28	18.30		18.30
Employee Benefits Expense		284.63	1.78	286.41	(0.08)	286.33
Finance Costs		12.40		12.40	84.79	97.20
Depreciation/ Amortisation Expense		59.38		59.38		59.38
Other Expenses		389.23	(0.04)	389.19	0.07	389.25
Total Expenses (B)		**2,265.79**	**20.02**	**2,285.82**	**100.90**	**2,386.72**
Profit Before Tax (C= A-B)		**394.79**	**(4.39)**	**390.39**	**(71.12)**	**319.27**
Tax Expense						
Current Tax		94.58		94.58	0.79	95.37
Less: Amt-Mat Credit Entitlement		37.97		37.97		37.97
Net Current Tax		56.60	-	56.60	0.79	57.40
Deferred Tax	4	1.64	(1.49)	0.15	(17.38)	(17.23)
Total Tax Expense (D)		**58.24**	**(1.49)**	**56.75**	**(16.58)**	**40.17**
Profit for the Year (E=C-D)		**336.54**	**(2.90)**	**333.64**	**(54.54)**	**279.10**
Other Comprehensive Income	9					
Items that will not be reclassified to Profit or Loss		-		-		-
Remeasurements of Defined Benefit Plans		-	(1.21)	(1.21)		(1.21)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	0.41	0.41		0.41
Other Comprehensive Income for the Year (Net of Tax) (F)		**-**	**(0.80)**	**(0.80)**	**-**	**(0.80)**
Total Comprehensive Income for the Year (G=E+F)		**336.54**	**(3.70)**	**332.85**	**(54.54)**	**278.30**

Column (1) represents financial information prepared under Previous GAAP framework, which has been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Column (2) represents adjustment on account of transition from Previous GAAP to Ind AS, as explained in note 51.1 below.

Column (4) represents restatement adjustments (as explained in Annexure VII) made to the Audited Standalone Financial Statements prepared under Ind AS framework.

Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented in the Special Purpose Restated Standalone Financial Information and the Previous GAAP.

Note 51.1: Explanation of adjustments for transition from Previous GAAP to Ind AS

Note 1: Re-measurements of post employment benefit obligations
Under the previous GAAP, costs relating to post employment benefit obligations including actuarial gain/losses were recognised in the Profit & Loss A/c. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Profit &Loss A/c.

Note 2: Employee Loans
Under the previous GAAP, interest free loans are recorded at transaction cost. Under Ind AS All financial assets are required to be recognised at Fair Value. Accordingly, the Company has Fair Valued the loans at amortised cost using effective rate of interest and the difference between the Fair Value and transaction value of the loans has been recognised as Interest.

Note 3: Revenue Recognition
Under the previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. However, under Ind AS, Revenue is recognised at the Fair Value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash discounts and incentives given to customers which have been reclassified from 'advertising and business promotion' and 'sales scheme expenses' within other expenses under previous GAAP and netted from revenue under Ind AS. Consequently, the revenue has decreased; however, there is no impact on profit.

Note 4: Deferred taxes
Under previous GAAP, Deferred Taxes were recognised based on Profit &Loss Approach i.e. tax impact on difference between the Accounting Income and Taxable Income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet Approach i.e. tax impact on temporary difference between the carrying value of Asset and Liabilities in the books and their respective tax base.

Note 5: Leasehold Land
Under previous GAAP, arrangement for lease of land was not covered as part of Accounting Standard 19 “Leases” and was treated as Property, Plant and Equipment in the Books of Accounts. However, under Ind AS, Leasehold Land is governed by Ind AS 17 “Leases” and needs to be classified as an Operating or Finance Lease depending on fulfilment of certain conditions. The Company has evaluated such conditions for classification of Leases and is of the view that certain Leasehold Land of the Company are in the nature of an Operating Lease and Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on straight-line basis over the lease term.

Note 6: Government Grants
Under previous GAAP, Government Grant received towards Capital Assets has been reduced from the cost of respective Capital Assets, however, as per Ind AS, it has been recognised as "**Government Grants**" and the same shall be amortised over the useful life of the respective Capital Assets.

Note 7: Derivative Instruments - Foreign Exchange Forward Contracts
Under the previous GAAP, unrealized net gain/ (loss) on Foreign Exchange Forward Contract(s), if any, as at each Balance Sheet date were provided for. Under Ind AS, Foreign Exchange Forward Contracts are accounted for, on mark-to-market basis, as at Balance Sheet date and unrealized net gain/ (loss) is recognised in the Statement of Profit and Loss

Note 8: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of Excise Duty. However, under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Excise Duty paid, being an expense, is shown as a separate line item in the Statement of Profit and Loss. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Note 9: Other Comprehensive Income
Under Ind AS, all items of Income and Expense transacted in a period ought to be provided while determining the Profit or Loss for the period, unless otherwise stated or provided by some specific standard. Items of Income and Expense that are not recognised in Profit or Loss but are shown in the Statement of Profit and Loss as ‘Other Comprehensive Income’ includes re-measurements of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VI : Notes to Special Purpose Restated Standalone Other Financial Information

Note 52 : Capital and Other Commitments

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
a) Letter of Credit	-	15.59	7.13	13.60	11.74
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	138.27	1.27	-	-	-

Note 53 : Contingent Liability

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

(Rs. in million)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
a) Disputed Excise and Service Tax Matters	1.21	1.21	0.69	-	-
b) Income Tax Matters	2.12	2.12	0.22	0.22	0.22
c) Bank Guarantee outstanding	0.45	2.30	5.83	-	-

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 non-completion of export obligations has been made.

Note 54 : Events after reporting period

1) The Company is in the process of closing down the commercial activities of its units at Sachin, Surat, Gujarat. All movable assets have been transferred to the Company's other units in the first quarter of FY 2018-19

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

This is the Notes to Special Purpose Restated Standalone Other Financial Information referred to in our report of even date

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

K.L.Rathore
(Partner)
M.No. 012807

Place: Mumbai
Date: August 27, 2018

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

Khubilal Rathod
Director
(DIN. 00122867)

Vimalchand Rathod
Director
(DIN. 00123007)

Mayur D. Gala
Chief Financial Officer

Vishal Chanda
Company Secretary

Place: Mumbai
Date: August 27, 2018

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Standalone Financial Statements

Summarized below are the restatement adjustments made to the Audited Standalone Financial Statements for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and their impact on the profit/(loss) of the Company:

(Rs. in million)

Sr.No.	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	Net Profit after Tax as per Audited Previous GAAP	533.94	859.76	519.50	408.67	299.71
B	**Ind AS Adjustments**					
	Aggregate impact of all Ind AS adjustments (refer notes 51 and 51.1 for detailed explanation of transition from Previous GAAP to Ind AS), net of tax	-	0.75	(1.50)	(1.33)	(2.90)
C	**Restatement Adjustments**					
	Material Restatement Adjustments					
	(Excluding those on account of changes in accounting policies)					
	(i) Audit Qualifications : None	-	-	-	-	-
	(ii) Other Material Adjustments					
	Prior Period Items	17.33	(132.72)	(63.52)	(42.60)	(71.13)
	Others	-	-	-	-	-
		17.33	(132.72)	(63.52)	(42.60)	(71.13)
D	**Adjustment on account of Conversion of Partnership Firm into the Company**					
	Adjustment on account of Change in method of Depreciation	-	(2.51)	69.78	42.44	42.14
	Adjustment on account of Intra-Group Transactions		(1.92)	(5.54)	3.31	(5.31)
	Others	-	(327.30)	-	-	-
		-	(331.72)	64.24	45.76	36.83
E	**Tax Adjustments**					
	Income Tax Adjustment related to earlier years	(37.63)	-	-	(0.57)	(0.79)
	Deferred Tax impact on above restatement adjustments	(22.02)	107.40	8.11	1.74	17.38
		(59.65)	107.40	8.11	1.17	16.58
F	**Total Impact of Adjustments (B+C+D+E)**	(42.31)	(356.30)	7.32	3.00	(20.61)
	Net Profit as per Special Purpose Restated Standalone Statement of Profit and Loss (A+F)	**491.62**	**503.46**	**526.83**	**411.67**	**279.10**

Notes to Adjustments

(a) In the Audited Standalone Financial Statements, Income on account of receipt of Focus Product Licence (Export Incentive) was not recorded on accrual basis. The same has now been recorded on accrual basis in the respective year(s).

(b) In the Audited Standalone Financial Statements, certain expense provisions not made, have now been made in their respective year(s).

(c) In the financial year(s) ended March 31, 2015 and 2016, the Company has received refund of Excise Duty. For the purpose of the Special Purpose Restated Standalone Financial Information, the said refund has been appropriately accounted for and considered in the respective financial year(s) to which it relates.

(d) Sales Returns received in the subsequent year(s) have been duly accounted for and considered in the respective year in which the sales were made. Thereby reducing the sales of the respective year(s). The same has resulted in a corresponding impact on Cost of Materials consumed and Trade Receivables.

(e) In Audited Standalone Financial Statements, Tax Adjustment(s) pertaining to earlier year(s) were accounted as and when assessment of Income Tax was completed by the Income-Tax Authorities. For the purpose of the Special Purpose Restated Standalone Financial Information, such Tax Adjustment(s) have been appropriately taken and considered in the respective financial years to which they relate.

(f) These Adjustment(s) include, rectification of calculations of Deferred Tax and Impact of Restatement Adjustments made as detailed above. For the purpose of Special Purpose Restated Standalone Financial Information, Deferred Taxes have been appropriately adjusted in the Restated Profits and Loss A/cs of the respective years to which they relate.

(g) The Tax Rate applicable for the next Financial Year has been used to determine the impact of Deferred Tax on the restatement adjustments.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VII : Statement of Adjustments to Audited Standalone Financial Statements

Material regrouping

Appropriate Adjustments have been made in Special Purpose Restated Standalone Statement of Assets and Liabilities, Special Purpose Restated Standalone Statement of Profit and Loss, Special Purpose Restated Standalone Statement of Cash Flows and Special Purpose Restated Standalone Statement of Changes in Equity, wherever required, by reclassifying the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Standalone Audited Financials of the Company as at and for the year ended March 31, 2018.

Non - Adjusting Items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the Audited Standalone Financial Statements as at and for the financial years ended March 31, 2017 and 2018 respectively. Certain statements/comments included in the CARO in the Audited Standalone Financial Statements, which do not require any adjustments in Special Purpose Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Financial Year 2017-18

Clause (vii) (b) of CARO 2016 Order

Name of the Statute	Name of the dispute	Amount (In Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	311,891	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	554,793	2013-14	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Sales Tax Act,1956	Central Sales Tax	56,047	2012-13	Joint Commissioner **(Appeals)-** I, Commercial Tax, Dehradun
Central Excise Act, 1944	Service Tax	283,679	07.01.2013 to 30.06.2014	Commissioner of Central Excise **(Appeals)**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure VIII - Special Purpose Restated Standalone Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year Ended 31st March				
		2018	**2017**	**2016**	**2015**	**2014**
Interest Income	Recurring	1.82	2.27	2.22	4.05	5.69
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	Recurring	38.06	37.83	49.79	31.71	3.00
Miscellaneous Income	Non- recurring	22.20	1.70	3.78	2.13	2.33
Total Other Income		**62.08**	**41.80**	**55.79**	**37.89**	**11.02**

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure IX - Special Purpose Restated Standalone Statement of Accounting Ratios

a) Before considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	Net Profit after Tax as restated	491.62	503.46	526.83	411.67	279.10
B	Add: Expense recognized in reserves (ESOP)	-	-	-	-	-
C	Net Profit after Tax as restated (A+B)	491.62	503.46	526.83	411.67	279.10
D	Net Worth at the end of the Year - as restated	2,619.75	1,735.30	1,224.75	697.56	306.60
E	Total adjusted number of equity shares outstanding at the end of the year	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period	2,906,133	2,900,000	2,900,000	2,900,000	2,830,000
H	Net Worth for equity shareholders	2,619.75	1,735.30	1,224.75	697.56	306.60
I	Accounting Ratios:					
	Earning Per Share (Refer Note 37)					
	Basic Earnings Per Share	169.16	173.61	181.66	141.96	98.62
	Diluted Earnings Per Share	169.16	173.61	181.66	141.96	98.62
	Return On Net Worth (%) (C/D)	18.77	29.01	43.02	59.02	91.03
	Net Asset Value per share of Rs. 10 each	897.67	598.38	422.33	240.54	108.34

Note:

1 The above ratios are calculated as under:

Basic Earnings Per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Equity Shares outstanding during the year.

Diluted Earnings Per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of Year.

Net Asset Value (Rs) = Net Worth / Number of Equity Shares as at the end of Year.

2 The figures disclosed above are based on the Special Purpose Restated Standalone Financial Information.

3 Earning Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities Premium and Remeasurements of Defined Benefit Obligations).

b) After considering the impact of bonus shares issued subsequent to March 31, 2018 :

(Rs. in million, except number of share and per share data)

Sr. No.	Particulars	For the Year Ended 31st March 2018	2017	2016	2015	2014
A	Net Profit after Tax as restated	491.62	503.46	526.83	411.67	279.10
B	Add: Expense recognized in reserves (ESOP)	-	-	-	-	-
C	Net Profit after Tax as restated (A+B)	491.62	503.46	526.83	411.67	279.10
D	Net Worth at the end of the Year - as restated	2,619.75	1,735.30	1,224.75	697.56	306.60
E	Total adjusted number of equity shares outstanding at the end of the year	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
F	Adjusted Weighted Average Number of Equity Shares for Basic EPS outstanding at the end of the period	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
G	Adjusted Weighted Average Number of Equity Shares for Diluted EPS outstanding at the end of the period	23,334,933	23,328,800	23,328,800	23,328,800	23,258,800
H	Net Worth for equity shareholders	2,619.75	1,735.30	1,224.75	697.56	306.60
I	Accounting Ratios:					
	Earning Per Share (Refer Note 37)					
	Basic Earnings Per Share	21.07	21.58	22.58	17.65	12.00
	Diluted Earnings Per Share	21.07	21.58	22.58	17.65	12.00
	Return On Net Worth (%) (C/D)	18.77	29.01	43.02	59.02	91.03
	Net Asset Value per share of Rs. 10 each	112.21	74.38	52.50	29.90	13.18

Note:

1 The above ratios are calculated as under:

Basic Earnings Per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Equity Shares outstanding during the year.

Diluted Earnings Per Share = Net Profit attributable to equity shareholders / Weighted Average Number of Diluted Potential Equity Shares outstanding

Return on Net Worth (%) = Net Profit attributable to equity shareholders / Net Worth as at the end of Year.

Net Asset Value (Rs) = Net Worth / Number of Equity Shares as at the end of Year.

2 The figures disclosed above are based on the Special Purpose Restated Standalone Financial Information.

3 Earning Per Shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by the Companies

4 Net Worth for ratios is equal to Equity Share Capital and Other Equity (including Retained Earnings, Securities Premium and Remeasurements of Defined

5 Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

6 Ind AS 33 "Earning Per Share", requires an adjustment in the calculation of basic and diluted earnings per share for all periods presented if the number of equity or potential equity shares outstanding change as a result of bonus share. The weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the Special Purpose Restated Standalone Other Financial Information.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure X - Special Purpose Restated Standalone Statement of Capitalisation (Prior to IPO)

(Rs. in million)

Particulars	Pre-issue as at March 31, 2018 (without considering bonus issue)	Pre-issue as at March 31, 2018 (considering bonus issue)
Debt:		
Long Term Borrowings **(A)**	355.93	355.93
Short Term Borrowings	525.06	525.06
Current Portion of Secured Long Term Borrowings included in Other Current Financial Liabilities	13.33	13.33
Shareholders Funds:		
Equity Share Capital	29.18	233.47
Reserves and Surplus	2,590.56	2,386.28
Equity (B)	**2,619.75**	**2,619.75**
Long Term Debt / Equity ratio (A/B)	**0.14:1**	**0.14:1**

Notes:

1) The above has been computed on the basis of Special Purpose Restated Standalone Financial Information - Annexure I & Annexure II.

2) Pursuant to Shareholder's resolution passed at the Annual General Meeting ("AGM") held on August 14, 2018, the shareholder's approved issuance of bonus shares to the existing shareholders in the ratio of 7:1 i.e. seven bonus equity shares for each existing equity share. The record date for the bonus shares is August 09, 2018.

3) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XI - Special Purpose Restated Standalone Statement of Dividend paid

Particulars	For the Year Ended 31st March				
	2018	2017	2016	2015	2014
Number of equity shares	2,918,400	2,900,000	2,900,000	2,900,000	2,830,000
Face value per equity share (Rs.)	10	10	10	10	10
Rate of Dividend (%)	-	-	-	-	-
Dividend paid	-	-	-	-	-

Flair Writing Industries Limited (Formerly known as Flair Writing Industries Private Limited)
Annexure XII - Special Purpose Restated Standalone Statement of Tax Shelter

(Rs. in million)

Sr. No	Particulars	For the Year Ended 31st March				
		2018	2017	2016	2015	2014
A	**Restated Profit Before Taxes**	689.74	687.50	697.23	542.26	319.27
B	Company's domestic tax rate	34.61%	34.61%	34.61%	33.99%	33.99%
C	Income tax using the Company's tax rate	**238.71**	**237.93**	**241.30**	**184.31**	**108.52**
	Tax effect of:					
	Permanent Disallowances	(0.54)	(0.69)	(0.89)	(1.09)	(0.13)
	Tax on Deductions Under Chapter VI A and Section 10 AA/80-IC of Income Tax Act	(43.38)	(49.45)	(69.81)	(54.65)	(68.63)
D	**Total Tax Impact of Permanent Differences**	**(43.91)**	**(50.14)**	**(70.70)**	**(55.73)**	**(68.76)**
	Tax Impact of Timing Differences Due to:					
	Property, Plant and Equipment and other Intangibles Assets	(17.80)	(19.31)	(30.64)	(5.73)	5.39
	Provision for Gratuity	2.41	(1.96)	1.29	2.96	1.02
	Expenses allowable on payment basis	(1.59)	3.48	0.82	0.64	0.64
	AMT/MAT Credit Entitlement	-	51.74	26.85	15.61	37.97
	Other temporary differences	(9.21)	50.50	37.64	9.53	10.59
E	**Total Tax Impact of Timing Differences**	**(26.18)**	**84.46**	**35.96**	**23.01**	**55.61**
F	Net Adjustments	**(70.10)**	**34.32**	**(34.74)**	**(32.72)**	**(13.15)**
G	**Adjusted Tax Liability (C+F)**	**168.61**	**272.25**	**206.56**	**151.59**	**95.37**
	Minimum Alternate Tax under Sec 115JB of Income Tax Act Including Other Taxes					
	Tax Rate as per Minimum Alternate Tax under Sec 115JB of Income Tax Act	21.34%	21.34%	21.34%	20.96%	20.96%
H	Tax Liability as per Minimum Alternate Tax under Sec 115JB of Income Tax Act including Other Taxes	147.19	146.71	148.79	113.66	66.92
I	**Net liability (Higher of G and H)**	**168.61**	**272.25**	**206.56**	**151.59**	**95.37**
J	MAT credit entitlement recognised	-	(51.74)	(26.85)	(15.61)	(37.97)
K	Deferred Tax Charge/(Income)	29.52	(36.47)	(9.30)	(5.39)	(17.23)
L	**Tax Expense as per Restated Statement of Profit & Loss**	**198.13**	**184.04**	**170.41**	**130.59**	**40.17**

FINANCIAL INDEBTEDNESS

Our Company has availed of loans in the ordinary course of business. Set out below is a summary of the outstanding borrowings as of September 5, 2018, together with a description of certain significant terms of such financing agreements, in respect of our Company.

Nature of Facilities	Sanctioned amount (₹ in million)	Outstanding amount as of September 5, 2018 (₹ in million)
Secured Loans		
Working Capital Facilities		
Cash Credit (CC) / Working Capital Demand Loans (WCDL) / Sight Letter of Credit (SLC) / Usance Letter of Credit (ULC) / Bank Guarantees / Export Finance / Buyers Credit (BC) / Bill Discounting (BD)	785.00	611.99
Bank Guarantees (sub-limit of the above)	(160.00)	-
Term Loans		
Term Loan – I	160.00*	133.33
Term Loan – II	250.00	153.00
Unsecured Loans	1,365.00	999.77
Total	**2,560.00**	**1,898.09**

**In accordance with sanction letter dated August 2, 2018, the run down value of such term loan is ₹140.00 million.*

Principal terms of the secured facilities availed of by our Company:

1. ***Interest****:* Our Company is obligated to pay interest on facilities advanced and outstanding from time to time at mutually agreed rates of interest (exclusive of applicable interest tax). As of September 5, 2018, the interest rate applicable to our Company's borrowings ranges from 9% to up to 11.0%.

2. ***Tenor****:* In respect of the facilities availed by our Company, the tenor of (i) the term loans is five years (including a moratorium of six months, except the term loan of ₹250.00 million) and (ii) the working capital facilities ranges up to one year.

3. ***Security:*** The working capital facilities availed by our Company are secured by, among others:

   - first exclusive charge on all present and future stock and receivables;
   - first exclusive charge on all present and future movable fixed assets (plant and machinery);
   - first exclusive mortgage by way of equitable mortgage on certain immovable properties; and
   - cash margins of 10% on sight letters of credit and bank guarantees and 100% on unlimited tenor guarantees and open-ended guarantees.

   The term loans availed by our Company are secured by, among others, a first exclusive charge by way of a hypothecation over the Company's moveable properties, both present and future, funded out of such term loans.

   Our Company has also executed a letter of continuity and a demand promissory note as security for the working capital facilities and term loans availed of by our Company.

   The Executive Directors, including the Promoters, have executed deeds of personal guarantee, undertaking joint and several liability up to an amount of ₹1,175.00 million as security for the working capital facilities and term loan availed of by our Company.

4. ***Prepayment:*** Our Company may prepay the term loans subject to payment of pre-payment penalty of 2.0% on the amount prepaid.

5. ***Penalty:*** Penalties for overdues/delayed payment/defaults in payments at the rate of 4.0% p.a. over the applicable rate of interest.

6. ***Events of Default:*** The events of default in the financing agreements include the following:

   - non-payment or default of any amounts due;
   - breach of obligations, covenants or undertakings in respect of such facility;
   - failure to discharge any other indebtedness or such other indebtedness becoming due and payable immediately;
   - occurrence of any corporate action, legal proceedings or other procedure relating to winding up, liquidation or insolvency;
   - our Company ceasing to carry on business;
   - change of control without the prior written consent of the lender; and
   - failure to create or perfect security as stipulated in the facility documents.

   The details above are indicative and there may be additional terms that may amount to an event of default under the facility documents entered into by our Company.

7. ***Consequences of Events of Default:*** The consequences of occurrence of events of default include the following:

   - further disbursement of any amount under the facilities shall cease and the outstanding amounts shall become due and payable on demand;
   - the security shall become enforceable and our Company shall not be permitted to deal with the secured assets without the prior written consent of the lender;
   - the lender shall have the right to review the management set up or organization of our Company and require our Company to restructure such management set up or organization; and
   - our Company shall not be permitted to change the composition of the Board of Directors and/or management set up or appoint/re-appoint the Managing Director or any other person holding substantial powers of management without the prior consent of the lender.

8. ***Restrictive Covenants***: Certain borrowing arrangements entered into by our Company contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is set out below:

   - incurring additional borrowing and creating fresh charge on our Company's assets;
   - effecting any merger, amalgamation, reconstruction or consolidation;
   - selling, transferring or otherwise disposing off any of our properties or assets or undertakings;
   - granting any loans, any credit (except in the ordinary course of its business) to or for the benefit of any person other than itself;
   - change in equity, management and operating structure; and
   - our Company and its affiliates issuing guarantees of any kind.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by our Company.

Principal terms of the unsecured loans availed of by our Company:

In terms of the resolution of the Board dated April 2, 2018 and the loan agreement among our Company and certain unsecured lenders comprising the Promoters, certain members of the Promoter Group and their relatives dated April 2, 2018, the following are the principal terms of the unsecured loans availed of by our Company:

1. ***Interest:*** Our Company is obligated to pay interest annually on such unsecured loans at a rate, which may be revised subject to applicable law, not exceeding 12.0% p.a. As of September 5, 2018, the interest rate applicable to our Company's unsecured loans is 9.5% p.a.

2. ***Tenor:*** Such unsecured loans shall be repaid on or before March 31, 2030.

3. ***Prepayment:*** Our Company may prepay the unsecured loans without the payment of any additional fee.

The details provided above are indicative and there may be additional terms, conditions and requirements under the unsecured loan arrangements entered into by us.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the sections "Summary of Financial Information", and "Financial Information" on pages 60 and 183, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section "Risk Factors" on page 18. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, refer to the section "Forward-Looking Statements" on page 17.

Unless otherwise indicated or the context requires otherwise, the financial information included in this section is derived from our Special Purpose Restated Consolidated Financial Information. For further information, see "Financial Information" on page 183. The Special Purpose Restated Consolidated Financial Information has been prepared in accordance with the Companies Act, 2013 and Ind AS and has been restated in accordance with the SEBI ICDR Regulations. We have also discussed our results of operations on the basis of our Restated Consolidated Financial Information for the Financial Year 2018 and the period from August 12, 2016 to March 31, 2017, which has been prepared in accordance with the Companies Act, 2013 and Ind AS and has been restated in accordance with the SEBI ICDR Regulations. For further information, see "Financial Information" on page 183. In accordance with Applicable Law, we have transitioned our financial reporting from Indian GAAP to Ind AS and, for the purposes of such transition, we have followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with August 12, 2016 as the transition date. Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, our Restated Consolidated Financial Information and our Special Purpose Consolidated Financial Information may not be comparable to our historical financial statements or the historical financial statements of any of our predecessor entities.

The industry information contained in this section is derived from the report "Assessment of Indian writing instruments industry" dated June 2018 prepared by CRISIL and commissioned by our Company in connection with the Offer. Neither we nor the BRLMs nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Our Financial Year ends on March 31. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of such year.

Overview

We are a leading manufacturer of writing instruments in India with a focus on pens, which according to CRISIL contributes 70-75% of the domestic writing instruments industry in India in value terms. The Promoters of our Company, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have over four and three decades, respectively, of experience in the writing instruments industry. Our flagship brand "Flair" was introduced in 1976. As of June 30, 2018, our Company had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors and approximately 250,000 wholesalers and retailers, according to CRISIL.

Our products are sold under our principal brands "Flair", "Hauser" and "Pierre Cardin", as well as our other brands "Rudi Kellner" and "Landmark". We have been a manufacturer since March 2017 and the exclusive distributor since January 2017 of certain "Reynolds" branded pens in India. We own the exclusive rights to the "Pierre Cardin" trademark in India for class 16 products, including pens. We are a distributor of "ZIG" pens in India. We contract manufacture pen products on an OEM basis for various international companies. We also provide customized corporate gifting products to our corporate customers. Our brands "Flair" and "Hauser" offer mass-market and premium pen and stationery products, and our "Pierre Cardin" brand emphasizes premium pen and stationery products.

We have an extensive product range, including pen products (ball pens, fountain pens, gel pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators, and we offered 658 different products as of June 30, 2018. Our products include the "Flair Writo-Meter Ball Pen" (which writes up to 10,000 meters), "Sunny Ball Pen" (4-in-1), "Angular Ball Pen" (which features an angular tip) and "Ezee-Click Ball Pen" (a low-viscosity retractable pen). We cater to a broad range of price points and consumers, including students, professionals and offices.

The Indian writing instruments industry (based on manufacturing realization) is estimated at ₹56 billion in the Financial Year 2018, of which the domestic writing instruments industry is estimated to contribute ₹44 billion and exports is estimated to contribute ₹12 billion, and is expected to grow to ₹70 billion by the Financial Year 2021 on account of annual growth of 7%, according to CRISIL. On a maximum retail price basis, the domestic writing instruments industry is estimated at ₹68 billion (assuming 50% distribution margins), according to CRISIL. We believe that our deep knowledge of the market arising from our manufacturing experience in the writing instruments industry, our market presence across price points and consumer segments, our strong sales and distribution network and our understanding of consumer needs and preferences position us well to benefit from the expected growth in the writing instruments industry in India.

We manufacture pens and other products from six manufacturing plants in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. Our plants (other than our plant in Naigaon where writing instruments are manually assembled) had a combined production capacity of 1,288.28 million pieces per annum as of June 30, 2018 and capacity utilization of 80% (including our erstwhile units in the Surat Special Economic Zone) in the Financial Year 2018, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018. Our plant in Valsad, Gujarat is part-operational since July 2018 and partly under construction. The construction of two additional factory buildings at our manufacturing plant in Valsad, Gujarat is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. The first phase of our plant in Valsad, Gujarat comprising three factory buildings is estimated to have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018.

In India, our products reach consumers through a nationwide sales and distribution network, consisting of super-stockists, distributors, direct dealers, wholesalers and retailers, which helps us better understand consumer preferences and receive market feedback. In addition to our Company's distributor/dealer network, our Company had approximately 100 super-stockists in India (including our in-house super-stockist for the Mumbai region operated by the Flair Sporty division of our Company), as of June 30, 2018, which were supported by our sales and marketing employees. Besides traditional distribution channels, our products are also sold through modern retail outlets such as supermarkets, as well as e-commerce. As of June 30, 2018, we also had approximately 50 international distributors catering to a specific region or country and our products were sold in approximately 80 countries during the Financial Year 2018.

The Promoters of our Company – Mr. Khubilal Jugraj Rathod, Chairman of the Board and Mr. Vimalchand Jugraj Rathod, Managing Director – commenced involvement in the business of manufacturing writing instruments through their association with M/s. Wimco Pen Co ("**Wimco**"), a partnership firm that engaged in the business of manufacturing metal pens and other writing instruments. Our brand "Flair", which was originally established in 1976 by Wimco, has been owned and operated since 1986 by the Promoters through partnership firms that were predecessor entities to our Company. Accordingly, the Promoters have been instrumental in the growth of the "Flair" brand since its inception, as well as the origination or acquisition of all our other brands and OEM business. The manufacturing of plastic ball pens using plastic injection-moulding machines and gel pens emerged as key developments in the industry and were accordingly incorporated into our product range. We later also commenced manufacturing stationery and calculators.

For further details on the merger of predecessor entities into our Company with effect from April 1, 2017, see "*History and Certain Corporate Matters – Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets*" on page 153. Certain other entities that previously manufactured "Flair" and other brands of writing instruments, namely Flair Pens Limited, Stypen Manufacturing Company (India) Private Limited, M/s. Flair Writing Aids, M/s. Flair Pen and Plastic Industries, M/s. Rathod N Rathod, M/s. Royal Pen and

Plastic Industries, have ceased the business of manufacturing writing instruments and have executed letters to our Company undertaking to not compete with us, and Flair Pens Limited and M/s. Flair Pen and Plastic Industries are licensors to our Company for the land and buildings in which certain of our manufacturing facilities and offices are located.

We have received the "Export Award" and the "Export Award (First") from the Plastics Export Promotion Council, a plastics industry body sponsored by the Ministry of Commerce & Industry, Government of India, in 2016 and 2017, respectively, which recognized our export business. For further details, see "*History and Certain Corporate Matters – Awards, Certifications and Recognitions*" on page 151.

For the Financial Years 2016, 2017 and 2018, our total income was ₹3,910.52 million, ₹4,264.39 million and ₹5,806.73 million, respectively and our profit after tax was ₹526.83 million, ₹502.42 million and ₹492.61 million, respectively. Our total income and profit after tax grew at a CAGR of 21.03% and 15.26%, respectively, between the Financial Years 2014 and 2018. Under our agreements with Reynolds Pens India Private Limited ("**Reynolds India**"), we manufacture certain "Reynolds" branded products for sale to Reynolds India and also purchase certain "Reynolds" branded products from Reynolds India through the Subsidiary for sales and distribution in our distribution network. In our Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales, and are consolidated. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our total income would have been ₹5,238.19 million in the Financial Year 2018 and would have grown at a CAGR of 17.95% between the Financial Years 2014 and 2018.

In the Financial Years 2016, 2017 and 2018, 59.36%, 63.64% and 78.58% of our revenue from operations was derived from sale of goods (domestic) (calculated as the aggregate of sale of goods (manufactured - domestic) and sale of goods (traded - domestic)) and 40.64%, 36.36% and 21.42% of our revenue from operations was derived from the sale of goods (exports) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 76.23% of our revenue from operations would have been derived from the sale of goods (domestic) and 23.77% of our revenue from operations would have been derived from the sale of goods (exports).

In the Financial Year 2018, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry constituted 39.42% and 33.22%, respectively, of our revenue from operations. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sales of mass-market and premium pen and stationery products in the domestic writing instruments industry would have constituted 36.11% and 34.11%, respectively, of our revenue from operations.

Also see "*Our Business – Key Performance Indicators*" on page 135.

Factors Affecting our Results of Operations

Our business and results of operations are affected and will continue to be affected in future by a number of important factors, including:

Domestic sales of manufactured products

Our range of products sold and brand portfolio in any particular period impacts our revenue and profitability. Our products are sold under our principal brands "Flair", "Hauser" and "Pierre Cardin" as well as our other brands, "Rudi Kellner" and "Landmark". We manufacture and exclusively distribute "Reynolds" products in India since March and January 2017, respectively, pursuant to the master product supply agreement and the distribution agreement with Reynolds India. We are a distributor of "ZIG" pens in India. As of June 30, 2018, our extensive product range comprised 658 different products, including pen products (ball pens, gel pens, fountain pens, roller pens, plastic pens and metal pens), which is our largest category in terms of number of products offered, stationery (mechanical pencils, highlighters, correction pens, markers and gel crayons) and calculators.

Brand development and product differentiation are crucial to the success of our business. The Promoters, Mr. Khubilal Jugraj Rathod and Mr. Vimalchand Jugraj Rathod, have been associated with our flagship "Flair" brand since its inception and have been instrumental in its growth. We have also acquired other brands such as "Hauser" and "Pierre Cardin" (only for class 16 trademarks in India). Our arrangement with Reynolds India has served to increase our revenue from operations and has added a quality third-party brand to our product range. As we manufacture and sell "Reynolds" products to Reynolds India and also purchase such "Reynolds" products from Reynolds India through the Subsidiary for distribution in India, in our Special Purpose Restated Consolidated Financial Information, such sales by our Company and the Subsidiary are both accounted in our revenue from operations as sales and are consolidated. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our sale of goods (manufactured - domestic), revenue from operations and total income for the Financial Year 2018 on a consolidated basis would be lower as specified in Note 53 of our Special Purpose Restated Consolidated Financial Information. For details, see "*Financial Information*" on page 183. Any termination or adverse change in our relationship or agreements with Reynolds India could adversely affect our financial results and prospects.

Our pen and stationery products are offered across a wide range of prices, including in both the mass-market segment with prices up to ₹15 and the premium segment with prices above ₹15 and up to ₹3,000. This approach helps us cater to all target consumers, including students, professionals and offices. Our margins and profitability are generally higher in the premium segment as compared with the mass-market segment. However, we view presence in the mass-market as critical to market penetration, brand recognition and acceptance in our distribution network. We believe that the reputation of our flagship "Flair" brand, which commenced as a brand for metal pens, and its acceptance by consumers and our distribution network, has been instrumental in permitting our expansion of the brand to plastic pens, including ball pens and gel pens, as well as premium segment products. In the Financial Year 2018, 39.42% and 33.22% of our sale of goods (domestic) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)) were from sales of mass-market and premium pen and stationery products, respectively. In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 36.11% and 34.11% of our sale of goods (domestic) would have been from sales of mass-market and premium pen and stationery products, respectively.

Set forth below is a table indicating our revenue earned from domestic sales of manufactured goods (brand-wise), by amount and as a percentage of our revenue from operations in the Financial Year 2018.

Brand	**Revenue in the Financial Year 2018 (₹ in million)**	**Contribution of Manufactured Goods - Domestic to Revenue from Operations in the Financial Year 2018 (%)**	**Contribution of Manufactured Goods – Domestic to Revenue from Operations in the Financial Year 2018 after Adjustment (1) (%)**
Flair	2,041.93	35.54	39.45
Hauser	486.16	8.46	9.39
Pierre Cardin	388.28	6.76	7.50
Reynolds	538.51(2)	9.37	0.00
Zig	17.77	0.31	0.34
Rudi Kellner	1.98	0.03	0.04
Other sales(3)	277.37	4.83	4.78
Total	**3,752.00**	**65.31**	**61.50**

(1) If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our revenue from operations for the Financial Year 2018 on a consolidated basis would have been ₹5,176.11 million instead of ₹5,744.65 million, as specified in Note 53 of our Special Purpose Restated Consolidated Financial Information.

(2) If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our revenue earned from domestic sales of manufactured products (brand-wise) from Reynolds would have been ₹0.00 million; please see above.

(3) Includes refills, calculators, tips, pen parts, packaging material and other products

Domestic sales of traded products

Our domestic trading business primarily comprises of distributing "Reynolds" products by the Subsidiary as part of our arrangements with Reynolds India. We also conduct other trading business, including through "Flair Sporty", our in-house division which is the super-stockist for the Mumbai region including for our manufactured products.

Pursuant to the Distribution Agreement, we have the exclusive rights to market, sell and distribute certain "Reynolds" products in India. The Distribution Agreement may be terminated by Reynolds India after the expiry of three years from the date of the agreement if purchases and resales by the Subsidiary fall below certain specified targets and in any event after the expiry of five years from the date of the agreement. Any termination or adverse change in our relationship or agreements with Reynolds India could adversely affect our financial results and prospects. In addition to "Reynolds" products, we also trade pen products and refills, which are purchased by us from local manufacturers.

Set forth below is a table indicating our revenue earned from domestic sales of traded goods, by amount and as a percentage of our total income in the Financial Year 2018:

Brand/Others	Revenue in the Financial Year 2018 (₹ in million)	Contribution to Revenue from Operations in the Financial Year 2018 (%)	Contribution to Revenue from Operations in the Financial Year 2018 after Adjustment[1] (%)
Reynolds	671.80	11.69	12.98
Other trading[2]	90.55	1.58	1.75
Total	**762.35**	**13.27**	**14.73**

[1] If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our revenue from operations for the Financial Year 2018 on a consolidated basis would have been ₹5,176.11 million instead of ₹5,744.65 million, as specified in Note 53 of our Special Purpose Restated Consolidated Financial Information.
[2] Includes refills and other trading products

Exports

Our exports comprise sales of products manufactured and traded by us. We manufacture branded pen products and other products such as refills and tips for exports. We also contract manufacture products on an OEM basis for international customers.

During the Financial Year 2018, our products were sold in 82 countries (excluding India). In the Financial Years 2016, 2017 and 2018, 40.64%, 36.36% and 21.42% of our revenue from operations was derived from sale of goods (exports) (calculated as the aggregate of sale of goods (manufactured - exports) and sale of goods (traded - exports)). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 23.77% of our revenue from operations would have been derived from sale of goods (exports). We export products under our "Flair", "Hauser", "Pierre Cardin" and "Landmark" brands. Our OEM business involves the manufacture and export of customer-branded products to various global companies. In the Financial Year 2018, our top five export countries were the United States, the United Arab Emirates, Luxembourg, Germany and Colombia. We also export certain pen and stationery products traded by us, which we purchase from local manufacturers.

Any adverse developments or change in the demand for our products abroad, including any termination of our OEM arrangements or reduction in OEM orders, could adversely affect our financial results and prospects. For instance, our sale of goods (exports) declined by 18.15% from ₹1,396.71 million in the Financial Year 2017 to ₹1,143.14 million in the Financial Year 2018 due to a reduction in the orders from our OEM customers.

Set forth below is a table indicating our revenue earned from exports, by amount and as a percentage of our total income in the Financial Year 2018:

Brand/OEM	Revenue in the Financial Year 2018 (₹ in million)	Contribution to Revenue from Operations in the Financial Year 2018 (%)	Contribution to Revenue from Operations in the Financial Year 2018 after Adjustment[1] (%)

Brand/OEM	Revenue in the Financial Year 2018 (₹ in million)	Contribution to Revenue from Operations in the Financial Year 2018 (%)	Contribution to Revenue from Operations in the Financial Year 2018 after Adjustment[(1)] (%)
OEM	607.44	10.57	11.74
Branded products	532.10	9.26	10.28
Other exports[(2)]	90.75	1.58	1.75
Total	**1,230.29**	**21.42**	**23.77**

[(1)] If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, our revenue from operations for the Financial Year 2018 on a consolidated basis would have been ₹5,176.11 million instead of ₹5,744.65 million, as specified in Note 53 of our Special Purpose Restated Consolidated Financial Information.
[(2)] Includes export incentives, refills, tips and other products

Competition

We operate in the highly competitive Indian writing instruments industry, which is estimated at ₹56 billion (based on manufacturing realization) in the Financial Year 2018, including ₹44 billion in the domestic industry (of which the pen industry is 70-75% in value terms) and ₹12 billion in exports, according to CRISIL. Competitive factors in the writing instruments industry include product range, product mix, production capacity, advertising/marketing efforts, design and market penetration. Our ability to respond to changing market conditions, consumer preferences and the products and sales efforts of our competitors is important in order to maintain a competitive position in the Indian writing instruments industry. For example, we believe that introducing innovative products such as the "Flair" Writo-meter Ball Pen (which writes up to 10,000 meters), Sunny Ball Pen (4-in-1), Angular Ball Pen (which features an angular tip to aid left-handed individuals) and Ezee Click (a low-viscosity retractable pen) have helped build brand recognition.

According to CRISIL, the Indian writing instruments industry is highly competitive in the mass-market segment which comprises pen and stationery products sold at prices up to ₹15 levels. We endeavor to improve our margins from the sales of mass-market pen and stationery products through manufacturing efficiencies and minimizing wastage. Our gross profit margin ratio increased to 43.77% in the Financial Year 2018 from 42.32% in the Financial Year 2014. Our gross profit margin ratio (after excluding sales by our Company to Reynolds India from our revenue from operations) has increased to 48.57% in the Financial Year 2018 from 42.32% in the Financial Year 2014. We achieve better margins in the sale of pen and stationery products in the premium segment, which are priced above ₹15, as we believe consumers at that level are more focused on quality than marginal increases in price. Higher margins and pricing power in the premium segment also incentivize innovation, quality manufacturing and sales and marketing efforts. Our ability to maintain and grow our position in the mass-market segment and increase our sales in the premium segment will impact our business and financial results.

Some of our competitors may have substantially greater financial resources (including to spend on innovation and sales and marketing), technology, research and manufacturing capability and greater market penetration, and their brands may be more well-known than ours. Our competitors in the pen industry include BIC Cello (India) Private Limited, G.M. Pens International Private Limited, DOMS Industries Private Limited, Linc Pen & Plastics Limited and Luxor Writing Instruments Private Limited, according to the CRISIL. From time to time, we have also had to increase our sales and marketing efforts, including our incentive programs to our distribution network, and widen or improve our product range in order to respond to our competitors, which have increased our expenses in such periods. Accordingly, competition in the Indian writing instruments industry will continue to have a significant impact on our financial results.

Distribution network

Our revenue from operations is impacted by the scale and growth of our distribution network consisting of super-stockists, distributors, direct dealers, wholesalers and retailers. As of June 30, 2018, we had one of the largest distributor/dealer networks in the pen segment in India comprising more than 7,250 distributors, according to CRISIL. We had approximately 800 sales and marketing employees as of June 30, 2018. We incentivize sales by having exclusive brand-wise arrangements for pens with super-stockists in their respective geographic regions and dedicated sales and marketing employees for each of our brands who help with the sourcing and execution of orders across the distribution network, as well periodic incentive programs for our distribution network to meet sales targets and to respond to market developments. For our exports, as of June 30, 2018, we had relationships with approximately 50 distributors for the distribution and sale of our products in approximately 80 countries (other than India). Besides traditional distribution, our products are also sold through modern retail channels such as supermarkets and hypermarkets, as well as e-commerce. In India, our super-stockists resell to distributors at prices determined by our Company.

We earn revenue primarily by selling our products on a fixed margin basis in India directly to super-stockists in our distribution network in India, and to distributors abroad appointed for a particular country or region and for a specific brand. We also conduct distribution through our Company's Flair Sporty division, which is the super-stockist for the Mumbai region. In terms of our agreements with super-stockists, we do not have control over their onward distribution, appointment of distributors and collection of payments and the super-stockists do not have any purchase commitments towards us. We invoice our products to super-stockists (typically on credit for a period of 45 days to 150 days).

Our strategy to expand our distribution network in India involves increasing our market penetration into currently under-served areas, such as smaller towns with populations of up to 100,000. In addition, we focus on creating separate networks specific to each brand, both in India and abroad, in order to increase sales of each such brand. We also intend to increase our interaction with our network through the use of information technology platforms. For example, we recently commenced a pilot project of a software application tracking secondary sales by distributors and online ordering of products, so as to enable us to respond quickly and enhance our sales and marketing efforts, which in turn help us optimize our planning for manufacturing. We also intend to recruit more sales and marketing employees to enhance our sales and undertake direct outreach activities with our distribution partners and consumers such as in-shop boards and displays. Our ability to maintain and grow our distribution network, including our relationships with super-stockists, will impact our financial results.

Manufacturing process and efficiency

The capacity and efficiency of our manufacturing, including by improving our production volumes and managing our operating costs, is a key driver of our revenue from operations. We currently manufacture our products from six manufacturing plants in Naigaon (near Mumbai), Maharashtra; Daman in the Union Territory of Daman and Diu; and Dehradun, Uttarakhand. These plants (other than our plant in Naigaon, Maharashtra) had a combined production capacity of 1,288.28 million pieces per annum, as of June 30, 2018, and a combined capacity utilization of 79%, 80% and 80% in the Financial Years 2016, 2017 and 2018. With a view to expanding our production capacity, we intend to use a portion of the Net Proceeds towards building of factory buildings and related facilities at our new manufacturing plant in Valsad, Gujarat and for the purchase of machinery for our various manufacturing plants. For details, see "*Objects of the Offer*" on page 92. Our plant in Valsad, Gujarat is part-operational and the construction of two additional factory buildings is expected to be completed by December 2019, according to Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, pursuant to a certificate dated August 25, 2018. The first phase of this plant comprising three factory buildings will have a combined capacity of 782.40 million pieces per annum at optimum utilization level as of March 31, 2021, according to C.D. Mehta and Associates, Chartered Engineers, pursuant to a certificate dated August 27, 2018.

We plan our manufacturing based on demand in the preceding month and the historical seasonality information for our domestic business and on actual orders from customers for our exports. We intend to improve our capacity utilization and manage our operating costs through increased automation/semi-automation of certain manufacturing processes. For example, in recent years, we have introduced automatic and semi-automatic assembly machines for packaging at some of our manufacturing plants, which was earlier done manually. We also increase automation to address increased demand for specific products when required, as well as based on our estimation of the viability of the investment in automation vis-à-vis the expected market pricing of the product manufactured. We also believe automation has helped improve the quality of our products. We seek to upgrade our existing machinery and purchase new machinery with modern technology to achieve better productivity and minimize our wastage. Our gross profit margin ratio increased to 43.77% in the Financial Year 2018 from 42.32% in the Financial Year 2014. Our gross profit margin ratio (after excluding sales by our Company to Reynolds India from our revenue from operations) has increased to 48.57% in the Financial Year 2018 from 42.32% in the Financial Year 2014.

During the Financial Years 2017 and 2018, due to a decrease in demand from certain of our OEM customers, there was a decrease in production volumes at our plant in Dehradun (Dehradun Unit-II). Except our plant in Naigaon, Maharashtra, our manufacturing plants are versatile in that any of our products can be manufactured at any of our plants.

Our funding mix

Our ability to maintain an optimal funding mix between debt and equity and to source cost-effective funding could affect our results of operations. Historically, we have funded the majority of our capital requirements from internal accruals and financing from banks. As of September 5, 2018, (i) our outstanding indebtedness was ₹1,898.09 million; (ii) secured term loans and working capital facilities constituted ₹286.33 million and ₹611.99 million, respectively; and (iii) unsecured loans from the Executive Directors (including the Promoters) and certain of their relatives was ₹999.77 million. For information, see "- *Indebtedness*" and "*Financial Indebtedness*" on pages 566 and 522, respectively. Our financial results and future growth will depend on our ability to optimize our working capital cycle and to continue to source working capital adequate for our business requirements. We also intend to use ₹404.92 million from the Net Proceeds to meet our working capital requirements in the Financial Year 2019. For details, see "*Objects of the Offer*" on page 92. We also seek to maintain an optimal relationship between debt and equity in our funding mix. As of March 31, 2018, our long-term debt/equity ratio is 0.08:1.

Industry trends and macro-economic conditions

We derive a majority of our revenue from sales of writing instruments in India, and a significant portion from exports. In the Financial Years 2016, 2017 and 2018, 59.36%, 63.64% and 78.58% of our revenue from operations was derived from sales in India, i.e., sale of goods (domestic) and 40.64%, 36.36% and 21.42% of our revenue from operations was derived from sale of goods (exports). In the Financial Year 2018, if sales of "Reynolds" products by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sales, 76.23% of our revenue from operations would have been derived from the sale of goods (domestic) and 23.77% of our revenue from operations would have been derived from the sale of goods (exports).

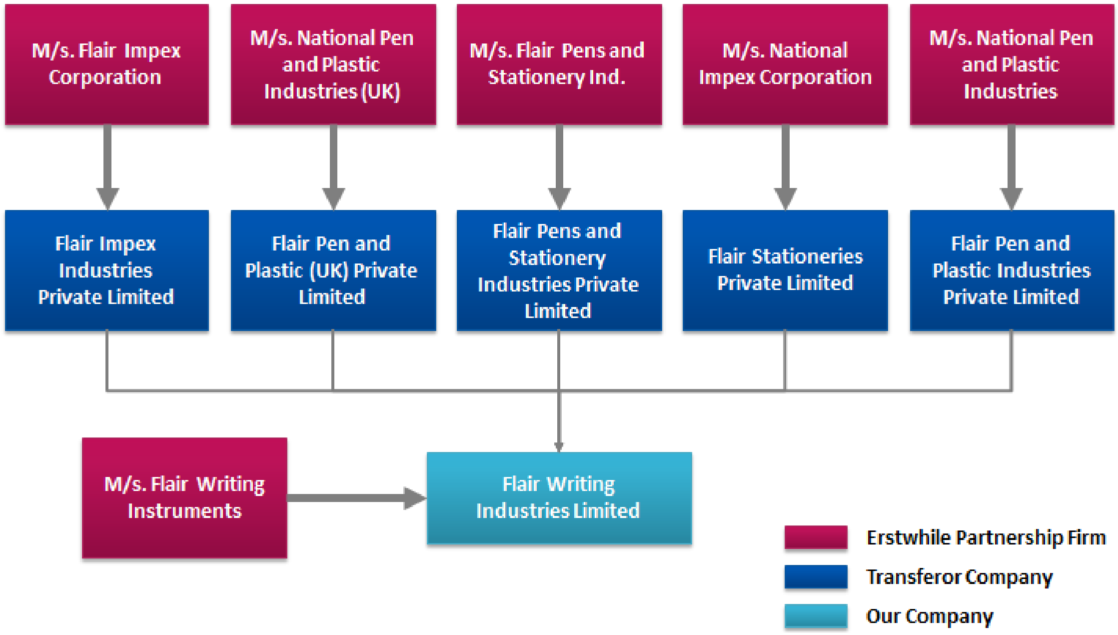
The demand for writing instruments in India and abroad depends in part on macro-economic conditions in these markets. Some of the macro-economic factors which may affect the growth of the Indian writing instruments industry include rising literacy levels, increasing spend by the government on education; increasing share of private schools; high share of youth in the Indian population; increasing focus of foreign players in the Indian writing instruments industry; and increasing acceptance of the private coaching segment. According to CRISIL, the Indian writing instruments industry has grown at a CAGR of 7% (based on manufacturing realization) in the last three Financial Years, and future growth is expected to be driven by the domestic industry as growth in exports is expected to remain stable. Our performance and growth are, and will be, dependent on the macro-economic conditions in India and globally, government initiatives, industry trends and exchange rate fluctuations. Accordingly, any change in such conditions and trends will impact our financial results.

Merger pursuant to the Scheme of Amalgamation

Our Company was incorporated as a private limited company on August 12, 2016 pursuant to the conversion of M/s. Flair Writing Instruments, a partnership firm, under the Companies Act. Our Subsidiary was incorporated on December 30, 2016. Our Promoters operated the business of manufacturing writing instruments through various partnership firms, including M/s. Flair Writing Instruments, and other entities in the past. Certain such other partnership firms which conducted the business of manufacturing writing instruments were each converted to private limited companies (each a "**Transferor Company**") during the Financial Year 2017, as set out below:

S. No.	Partnership Firm	Transferor Company	Date of Conversion
1.	M/s. National Pen and Plastic Industries	Flair Pen and Plastic Industries Private Limited	April 25, 2016
2.	M/s. National Impex Corporation	Flair Stationeries Private Limited	April 29, 2016
3.	M/s. Flair Pens and Stationery Ind.	Flair Pens and Stationery Industries Private Limited	April 29, 2016

S. No.	Partnership Firm	Transferor Company	Date of Conversion
4.	M/s. National Pen and Plastic Industries (UK)	Flair Pen and Plastic (UK) Private Limited	May 11, 2016
5.	M/s. Flair Impex Corporation	Flair Impex Industries Private Limited	May 12, 2016



During the Financial Year 2018, in order to enable the Company to consolidate businesses of our Company and the Transferor Companies to achieve synergies in operations and to create a stronger financial base, our Company and the Transferor Companies were merged pursuant to a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, in which the entire undertakings of the Transferor Companies as going concerns, including their assets, liabilities, licenses, contracts, litigation and employees, subject to any charges, liens or mortgages, were transferred to and vested in our Company with effect from April 1, 2017. The Scheme was approved by the NCLT at Mumbai pursuant to an order dated March 15, 2018 (the "**NCLT Order**") and the appointed date of the Scheme was April 1, 2017. The certified true copy of the NCLT Order was filed with the RoC on April 7, 2018 and the Scheme received approval on May 18, 2018.

The Financial Information included in this Draft Red Herring Prospectus consists of the Restated Financial Information as of March 31, 2018 and March 31, 2017 and for the period from August 12, 2016 to March 31, 2017 and the Financial Year 2018; and the Special Purpose Restated Financial Information as of March 31, 2018, 2017, 2016, 2015 and 2014 and for the Financial Years 2018, 2017, 2016, 2015 and 2014. The Financial Information included in this Draft Red Herring Prospectus is not necessarily indicative of the results that may be expected for any other future period.

The Special Purpose Restated Financial Information has been prepared and provided to illustrate our financial position as of March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and our financial performance for the Financial Years 2018, 2017, 2016, 2015 and 2014, as it would have been, had each of the Erstwhile Partnership Firms been converted into the relevant Transferor Company and merged with our Company pursuant to the Scheme, in each case with effect from April 1, 2013, irrespective of the actual appointed date of the Scheme, i.e., April 1, 2017, and the respective date of conversion of each of the Erstwhile Partnership Firms into our Company or the relevant Transferor Company, as applicable. Accordingly, the Special Purpose Restated Financial Information may not accurately reflect our financial results as of March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and for the Financial Years 2018, 2017, 2016, 2015 and 2014.

Significant Accounting Policies

Restated Consolidated Financial Information

Use of Estimates, Judgments and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

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

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

- **Recognition Defined Benefit Plans**
  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, save

and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

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

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

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

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 including 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 :**
   The Company was a partnership firm until August 11, 2016 and followed the written down value method of depreciation as per the provisions of Income Tax Act, 1961. However, on conversion into a company, the Company followed the depreciation method as specified and permitted by the Companies Act, 2013.

For the Audited Consolidated Financial Statements for the period August 12, 2016 to March 31, 2017, depreciation on fixed assets was provided on life assigned to each asset in accordance with the Schedule – II of the Companies Act, 2013 and taking the useful life of its fixed assets as reassessed on the basis of technical evaluation. Consequent to the reduction in the useful life of fixed assets based on transitional provisions given in Schedule II, Rs. 34.34 million (Deferred Tax input of Rs. 10.61 million) was adjusted against retained earnings on August 12, 2016.

In the Audited Consolidated Financial Statements for the period August 12, 2016 to March 31, 2017, the Company had changed method of providing depreciation from Written Down Value (WDV) to Straight Line Method (SLM) for more appropriate preparation or presentation of the financial statements. During that period depreciation was recalculated in accordance with the SLM Method from the date of put to use of the asset. Due to the change of method, surplus of depreciation in respect of past years of Rs. 228.73 million had been credited to the profit and loss account.

For the purposes of the Restated Consolidated Financial Information, depreciation on property, plant and equipment is provided using straight-line method based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013 and taking the useful life of its fixed assets as reassessed on the basis of technical evaluation.

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
Motor Vehicles	8
Two Wheelers	10

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 management’s estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Consolidated Statement of Profit and Loss when the asset is derecognized.

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

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

An impairment loss is recognised in the Restated Consolidated 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.

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. For the purposes of the Restated Consolidated Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loans availed from Promoters, Directors and their relatives, in the period between August 12, 2016 and March 31, 2017.

Foreign Currency Transactions and Translation

The Restated Consolidated Financial Information are presented in INR, which is also the Group's functional currency.

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

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

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

Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

- **Sale of Goods**

  Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

- **Export Entitlements**

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

- **Other Income**

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

Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Restated Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

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

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

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under Alternate Minimum Tax (AMT)/Minimum Alternate Tax (MAT), during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Restated Consolidated Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

Inventories

Inventories include raw materials, semi-finished goods, finished goods, stock-in-trade, packing materials and stores and spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

Contingent Liabilities and Commitments

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the Restated Consolidated Financial Information where an inflow of economic benefit is probable.

Provisions

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

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

Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

i. Defined Contribution Plans

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

ii. Defined Benefit Plans

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

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) Compensated Absences

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

d) Payment of Bonus

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

Financial Instruments

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

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

i. Financial assets

a. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

b. Subsequent Measurement

1) Financial assets carried at Amortised Cost

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

2) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

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

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

A financial asset which is not classified in any of the above categories is measured at FVTPL.

c. Loans, Deposits and Receivable

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

d. Impairment of financial assets

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

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

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

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

Trade Receivables

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

For other assets, the 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 consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.

Following is the policy for specific financial assets: -

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

ii. Financial liabilities

a. Initial Recognition and Measurement
All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Restated Consolidated Statement of Profit and Loss as finance cost.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables, financial guarantee contracts and derivative financial instruments.

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

c. De-recognition of Financial Instruments
The Group de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iii. Derivative Financial Instruments and Hedge Accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash and Cash Equivalents

Cash and Cash equivalents include Cash and Cheque on 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.

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.

Earnings Per Share

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

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

Segment Reporting

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

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Group with effect from April 1, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers
Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS
The MCA has also carried out amendments of the following accounting standards:
   I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
   II. Ind AS 40 - Investment Property
   III. Ind AS 12 - Income Taxes
   IV. Ind AS 28 - Investments in Associates and Joint Ventures and
   V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Restated Consolidated Financial Information.

Special Purpose Restated Consolidated Financial Information

Use of Estimates, Judgments and Assumptions

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

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

Estimates and assumptions are required in particular for:

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

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

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

- **Recognition Defined Benefit Plans**
  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, save and except trade receivables outstanding for more than twelve months which have been classified as Current, based on management estimates.

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

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

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

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 including 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 :

The Entities were following written down value method of depreciation as per the provisions of Income Tax Act, 1961 until April 1, 2013. However, for the purpose of the Special Purpose Restated Consolidated Financial Information, the Group has elected to follow the depreciation method as specified and permitted by the Companies Act.

Depreciation on property, plant and equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in accordance with the Schedule – II of Companies Act, 2013.Consequently, based on the technical evaluation, the Group had reassessed the useful life of its fixed Assets

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
Motor Vehicles	8
Two Wheelers	10

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 management's estimated useful lives as mentioned below:

Assets	Amortised (in years)
Trademarks	10
Web Designing	10

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Special Purpose Restated Consolidated Statement of Profit and Loss when the assets is derecognized.

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

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

An impairment loss is recognised in the Special Purpose Restated Consolidated 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.

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. For the purposes of Special Purpose Restated Consolidated Financial Information, notional interest has been provided on 'Unsecured Loans' under 'Current Borrowings', being loans availed from Promoters, Directors and their relatives, in the financial years ended March 31, 2017, 2016, 2015 and 2014.

Foreign Currency Transactions and Translation

The Special Purpose Restated Consolidated Financial Information are presented in INR, which is also the Group's functional currency.

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

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

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

Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue includes excise duty and excludes taxes or duties collected on behalf of the Government i.e. sales tax, value added tax and goods and service tax.

- **Sale of Goods**
  Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume discounts and other applicable discounts.

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

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

Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Special Purpose Restated Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity.

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

- **Deferred Tax**
  Deferred Tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Special Purpose Restated Consolidated Financial Information and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

  Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under AMT/MAT, during the financial year that AMT/MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the financial year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Special Purpose Restated Consolidated Statement of Profit and Loss and shown as unused tax credit. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay Income Tax higher than AMT/MAT during the specified financial year.

Inventories

Inventories include raw materials, semi-finished goods, finished goods, stock-in-trade, packing materials and stores and spares.

Inventories are measured at lower of Cost and Net Realisable Value after providing for obsolescence, if any.

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

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

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

Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognized as an expense in the Special Purpose Restated Consolidated Statement of Profit and Loss on straight-line basis over the lease term.

Contingent Liabilities and Commitments

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the Special Purpose Restated Consolidated Financial Information where an inflow of economic benefit is probable.

Provisions

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

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

Employee Benefits Expense

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

a) Short-Term Obligations

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

b) Post-Employment Obligations

i. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Employees' State Insurance Corporation. The Group's contribution is recognized as an expense in the Special Purpose Restated Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

ii. Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid at15 days' salary for every completed year of service as per the Payment of Gratuity Act, 1972.

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

Re-measurement of defined benefit plan in respect of post-employment are charged to the other comprehensive income.

c) Compensated Absences

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

d) Payment of Bonus

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

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.

iv. Financial assets

a. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchases and sales of financial assets are recognized using trade date accounting.

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.

b. 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.

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

Trade Receivables

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

For other assets, the 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 consist of Loans to employees, Security Deposit, other deposits, Interest accrued on Fixed Deposits, other receivables and Advances measured at amortized cost.
Following is the policy for specific financial assets: -

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Grant receivable	Grant pertains to Government receivables. Hence there is no major risk of bad debts.

v. Financial liabilities

a. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees or recurring nature are directly recognized in the Special Purpose Restated Consolidated Statement of Profit and Loss as finance cost.

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

b. Subsequent Measurement

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

c. De-recognition of Financial Instruments

The Group de-recognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or part of financial liability) is de-recognized from the Special Purpose Restated Consolidated Financial Information 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 Special Purpose Restated Consolidated Financial Information, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. **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.

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.

Cash Flow Statement

The Special Purpose Restated Consolidated 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.

Earnings Per Share

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

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

Segment Reporting

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

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognized on a systematic basis in the Special Purpose Restated Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

When the grant relates to an Asset, it is recognized as Income over the expected useful life of the Asset. In case a non-monetary asset is given free of cost, it is recognized at a Fair Value. When Loan(s) or similar assistance are provided by the Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is reduced from the interest. The Loan or assistance is initially recognized and measured at Fair Value and the Government Grant is measured as the difference between the initial carrying value of the Loan and the proceeds received.

Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendments to the existing Ind AS's. These amendments shall be applicable to the Group with effect from April 1, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
II. Ind AS 40 - Investment Property
III. Ind AS 12 - Income Taxes
IV. Ind AS 28 - Investments in Associates and Joint Ventures and
V. Ind AS 112 - Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Special Purpose Restated Consolidated financial information.

Our Income

Our total income consists of revenue from operations (including excise duty) and other income.

Revenue from Operations

The components of our revenue from operations are: (i) operating income, which consists substantially of sale of goods (including excise duty) manufactured and traded from our domestic business and our exports, as well as sale of services, and (ii) other operating income, which consists of sales of scrap and export incentives. Our revenue from operations includes excise duty but excludes sales tax and goods and services tax.

Other Income

The key components of our other income are interest income from bank deposits, other interest income and other non-operating income.

Our Expenses

Our expenses primarily consist of the following:

- cost of materials consumed, which primarily consists of the cost of raw materials and packing materials that we use in the manufacture of our products, primarily powder, ink and tips;

- purchase of stock-in-trade, which primarily consists of pens and stationery;

- changes in inventory of finished goods, semi-finished goods and stock-in-trade is the difference between our opening stock and closing stock of inventory during a Financial Year or the period from August 12, 2016 to March 31, 2017, as applicable;

- employee benefits expenses, which primarily consist of salaries, wages and bonus and as well as contributions to provident and other funds, leave salary and staff welfare expenses.

- finance costs, which primarily consist of (i) interest expense on loans from banks, (ii) interest expense on other loans, and (iii) other borrowing costs, such as bank charges and bank commission;

- depreciation and amortization expenses, primarily on our buildings, plant and machinery, moulds, office and factory equipment, furniture and fixtures, electrical installations, computers, vehicles and intangible assets; and

- other expenses, which primarily consists of manufacturing expenses, establishment expenses, repairs and maintenance and selling and distribution expenses.

Results of Operations

Restated Consolidated Financial Information

This section discusses our results of operations for the Financial Year 2018 and the period from August 12, 2016 to March 31, 2017 on the basis of our Restated Consolidated Financial Information.

The results of operations for the Financial Year 2018 are for the year ended March 31, 2018 and include the results of operations of each of the Transferor Companies which amalgamated with and into our Company with effect from April 1, 2017. The results of operations for the period from August 12, 2016, which is the date of incorporation of our Company, to March 31, 2017 are only with respect to such period (and not the year ended March 31, 2017), and include do not include any results of operations of the Transferor Companies. Accordingly, our results of operations for the Financial Year 2018 and the period from August 12, 2016 to March 31, 2017 are not comparable and such results for such period have been discussed below separately. Additionally, the historical results presented below are not necessarily indicative of the results that may be expected for any future period. For additional information, see "-*Special Purpose Restated Consolidated Financial Information*" on page 338 below.

Financial Year 2018

The table below sets forth certain data from the Restated Consolidated Statement of Profit and Loss for the Financial Year 2018, by amount and as a percentage of our total income for the periods indicated.

Particulars	Financial Year 2018	
	(₹ in millions)	%
INCOME		
Revenue from Operations		
Operating Income		
Sale of Goods (including Excise Duty)		
Manufactured		
Domestic	3,720.36	64.10
Export	1,028.68	17.72
Sale of Services	0.94	0.02
Traded		
Domestic	762.35	13.13

Particulars	Financial Year 2018	
	(₹ in millions)	%
Export	114.46	1.97
Other Operating Income		
Sales - Scrap	22.02	0.38
Export Incentive	87.15	1.50
Total	**5,735.97**	**98.82**
Other Income		
Interest income on		
Bank Deposits	0.02	0.00
Others	1.81	0.03
Other non-operating income	66.37	1.14
Total	**68.20**	**1.18**
Total Income	**5,804.17**	**100.00**
EXPENSES		
Cost of Materials Consumed	2,430.20	41.87
Purchase of Stock-in-Trade	898.42	15.48
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-In-Trade	(111.16)	(1.92)
Excise Duty on Sales	7.93	0.14
Employee Benefits Expense	790.91	13.63
Finance Costs	172.21	2.97
Depreciation/ Amortization Expenses	152.80	2.63
Other Expenses	771.88	13.30
Total Expenses	**5,113.18**	**88.09**
Profit Before Tax	690.99	11.91
Tax Expenses		
Current Tax	168.93	2.91
Less: Amt-Mat Credit Entitlement	-	0.00
Net Current Tax	168.93	2.91
Deferred Tax	30.54	0.53
Tax Adjustment for earlier years	(8.48)	(0.15)
Total Tax Expenses	190.99	3.29
Profit for the Year	500.00	8.61
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	-	
Remeasurements of Defined Benefit Plans	(14.59)	(0.25)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	4.25	0.07
Other Comprehensive Income for the Year (Net of Tax)	**(10.34)**	**(0.18)**
Total Comprehensive Income for the Year	**489.66**	**8.44**
Earnings Per Share in ₹		
Basic Earnings Per Equity Share	23.11	
Diluted Earnings Per Equity Share	23.11	

Total Income

Our total income was ₹5,804.17 million. Our revenue from operations was ₹5,735.97 million. Our sale of goods (manufactured - domestic) was ₹3,720.36 million, sale of goods (manufactured - export) was ₹1,028.68 million, sale of goods (traded - domestic) was ₹762.35 million and sale of goods (traded - export) was ₹114.46 million, and constituted 64.86%, 17.93%, 13.29% and 2.00%, respectively, of our revenue from operations. Our other income was ₹68.20 million.

Total Expenses

Our total expenses were ₹5,113.18 million, which constituted 88.09% of our total income. Our cost of materials consumed was ₹2,430.20 million. Our purchase of stock-in-trade in the Financial Year 2018 was ₹898.42 million. Our changes in inventory of finished goods, semi-finished goods and stock-in-trade was ₹111.16 million. Our excise duty on sales was ₹7.93 million. Our employee benefits expenses was ₹790.91 million. Our finance costs were ₹172.21 million. Our depreciation and amortization expenses were ₹152.80 million. Our other expenses were ₹771.88 million.

Profit before Tax

Our profit before tax was ₹690.99 million.

Tax Expenses

We recorded a current tax of ₹168.93 million. We also recorded deferred tax of ₹30.54 million. We also recorded tax adjustments for earlier years of ₹8.48 million (credit). Accordingly, our total tax expenses were ₹190.99 million.

Profit after Tax and Total Comprehensive Income

Our profit after tax and total comprehensive income were ₹500.00 million and ₹489.66 million, respectively.

Period from August 12, 2016 to March 31, 2017

The table below sets forth certain data from the Restated Consolidated Statement of Profit and Loss for the period from August 12, 2016 to March 31, 2017, by amount and as a percentage of our total income for the periods indicated.

Particulars	**For the Period August 12, 2016 to March 31, 2017**	
	(₹ in millions)	**%**
INCOME		
Revenue from Operations		
Operating Income		
Sale of Goods (including Excise Duty)		
Manufactured		
Domestic	1,276.68	73.64
Export	212.15	12.24
Sale of Services	0.06	0.00
Traded		
Domestic	-	-
Export	-	-
Other Operating Income		
Sales - Scrap	14.61	0.84
Export Incentive	-	-
Total	**1,503.50**	**86.73**
Other Income		
Interest income on		
Bank Deposits	-	-
Others	0.49	0.03
Other non-operating income	229.58	13.24

Particulars	For the Period August 12, 2016 to March 31, 2017	
	(₹ in millions)	**%**
Total	**230.07**	**13.27**
Total Income	**1,733.57**	**100.00**
EXPENSES		
Cost of Materials Consumed	804.68	46.42
Purchase of Stock-in-Trade	-	-
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-In-Trade	(55.75)	(3.22)
Excise Duty on Sales	22.46	1.30
Employee Benefits Expense	252.97	14.59
Finance Costs	61.52	3.55
Depreciation/ Amortization Expenses	45.34	2.62
Other Expenses	226.43	13.06
Total Expenses	**1,357.66**	**78.32**
Profit Before Tax	375.90	21.68
Tax Expenses		
Current Tax	105.90	6.11
Less: Amt-Mat Credit Entitlement	37.65	2.17
Net Current Tax	68.25	3.94
Deferred Tax	60.89	3.51
Tax Adjustment for earlier years	0.72	0.04
Total Tax Expenses	129.86	7.49
Profit for the Period	246.04	14.19
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	-	
Remeasurements of Defined Benefit Plans	0.89	0.05
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	(0.31)	(0.02)
Other Comprehensive Income for the Period (Net of Tax)	**0.58**	**0.03**
Total Comprehensive Income for the Period	**246.62**	**14.23**
Earnings Per Share in ₹		
Basic Earnings Per Equity Share	13.43	
Diluted Earnings Per Equity Share	13.43	

Total Income

Our total income was ₹1,733.57 million. Our revenue from operations was ₹1,503.50 million. Our sale of goods (manufactured - domestic) was ₹1,276.68 million, sale of goods (manufactured - export) was ₹212.15 million, and constituted 84.91% and 14.11%, respectively, of our revenue from operations. We did not earn revenue from sale of goods (traded). Our other income was ₹230.07 million.

Total Expenses

Our total expenses were ₹1,357.66 million, which constituted 78.32% of our total income. Our cost of materials consumed was ₹804.68 million. Our changes in inventory of finished goods, semi-finished goods and stock-in-trade was ₹(55.75) million. Our excise duty on sales was ₹22.46 million. Our employee benefits expenses were ₹252.97 million. Our finance costs were ₹61.52 million. Our depreciation and amortization expenses were ₹45.34 million. Our other expenses were ₹226.43 million.

Profit before Tax

Our profit before tax was ₹375.90 million.

Tax Expenses

We recorded a current tax of ₹105.90 million. We recognized MAT credit entitlement of ₹37.65 million, such that the net current tax was ₹68.25 million. We also recorded deferred tax of ₹60.89 million. We also recorded tax adjustments for earlier years of ₹0.72 million. Accordingly, our total tax expenses were ₹129.86 million.

Profit after Tax and Total Comprehensive Income

Our profit after tax and total comprehensive income were ₹246.04 million and ₹246.62 million, respectively.

Special Purpose Restated Consolidated Financial Information

This section discusses our results of operations for the Financial Years 2018, 2017 and 2016 on the basis of our Special Purpose Restated Consolidated Financial Information.

Our Company was incorporated on August 12, 2016 pursuant to the conversion of M/s. Flair Writing Instruments. Each of the other Erstwhile Partnership Firms was converted into the relevant Transferor Company during the Financial Year 2017 and merged with our Company pursuant to the Scheme with effect from April 1, 2017. The Special Purpose Restated Consolidated Financial Information have been prepared to illustrate our financial position as of March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and our financial performance for the Financial Years 2018, 2017, 2016, 2015 and 2014, as it would have been, had M/s. Flair Writing Instruments been converted into our Company and each of the other Erstwhile Partnership Firms been converted into the relevant Transferor Company and merged with our Company, in each case, with effect from April 1, 2013. Accordingly, these results of operations are not comparable with the historical financial results of our Company or any of the Transferor Companies.

The table below sets forth certain data from the Special Purpose Restated Consolidated Statement of Profit and Loss for the Financial Years 2018, 2017 and 2016, by amount and as a percentage of our total income for the periods indicated. Since our results presented have been restated as if the Scheme had been effective from April 1, 2013, irrespective of the actual appointed date of the Scheme and the respective date of conversion of each of the Erstwhile Partnership Firms into our Company or the relevant Transferor Company, as applicable, our results presented below may not accurately reflect our financial performance for the periods indicated and are not necessarily indicative of the results that may be expected for any other future period.

Particulars	**Financial Year 2018**		**Financial Year 2017**		**Financial Year 2016**	
	(₹ in millions)	**%**	**(₹ in millions)**	**%**	**(₹ in millions)**	**%**
INCOME						
Revenue from Operations						
Operating Income						
Sale of Goods (including Excise Duty)						
Manufactured						
Domestic	3,729.04	64.22	2,657.69	62.32	2,249.43	57.52
Export	1,028.68	17.72	1,276.86	29.94	1,306.56	33.41
Sale of Services	0.94	0.02	0.01	0.00	0.15	0.00
Traded						
Domestic	762.35	13.13	4.90	0.11	30.86	0.79
Export	114.46	1.97	119.85	2.81	112.16	2.87
Other Operating Income						
Sales - Scrap	22.02	0.38	24.47	0.57	7.66	0.20
Export Incentive	87.15	1.50	138.82	3.26	147.91	3.78
Total	**5,744.65**	**98.93**	**4,222.59**	**99.02**	**3,854.73**	**98.57**

Particulars	Financial Year 2018		Financial Year 2017		Financial Year 2016	
	(₹ in millions)	%	(₹ in millions)	%	(₹ in millions)	%
Other Income						
Interest income on						
Bank Deposits	0.02	0.00	0.49	0.01	0.55	0.01
Others	1.81	0.03	1.79	0.04	1.67	0.04
Other non-operating income	60.25	1.04	39.52	0.93	53.57	1.37
Total	**62.08**	**1.07**	**41.80**	**0.98**	**55.79**	**1.43**
Total Income	**5,806.73**	**100.00**	**4,264.39**	**100.00**	**3,910.52**	**100.00**
EXPENSES						
Cost of Materials Consumed	2,433.52	41.91	1,671.12	39.19	1,426.11	36.47
Purchase of Stock-In-Trade	893.65	15.39	482.51	11.31	641.25	16.40
Changes In Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	(104.64)	(1.80)	(60.36)	(1.42)	(65.60)	(1.68)
Excise Duty on Sales	7.92	0.14	32.79	0.77	26.49	0.68
Employee Benefits Expense	790.34	13.61	511.28	11.99	398.44	10.19
Finance Costs	172.21	2.97	94.59	2.22	111.17	2.84
Depreciation/ Amortization Expenses	152.54	2.63	119.19	2.80	103.76	2.65
Other Expenses	769.93	13.26	727.36	17.06	571.67	14.62
Total Expenses	**5,115.47**	**88.10**	**3,578.48**	**83.92**	**3,213.29**	**82.17**
Profit Before Tax	691.27	11.90	685.90	16.08	697.23	17.83
Tax Expenses						
Current Tax	168.93	2.91	272.25	6.38	206.56	5.28
Less: Amt-Mat Credit Entitlement	-	0.00	51.74	1.21	26.85	0.69
Net Current Tax	168.93	2.91	220.50	5.17	179.71	4.60
Deferred Tax	29.72	0.51	(37.02)	(0.87)	(9.30)	(0.24)
Total Tax Expenses	198.65	3.42	183.49	4.30	170.41	4.36
Profit for the Year	**492.61**	**8.48**	**502.42**	**11.78**	**526.83**	**13.47**
Other Comprehensive Income						
Items that will not be reclassified to profit or loss	-		-		-	
Remeasurements of Defined Benefit Plans	(10.61)	(0.18)	10.85	0.25	0.55	0.01
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	3.33	0.06	(3.75)	(0.09)	(0.19)	(0.00)
Other Comprehensive Income for the Year (Net of Tax)	**(7.28)**	**(0.13)**	**7.09**	**0.17**	**0.36**	**0.01**
Total Comprehensive Income for the Year	**485.33**	**8.36**	**509.51**	**11.95**	**527.19**	**13.48**
Earnings Per Share in ₹						
Basic Earnings Per Equity Share	21.11		21.54		22.58	
Diluted Earnings Per Equity Share	21.11		21.54		22.58	

Financial Year 2018 compared to Financial Year 2017

Total Income

Our total income increased by 36.17% to ₹5,806.73 million in the Financial Year 2018 from ₹4,264.39 million in the Financial Year 2017. This increase in total income was primarily due to a 36.05% increase in our revenue from operations. If sales by our Company to Reynolds India were excluded from being accounted in our revenue from operations as sale of goods (domestic), our total income for the Financial Year 2018 on a consolidated basis would be ₹5,238.19 million.

- *Revenue from Operations*

  Our revenue from operations increased by 36.05% to ₹5,744.65 million in the Financial Year 2018 from ₹4,222.59 million in the Financial Year 2017. This increase was primarily due to an increase in domestic sales of products, including through the commencement of manufacturing and distribution of "Reynolds" branded products in India.

  Our sale of goods (manufactured - domestic) increased by 40.31% to ₹3,729.04 million in the Financial Year 2018 from ₹2,657.69 million in the Financial Year 2017 due to an increase in domestic sales of products, including through the commencement of manufacturing of "Reynolds" branded products. Our sale of goods (manufactured - export) decreased by 19.44% to ₹1,028.68 million in the Financial Year 2018 from ₹1,276.86 million in the Financial Year 2017 due to global economic conditions affecting our OEM sales, which was offset by the increase in our sale of goods (manufactured - domestic) and sale of goods (traded - domestic). Our sale of goods (traded - domestic) increased by 15,458.16% to ₹762.35 million in the Financial Year 2018 from ₹4.90 million in the Financial Year 2017 due to the commencement of distribution of "Reynolds" branded products in India. Our sale of goods (traded - export) decreased by 4.50% to ₹114.46 million in the Financial Year 2018 from ₹119.85 million in the Financial Year 2017.

- *Other Income*

  Our other income increased by 48.52% to ₹62.08 million in the Financial Year 2018 from ₹41.80 million in the Financial Year 2017. This increase was primarily due to budgetary support under the Scheme of Budgetary Support under the Goods and Services Tax Regime to the units located in the states of Jammu and Kashmir, Uttarakhand, Himachal Pradesh and North Eastern States including Sikkim dated June 2017 and receipt of tooling amortization costs.

Total Expenses

Our total expenses increased by 42.95% to ₹5,115.47 million in the Financial Year 2018 from ₹3,578.48 million in the Financial Year 2017. This increase was primarily due to an increase in overall cost of materials consumed arising from an increase in revenue from operations through the commencement of our supply and distribution arrangement for "Reynolds" products, finance costs and employee benefits expenses arising from an increase in the number of employees, particularly the sales and marketing employees for our "Reynolds" arrangements. As a percentage of our total income, our total expenses increased to 88.10% in the Financial Year 2018 from 83.92% in the Financial Year 2017.

- *Cost of materials consumed*

  Our cost of materials consumed increased by 45.62% to ₹2,433.52 million in the Financial Year 2018 from ₹1,671.12 million in the Financial Year 2017. This increase was primarily due to an increase in raw materials costs and an increase in the scale of our operations arising from the commencement of our supply and distribution of "Reynolds" products.

- *Purchase of stock-in trade*

  Our purchase of stock-in-trade increased by 85.21% to ₹893.65 million in the Financial Year 2018 from ₹482.51 million in the Financial Year 2017. This increase was primarily due to incremental purchases of "Reynolds" branded products from Reynolds India pursuant to the distribution arrangement with Reynolds India.

- *Changes in inventory of finished goods, semi-finished goods and stock-in-trade*

  Our changes in inventory of finished goods, semi-finished goods and stock-in-trade increased by 73.36% to ₹104.64 million in the Financial Year 2018 from ₹60.36 million in the Financial Year 2017. This increase was primarily due to an increase in stock arising from an increase in the scale of our operations pursuant to the commencement of our supply and distribution of "Reynolds" products.

- *Employee Benefits Expense*

  Our employee benefits expenses increased by 54.58% to ₹790.34 million in the Financial Year 2018 from ₹511.28 million in the Financial Year 2017. This increase was primarily due to an increase in our number of employees, particularly the sales and marketing employees pursuant to our "Reynolds" arrangements, in the Financial Year 2018 and due to an increase in the overall employee costs arising from annual increments and incremental minimum wages.

- *Finance Costs*

  Our finance costs increased by 82.06% to ₹172.21 million in the Financial Year 2018 from ₹94.59 million in the Financial Year 2017. This increase was primarily due to increased borrowing arising from our incremental working capital requirements from time to time.

- *Depreciation and Amortization Expenses*

  Our depreciation and amortization expenses increased by 27.98% to ₹152.54 million in the Financial Year 2018 from ₹119.19 million in the Financial Year 2017. This increase was primarily due to higher capital expenditure arising from the procurement of new and upgraded machinery for our manufacturing plants, particularly Daman Unit-II.

- *Other Expenses*

  Our other expenses increased by 5.85% to ₹769.93 million in the Financial Year 2018 from ₹727.36 million in the Financial Year 2017. This increase was primarily due to an increase in the scale of our operations arising from the commencement of our supply and distribution of "Reynolds" products. However, as a percentage of revenue from operations, our other expenses declined to 13.40% in the Financial Year 2018 from 17.22 in the Financial Year 2017 due to lower advertisement and marketing expenditure.

Profit before Tax

As a result of the factors discussed above, our profit before tax increased by 0.78% to ₹691.27 million in the Financial Year 2018 from ₹685.90 million in the Financial Year 2017. As a percentage of our total income, our profit before tax decreased to 11.90% in the Financial Year 2018 from 16.08% in the Financial Year 2017. This decrease was primarily due to an increase in finance costs and employee benefits expenses arising from an increase in our number of employees, particularly the sales and marketing employees pursuant to our "Reynolds" arrangements, and from an increase in the overall employee costs arising from annual increments and incremental minimum wages.

Tax Expenses

We recorded a current tax of ₹168.93 million in the Financial Year 2018 compared to ₹272.25 million in the Financial Year 2017. The decrease in current tax in the Financial Year 2018 was primarily due to higher tax in the Financial Year 2017 under MAT provisions arising from the impact of change in the method of depreciation on conversion of the Erstwhile Partnership Firm, M/s. Flair Writing Instruments, into a private limited company. However, we recognized MAT credit entitlement of ₹51.74 million in the Financial Year 2017 such that the net current tax was ₹220.50 million. We also recorded deferred tax of ₹29.72 million in the Financial Year 2018 compared to ₹37.02 million (credit) in the Financial Year 2017. Accordingly, our total tax expenses increased by 8.26% to ₹198.65 million in the Financial Year 2018 from ₹183.49 million in the Financial Year 2017.

Profit after Tax

Our profit after tax decreased by 1.95% to ₹492.61 million in the Financial Year 2018 from ₹502.42 million in the Financial Year 2017. This decrease was primarily due to an increase in our total expenses, primarily finance costs and employee benefits expenses.

Total Comprehensive Income for the Year

Our total comprehensive income decreased by 4.75% to ₹485.33 million in the Financial Year 2018 from ₹509.51 million in the Financial Year 2017.

Financial Year 2017 compared to Financial Year 2016

Total Income

Our total income increased by 9.05% to ₹4,264.39 million in the Financial Year 2017 from ₹3,910.52 million in the Financial Year 2016. This increase in total income was primarily due to a 9.54% increase in our revenue from operations.

- *Revenue from Operations*

  Our revenue from operations increased by 9.54% to ₹4,222.59 million in the Financial Year 2017 from ₹3,854.73 million in the Financial Year 2016. This increase was primarily due to an increase in domestic revenue in the ordinary course of business.

  Our sale of goods (manufactured - domestic) increased by 18.15% to ₹2,657.69 million in the Financial Year 2017 from ₹2,249.43 million in the Financial Year 2016 due to increase in demand for manufactured products. Our sale of goods (manufactured - export) decreased by 2.27% to ₹1,276.86 million in the Financial Year 2017 from ₹1,306.56 million in the Financial Year 2016 due to weaker demand in certain geographies where our goods are sold. Our sale of goods (traded - domestic) decreased by 84.12% to ₹4.90 million in the Financial Year 2017 from ₹30.86 million in the Financial Year 2016 due to lower demand for traded goods. Our sale of goods (traded - export) increased by 6.86% to ₹119.85 million in the Financial Year 2017 from ₹112.16 million in the Financial Year 2016.

- *Other Income*

  Our other income decreased by 25.08% to ₹41.80 million in the Financial Year 2017 from ₹55.79 million in the Financial Year 2016. This decrease was primarily due to lower gains from exchange rate fluctuations on foreign currency transactions.

Total Expenses

Our total expenses increased by 11.36% to ₹3,578.48 million in the Financial Year 2017 from ₹3,213.29 million in the Financial Year 2016. This increase was primarily due to an increase in the cost of materials consumed arising from an increase in our revenue from operations and an increase in advertisement, sales promotion and marketing expenses arising from incremental marketing expenditure. As a percentage of our total income, our total expenses increased to 83.92% in the Financial Year 2017 from 82.17% in the Financial Year 2016.

- *Cost of materials consumed*

  Our cost of materials consumed increased by 17.18% to ₹1,671.12 million in the Financial Year 2017 from ₹1,426.11 million in the Financial Year 2016. This increase was primarily due to an increase in the scale of our operations arising from an increase in our domestic sales of manufactured goods.

- *Purchase of stock-in trade*

  Our purchase of stock-in-trade decreased by 24.76% to ₹482.51 million in the Financial Year 2017 from ₹641.25 million in the Financial Year 2016. This decrease was primarily due to our increased focus on manufacturing goods for the domestic market.

- *Changes in inventory of finished goods, semi-finished goods and stock-in-trade*

  Our changes in inventory of finished goods, semi-finished goods and stock-in-trade decreased by 8.00% to ₹60.36 million in the Financial Year 2017 from ₹65.60 million in the Financial Year 2016. This decrease was primarily due to an increase in volume of domestic sales of manufactured goods.

- *Employee Benefits Expense*

  Our employee benefits expenses increased by 28.32% to ₹511.28 million in the Financial Year 2017 from ₹398.44 million in the Financial Year 2016. This increase was primarily due to an increase in our number of employees in the Financial Year 2017 and an increase in the overall employee costs arising from annual increments and incremental minimum wages.

- *Finance Costs*

  Our finance costs decreased by 14.91% to ₹94.59 million in the Financial Year 2017 from ₹111.17 million in the Financial Year 2016. This decrease was in line with the decrease in our current and non-current borrowings to ₹887.70 million and ₹40.00 million in the Financial Year 2017 from ₹1,105.30 million and ₹54.51 million in the Financial Year 2016.

- *Depreciation and Amortization Expenses*

  Our depreciation and amortization expenses increased by 14.87% to ₹119.19 million in the Financial Year 2017 from ₹103.76 million in the Financial Year 2016. This increase was primarily due to an increase in capital expenditure arising from the procurement of new and upgraded machinery for our manufacturing plants, particularly Daman Unit-IV.

- *Other Expenses*

  Our other expenses increased by 27.23% to ₹727.36 million in the Financial Year 2017 from ₹571.67 million in the Financial Year 2016. This increase was primarily due to an increase in advertisement expenses, sales promotion and marketing expenses and marketing expenses arising from incremental marketing expenditure. Our advertisement expenses increased by 130.76% to ₹63.92 million in the Financial Year 2017 from ₹27.70 million in the Financial Year 2016 due to higher advertisement expenditure. Our sales promotion and marketing expenses increased by 64.32% to ₹38.04 million from ₹23.15 million in the Financial Year 2016 due to higher promotion expenditure to increase revenue from domestic sales of manufactured goods. Our marketing expenses increased by 67.74% to ₹42.64 million in the Financial Year 2017 from ₹25.42 million in the Financial Year 2016.

Profit before Tax

As a result of the factors discussed above, our profit before tax decreased by 1.62% to ₹685.90 million in the Financial Year 2017 from ₹697.23 million in the Financial Year 2016.

Tax Expenses

We recorded a current tax of ₹272.25 million in the Financial Year 2017 compared to ₹206.56 million in the Financial Year 2016. The increase in current tax in the Financial Year 2017 was in line with the increase in our total income. We recognized MAT credit entitlement of ₹51.74 million in the Financial Year 2017 and ₹26.85 million in the Financial Year 2016. We also recognized deferred tax credit of ₹37.02 million in the Financial Year 2017 and ₹9.30 million in the Financial Year 2016. Accordingly, our total tax expenses increased by 7.68% to ₹183.49 million in the Financial Year 2017 from ₹170.41 million in the Financial Year 2016.

Profit after Tax

Our profit after tax decreased by 4.63% to ₹502.42 million in the Financial Year 2017 from ₹526.83 million in the Financial Year 2016.

Total Comprehensive Income for the Year

Our total comprehensive income decreased by 3.35% to ₹509.51 million in the Financial Year 2017 from ₹527.19 million in the Financial Year 2016.

Liquidity and Capital Resources

Cash Flows

Set forth below is a table from our Special Purpose Restated Consolidated Financial Information showing our net cash flow from operating activities, net cash flow from/(used in) investing activities and net cash flow from/(used in) financing activities.

	Financial Year 2018 (₹ in millions)	Financial Year 2017 (₹ in millions)	Financial Year 2016 (₹ in millions)
Net cash flow from operating activities	352.82	636.12	456.20
Net cash flow from/(used in) investing activities	(443.51)	(270.36)	(165.28)
Net cash flow from/(used in) financing activities	36.94	(312.81)	(279.61)

Net Cash Flow from Operating Activities

In the Financial Year 2018, our net cash flow from operating activities was ₹352.82 million, reflecting a net profit before taxes of ₹691.27 million, an increase in trade receivables, inventory, other assets, trade payables and other liabilities and provisions. The cash generated from operating activities increased to ₹619.23 million in the Financial Year 2018 from ₹809.08 million in the Financial Year 2017. We paid net taxes of ₹266.41 million in the Financial Year 2018.

In the Financial Year 2017, our net cash flow from operating activities was ₹636.12 million, reflecting a net profit before taxes of ₹685.90 million, an increase in trade receivables, inventory, other assets, trade payables and other liabilities and provisions. The cash generated from operating activities increased to ₹809.08 million in the Financial Year 2017 from ₹659.75 million in the Financial Year 2016. We paid net taxes of ₹172.96 million in the Financial Year 2017.

In the Financial Year 2016, our net cash flow from operating activities was ₹456.20 million, reflecting a net profit before taxes of ₹697.23 million, an increase in trade receivables, inventory, other assets, other liabilities and provisions and a decrease in trade payables. The cash generated from operating activities increased to ₹659.75 million in the Financial Year 2016 from ₹481.54 million in the Financial Year 2015. We paid net taxes of ₹203.55 million in the Financial Year 2016.

Net Cash Used In Investing Activities

Our net cash used in investing activities in the Financial Year 2018 was ₹443.51 million, primarily attributable to the purchase of property, plant and equipment and intangible assets, which was partly offset by proceeds from the sale of property, plant and equipment, movement in bank deposits and interest received. Our purchase of property, plant and equipment and intangible assets was in connection with Daman Unit-II, Daman Unit-III and our plant in Valsad, Gujarat.

Our net cash used in investing activities in the Financial Year 2017 was ₹270.36 million, primarily attributable to the purchase of property, plant and equipment and intangible assets, which was partly offset by proceeds from the sale of property, plant and equipment, movement in bank deposits and interest received. Our purchase of property, plant and equipment and intangible assets was in connection with Daman Unit- II, Daman Unit-III and our acquisition of the “Pierre Cardin” brand.

Our net cash used in investing activities in the Financial Year 2016 was ₹165.28 million, primarily attributable to the purchase of property, plant and equipment and intangible assets, which was partly offset by proceeds from the sale of property, plant and equipment, government grant received, movement in bank deposits and interest received. Our purchase of property, plant and equipment and intangible assets was in connection with Daman Unit-IV and Dehradun Unit-II. Our sale of property, plant and equipment was in connection with the loss of fixed assets due to fire in Daman Unit-II.

Net Cash From/ (Used In) Financing Activities

Our net cash flow from financing activities was ₹36.94 million in the Financial Year 2018, which primarily consisted of proceeds of equity capital issuance (rights issue) and net proceeds from non-current borrowings, offset by net repayment of current borrowings and interest paid. Also see “*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*” on page 82.

Our net cash flow used in financing activities was ₹312.81 million in the Financial Year 2017, which primarily consisted of net repayment of current and non-current borrowings and interest paid.

Our net cash flow used in financing activities was ₹279.61 million in the Financial Year 2016, which primarily consisted of net repayment of current borrowings and interest paid, offset by net proceeds from non-current borrowings.

Indebtedness

As of September 5, 2018, our outstanding borrowings were:

Nature of Facilities	Sanctioned amount (₹ in million)	Outstanding amount as of September 5, 2018 (₹ in million)
Secured Loans		
Working Capital Facilities		
Cash Credit (CC) / Working Capital Demand Loans (WCDL) / Sight Letter of Credit (SLC) / Usance Letter of Credit (ULC) / Bank Guarantees / Export Finance / Buyers Credit (BC) / Bill Discounting (BD)	785.00	611.99
Bank Guarantees (sub-limit of the above)	(160.00)	-
Term Loans		
Term Loan – I	160.00*	133.33
Term Loan – II	250.00	153.00
Unsecured Loans	1,365.00	999.77
Total	**2,560.00**	**1,898.09**

**In accordance with sanction letter dated August 2, 2018, the run down value of such term loan is ₹140.00 million.*

Capital Expenditure

Our capital expenditure is mainly related to the purchase of plant and machinery, moulds, furniture and fixtures. The primary sources of financing for our capital expenditure have been internal accruals, and borrowings.

Planned Capital Expenditures

We propose to utilize ₹2,023.88 million to meet our capital expenditures requirement in relation to purchase of machinery for our manufacturing plants, building of factory buildings at our manufacturing plant in Valsad, Gujarat and Daman Unit-IV, of which ₹727.95 million and ₹1,295.93 million will be spent during the Financial Years 2019 and 2020, respectively. For further information relating to our planned capital expenditure to be financed from the Net Proceeds, see "*Objects of the Offer*" on page 92.

Contractual Obligations

As of March 31, 2018, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹138.27 million.

Contingent Liabilities

Set forth below is a table from our Special Purpose Restated Consolidated Financial Information showing our contingent liabilities as of March 31, 2018.

	As at March 31, 2018 (₹ in millions)	**As at March 31, 2017 (₹ in millions)**	**As at March 31, 2016 (₹ in millions)**
Disputed excise and service tax matters	1.21	1.21	0.69
Income tax matters	2.12	2.12	0.22
Bank guarantee outstanding	0.45	2.30	5.83

We have made no provision for the abovementioned contingent liabilities. Our contingent liabilities may become actual liabilities. In such event, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future.

Related Party Transactions

Our related party transactions include sale and purchase of goods, purchase of fixed assets, lease/license of properties, borrowings and interest, payment of remuneration, advertisement and sales promotion expenses and reimbursement of expenses incurred in the ordinary course of business. For details, see "*Financial Information*" on page 183.

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions, except our contingent liabilities.

Quantitative and Qualitative Disclosures about Market Risks

We are, during the normal course of business, exposed to various types of market risks. Market risk is the risk of loss related to adverse changes in market prices. We are exposed to credit risk, liquidity risk, interest rate risk, currency risk and commodity risk.

Credit Risk

We are exposed to credit risk from our operating activities, primarily from our outstanding trade receivables. We typically have credit terms of 45 to 150 days for our customers in India and of 30 to 150 days for our customers abroad.

We manage our credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers, to which we grant credit in accordance with the terms and conditions of our credit policy and in the ordinary course of business. In relation to our loans and advances, we make specific provisions, as and when required, and establish an allowance for impairment that represents our estimate of expected losses.

Our outstanding trade receivables were ₹1,188.19 million, ₹861.71 million and ₹789.11 million, as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively. Also see "*Risk Factors – Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits,* *thereby affecting our business, operations, prospects and financial results. Further, our accounts receivable collection cycle exposes us to client credit risk*” on page 30.

Liquidity Risk

We are exposed to liquidity risk which may arise from our inability to meet our cash flow commitments on time. Our approach to managing liquidity is to ensure, as far as possible, that we have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to our reputation. As of March 31, 2018, our current ratio and liquid ratio were 1.88 and 1.07, respectively.

Interest Rate Risk

Other than the working capital facilities and term loans from Citibank, N.A. and unsecured loans from the Executive Directors, including the Promoters, and their relatives, we do not have any other outstanding loans or facilities. Accordingly, our income and operating cash flows are substantially independent of changes in market interest rates.

Currency Risk

We are exposed to currency risk through our sales to overseas markets and purchases from overseas suppliers in various foreign currencies. Changes in the values of foreign currencies with respect to the Indian Rupee may cause fluctuations in our operating results expressed in Indian Rupees. In the usual course of business, we endeavor to cover certain of our exchange rate risks through forward contracts. As of March 31, 2018, our unhedged net foreign currency exposure was ₹305.83 million.

Commodity Risk

We are exposed to risks in relation to the prices of our principal raw material, i.e., a variety of plastic polymers, which are primarily derivatives of crude oil. Our approach to managing commodity risk is by expanding our source base, having appropriate contracts and commitments in place and planning our procurement and inventory strategy.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of our operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Seasonality

Our business is not subject to seasonal variations.

Dependence on a Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Unusual or Infrequent Events or Transactions

Except as discussed in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Except as described in the section “*Risk Factors*” on page 18 and this section, and elsewhere in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our revenues.

Future Relationships between Costs and Income

Except as discussed in the section "*Risk Factors*" on page 18 and this section, and elsewhere in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations or finances.

New Product or Business Segments

Except as described in the section "*Our Business*" on page 124, there are no new products or business segments which we operated.

Competitive Conditions

We expect competitive conditions to intensify further due to the entry of new players and the consolidation of existing players in the Indian writing instruments industry. For further information, see the sections "*Risk Factors*" and "*Our Business*" on pages 18 and 124, respectively.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income from continuing operations identified above in "- *Factors Affecting our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on the pages 527 and 18, respectively.

Significant Developments after March 31, 2018

To our knowledge, except as disclosed below and otherwise disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since March 31, 2018, the date of the last financial statements contained in this Draft Red Herring Prospectus, which materially and adversely affects, or is likely to affect, our trading or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

- The Scheme merging the Transferor Companies with our Company was sanctioned by the NCLT at Mumbai pursuant to an order dated March 15, 2018. The certified true copy of the NCLT Order was filed with the RoC on April 7, 2018 and the appointed date of the Scheme was April 1, 2017. Pursuant to the Scheme, our Company allotted 2,700,000 Equity Shares to the shareholders of the Transferor Companies, which included the Promoters and certain members of the Promoter Group. Also see "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*" on page 82.

- On August 16, 2018, our Company allotted 20,428,800 Equity Shares pursuant to a bonus issue of seven Equity Shares for every one Equity Share to all Shareholders as of the record date of August 9, 2018, i.e., the Promoters and certain members of the Promoter Group. Also see "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*" on page 82.

- We are in the process of ceasing commercial activities at our units in the Surat Special Economic Zone, Sachin, Surat, Gujarat. Certain movable assets have been transferred to our other manufacturing plants in the first quarter of the Financial Year 2019.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) outstanding criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) outstanding direct or indirect tax proceedings and (iv) outstanding litigation proceedings that are otherwise material, in each case, involving our Company, the Subsidiary, the Promoters, the Group Companies and the Directors.

The Board has considered and adopted the following policy with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to a resolution dated August 27, 2018 of the Board:

a. *notices received by our Company, the Subsidiary, the Promoters, the Group Companies and the Directors (collectively, the "**Relevant Parties**") from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants in proceedings before any judicial forum; and*

b. *litigation involving the Relevant Parties before any judicial forum involving a claim amount exceeding ₹10 million, being 2% of the profit after tax of the Company for the last completed Financial Year (i.e., Financial Year 2018), in accordance with the Restated Consolidated Financial Information shall be considered material. However, in relation to outstanding litigation where the monetary liability is not quantifiable, such litigation shall be considered material in the event that the outcome of such litigation would have a material adverse effect on the position of the Company.*

The Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors of our Company in this Draft Red Herring Prospectus pursuant to a resolution dated August 27, 2018, according to which all creditors of our Company to whom the amount due by the Company exceeds ₹12.25 million, being 2% of the total trade payables of our Company, as of March 31, 2018, in accordance with the Restated Consolidated Financial Information, are considered material.

I. Litigation involving our Company

(a) Criminal Proceedings against our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

(b) Criminal Proceedings by our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

(c) Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions and proceedings initiated by statutory/ regulatory authorities involving our Company other than as disclosed below:

Our Company has received a notice dated March 13, 2018 from the Office of the Senior Inspector, Legal Metrology, Gangoh Saharanpur, Government of Uttar Pradesh observing that our Company had allegedly violated Sections 18 and 36(1) of the Legal Metrology Act, 2009 read with Rules 4 and 8(1)(a)(b) of the Legal Metrology (Packaged Commodities) Rules, 2011 for not declaring the net quantity of the included product on the main display panel of the packaging. The matter is currently pending.

(d) *Material Civil Litigation against our Company*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Company.

(e) *Material Civil Litigation by our Company*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Company.

II. Litigation involving the Subsidiary

(a) *Criminal Proceedings against the Subsidiary*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Subsidiary.

(b) *Criminal Proceedings by the Subsidiary*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Subsidiary.

(c) *Actions by Statutory/Regulatory Authorities involving the Subsidiary*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving the Subsidiary.

(d) *Material Civil Litigation against the Subsidiary*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against the Subsidiary.

(e) *Material Civil Litigation by the Subsidiary*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by the Subsidiary.

III. Litigation involving the Directors

(a) *Criminal Proceedings against the Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of the Directors.

(b) *Criminal Proceedings by the Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of the Directors.

(c) *Actions by Statutory/Regulatory Authorities involving the Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of the Directors other than as disclosed below:

Mr. Vimalchand Jugraj Rathod and Mr. Sumitkumar Vimalchand Rathod have filed a suit along with other members of a residential premises in the Bombay City Civil Court against the Designated Officer-IV

Assistant Engineer (B & F), K/West Ward and the Municipal Corporation of Greater Bombay (the "**Defendants**") against (i) the notices issued by the Defendants under Section 488 of the Mumbai Municipal Corporation Act, 1888 bearing no. KW/1759/OD/BF 67 dated March 27, 2018; (ii) the notices issued by the Defendants under Section 351 of the Mumbai Municipal Corporation Act, 1888 bearing no. DO IV(AEBF/K.W. Ward) D/156/351-0000251/63 dated July 16, 2014; and (iii) the order bearing no. DO IV(AEBF/K.W. Ward) D/156/351-0000251/63 dated August 1, 2014 in relation to alleged minor unauthorized construction in the building premises. A stay against such notices and order has been granted by the Bombay City Civil Court.

(d) *Material Civil Litigation against the Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of the Directors.

(e) *Material Civil Litigation by the Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of the Directors.

IV. Litigation involving the Promoter*s*

(a) *Criminal Proceedings against the Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of the Promoters.

(b) *Criminal Proceedings by the Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of the Promoters.

(c) *Actions by Statutory/Regulatory Authorities involving the Promoters*

Except as disclosed above in respect of Mr. Vimalchand Jugraj Rathod under "- *Litigation involving the Directors - Actions by Statutory/Regulatory Authorities involving the Directors"* on page 571, as on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of the Promoters.

(d) *Material Civil Litigation against the Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of the Promoters.

(e) *Material Civil Litigation by the Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of the Promoters.

V. Litigation involving the Group Companies

(a) *Criminal Proceedings against the Group Companies*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of the Group Companies.

(b) *Criminal Proceedings by the Group Companies*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of the Group Companies.

(c) *Actions by Statutory/Regulatory Authorities involving the Group Companies*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of the Group Companies.

(d) *Material Civil Litigation against the Group Companies*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of the Group Companies.

(e) *Material Civil Litigation by the Group Companies*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of the Group Companies other than as disclosed below:

Pentel Kabushi Kaisha, along with its subsidiary, Pentel Stationery (India) Private Limited, a Group Company, has filed a lawsuit (CS(Comm) 361/2017) in the High Court of Delhi at New Delhi against certain third parties claiming infringement of registered design no. 263172 of Pentel Kabushi Kaisha. The amount claimed from such third parties exceeds the materiality threshold of ₹10 million adopted by the Board. However, the quantum of the funds involved for Pentel Stationery (India) Private Limited is nil. The matter is currently pending.

VI. Tax Proceedings involving our Company, Subsidiary, Directors, Promoters and Group Companies

Details of outstanding tax proceedings involving our Company, the Subsidiary, the Directors, the Promoters and the Group Companies as on the date of this Draft Red Herring Prospectus are disclosed below.

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax*		
Company	8**	2.12***
Promoters (Directors)		
Mr. Khubilal Jugraj Rathod	2	NIL
Mr. Vimalchand Jugraj Rathod	2	NIL
Directors other than Promoters		
Mr. Rajesh Khubilal Rathod	2	NIL
Mr. Mohit Khubilal Rathod	2	NIL
Mr. Sumitkumar Vimalchand Rathod	2	NIL
Subsidiary	NIL	NIL
Group Companies	NIL	NIL
Sub-Total (A)	**18**	**2.12**
Such amount excludes any interest or penalty in relation to such direct tax proceedings* * Includes proceedings involving the Erstwhile Partnership Firm, M/s. Flair Writing Instruments* ****Such amount includes the fees for compounding and litigation incurred by the Erstwhile Partnership Firm, M/s. Flair Writing Instruments and its partners, including the Promoters and the Executive Directors*		
Indirect Tax*		
Company	5**	1.33***
Promoters (Directors)	NIL	NIL
Directors other than Promoters	NIL	NIL
Subsidiary	NIL	NIL
Group Companies	NIL	NIL
Sub-Total (B)	**5**	**1.33**

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
**Such amount excludes any interest or penalty in relation to such indirect tax proceedings* ***Includes proceedings involving certain of the Erstwhile Partnership Firms or Transferor Companies* ****Of such amount, ₹0.12 million has been paid to the relevant authorities, i.e., Department of Commercial Tax, Uttarakhand and Central Excise, Customs and Service Tax, Daman.*		
TOTAL (A+B)	**23**	**3.45**

VII. Outstanding Dues to Creditors

As of March 31, 2018, on a consolidated basis, we had 879 creditors and the aggregate amount outstanding to such creditors was ₹612.64 million. As of March 31, 2018, on a standalone basis, our Company had 864 creditors and the aggregate amount outstanding to such creditors was ₹551.34 million.

Further, as of March 31, 2018, there were nine small scale undertakings to whom an aggregate amount of ₹54.59 million was outstanding from the Company.

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution of the Board dated August 27, 2018, has determined that all creditors of our Company to whom the amount due by our Company exceeds ₹12.25 million, being an amount which is 2% of the total trade payables of our Company as of March 31, 2018 in accordance with the Restated Consolidated Financial Information, shall be considered as material creditors of our Company.

Based on the above, as of March 31, 2018, there were seven material creditors of our Company to whom an amount of ₹143.59 million was outstanding.

The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: www.flairworld.in.

The details in relation to such creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus. Persons placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

VIII. Material Developments since the Last Balance Sheet

In the opinion of the Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our consolidated assets, or our ability to pay our liabilities within the next 12 months, except as disclosed in this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

On the basis of the list of material approvals, consents, licenses and permissions provided below, our Company can undertake the Offer and our Company and the Subsidiary can undertake each of their respective current business activities and other than as stated below, no further material approval, consent, license or permission from any regulatory authority is required to undertake the Offer or continue such business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" on page 147.

I. Approvals in Relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 577.

II. Incorporation Details of our Company

1. Certificate of incorporation dated August 12, 2016 issued by the RoC.

2. Fresh certificate of incorporation dated May 30, 2018 issued by the RoC upon conversion to a public limited company.

III. Approvals in Relation to our Business

(a) Material Licenses and Approvals obtained by our Company and the Subsidiary

Details of the material licenses and approvals held by our Company and the Subsidiary as on the date of this Draft Red Herring Prospectus are disclosed below.

1. In respect of our units located at Daman (Dabhel and Kachigam), Dehradun, Naigaon and Valsad, the material approvals and registrations obtained by our Company and certain of the erstwhile Transferor Companies include licenses under the Factories Act, provisional certificate under the Factories Act (in respect of our Valsad unit) consents to operate under the Air Act and the Water Act, authorization under the Hazardous Waste Management Rules, consent to establish under the Air Act and the Water Act (in respect of our Valsad unit) occupancy certificates, entrepreneur's memoranda, Udyog Aadhar memoranda and no-objection certificates from the fire service departments.

2. Our Company has obtained a registration under the Maharashtra Shops and Establishment Act, 1948 for the Registered Office.

3. Our Company and the Subsidiary have obtained registrations under various Indian tax laws, including, but not limited to, permanent account number, TAN and goods and services tax.

4. Our Company and certain of the erstwhile Transferor Companies have obtained registrations under applicable labour laws including, but not limited to, registrations under the Employees' Provident Funds and Miscellaneous Act, 1952, the Employees' State Insurance Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

5. Our Company has obtained the certificate of importer-exporter code and has been recognized as a 'one star' export house by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

(b) *Material Licenses and Approvals for which Applications have been Filed by our Company and the Subsidiary*

1. In relation to Daman Unit-II, Daman Unit-III and Daman Unit-IV, we have received provisional no-objection certificates from the Department of Fire and Emergency Services, Administration of Daman and Diu (Union Territory), each dated December 14, 2016, January 9, 2017 and December 14, 2016, respectively, for revised construction at the respective manufacturing plants. Pursuant to our applications to the Assistant Director Fire Officer, Department of Fire and Emergency Services, Daman, each dated December 14, 2017, we have sought extension of time period for the provisional no-objection certificates. We are yet to receive sanction of our requests from the Department of Fire and Emergency Services, Daman.

2. Certain of our statutory and regulatory licenses, permits and approvals have been obtained in the names of the Transferor Companies or the partnership firms which converted into the Transferor Companies. While our Company has initiated the process to apply for change of name to its present name in respect of such approvals, certain such applications are pending before the relevant authorities.

   Also see "*Risk Factors - If we fail to obtain, maintain or renew the statutory and regulatory licenses, permits and approvals required for our business and operations, our business, operations, prospects or financial results may be materially and adversely affected. As of the date of this Draft Red Herring Prospectus, certain of our statutory and regulatory approvals have been registered in the name of the Transferor Companies or the Erstwhile Partnership Firms*" on page 27.

IV. Intellectual Property

(a) *Registrations Obtained by our Company and the Subsidiary*

Trademarks

As on the date of this Draft Red Herring Prospectus, we have registered 42 trademarks in India. We have also registered certain trademarks in countries/territories such as the United States, the European Union, Yemen and Singapore.

Our Company has opposed the registration of trademarks "*Thermo Hauser*", "*Fine and Flair*" and "*Hauser*" by third parties in India and abroad.

(b) *Applications Filed by our Company and the Subsidiary*

Trademarks

As on the date of this Draft Red Herring Prospectus, we have filed 17 applications in India for registration of various trademarks, which are currently pending at various stages.

Also see "*Risk Factors – As of the date of this Draft Red Herring Prospectus, we have not yet registered our rebranded corporate logo and certain of our trademarks have been registered in the names of the Transferor Companies or the Erstwhile Partnership Firms. If we are unable to register trademarks or protect our existing intellectual property, or if we inadvertently infringe on the trademarks of others, we may be subjected to legal action and our reputation, business, operations, prospects or financial results may be materially and adversely affected*", "*Our Business – Intellectual Property*" and "*Our Promoters and Promoter Group – Confirmations*" on pages 27, 144 and 174, respectively.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Fresh Issue has been authorized by a resolution dated August 16, 2018 passed by the Board and a special resolution dated August 24, 2018 passed by the Shareholders. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Promoter Group Selling Shareholders have consented to include the Equity Shares offered by them in the Offer for Sale, aggregating up to ₹1,200 million, pursuant to their respective letters as indicated in the table below:

S. No.	Name of the Promoter Group Selling Shareholder	Date of consent letter	OFS portion (in up to Rupee millions)
1.	Mr. Khubilal Jugraj Rathod	August 24, 2018	240
2.	Mr. Vimalchand Jugraj Rathod	August 24, 2018	180
3.	Mrs. Nirmala Khubilal Rathod	August 24, 2018	120
4.	Mrs. Manjula Vimalchand Rathod	August 24, 2018	120
5.	Mr. Rajesh Khubilal Rathod	August 24, 2018	120
6.	Mr. Mohit Khubilal Rathod	August 24, 2018	120
7.	Mr. Sumitkumar Vimalchand Rathod	August 24, 2018	120
8.	Mrs. Sangita Rajesh Rathod	August 24, 2018	60
9.	Mrs. Shalini Mohit Rathod	August 24, 2018	60
10.	Mrs. Sonal Sumitkumar Rathod	August 24, 2018	60

Each of the Promoter Group Selling Shareholders has confirmed that they are the legal and beneficial owners of their respective Offered Shares and their respective Offered Shares have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI or have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus or have been acquired pursuant to the Scheme, in lieu of business and invested capital which had been in existence for a period of more than one year prior to such approval and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the ICDR Regulations.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or other Governmental Authorities

Our Company, the Promoter Group Selling Shareholders (including the Promoters who are also the persons in control of the Company), the other members of the Promoter Group, the Group Companies and the Directors have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which the Promoters (who are also the persons in control of the Company) or the Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

None of the Directors are associated with the securities market in any manner.

Prohibition by the RBI

None of our Company, the Directors, the Group Companies, the Promoters, relatives (as defined under the Companies Act, 2013) of the Promoters or the other Promoter Group Selling Shareholders has been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets, calculated on a standalone and consolidated basis as restated, of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets.

- Our Company has a minimum average pre-tax operating profit of ₹150 million, calculated on a restated standalone and consolidated basis, during the three most profitable years out of the immediately preceding five years.

- Our Company has a pre-Offer net worth of not less than ₹10 million in each of the preceding three full years (of 12 months each).

- The aggregate of the Offer and all previous issues made by our Company after March 31, 2018 does not exceed five times the pre-Offer net worth of our Company as per the audited standalone and consolidated balance sheets for the immediately preceding Financial Year.

- Our Company has not changed its name during the preceding one full year. However, the word "Private" was deleted from our name pursuant to conversion to a public limited company.

Since our Company was incorporated in Financial Year 2017 pursuant to the conversion of a partnership firm, the track record of distributable profits of the partnership firm has been considered in compliance with the requirements of Explanation III of Regulation 26 of the SEBI ICDR Regulations. Accordingly, the Auditors have confirmed that (i) they have duly certified the audited financial statements of the partnership firm, Flair Writing Instruments (the "**Firm**"), (ii) the accounts and the disclosures made were in accordance with the provisions of Schedule VI of the Companies Act, 1956 and/or in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the accounting standards of the ICAI were followed and (iii) such audited financial statements presented a true and fair view of the Firm's accounts.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, pre-tax operating profit and net worth derived from the Special Purpose Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the five immediately preceding Financial Years are disclosed below.

(*₹ in million*)

Particulars*	**Financial Year**				
	2014	**2015**	**2016**	**2017**	**2018**
Special Purpose Restated Consolidated Financial Information					
Net tangible assets	303.79	686.91	1,213.59	1,700.28	2,587.13
Monetary assets	8.40	3.49	14.92	68.04	14.54
Monetary assets as a percentage of the net tangible assets (in %)	2.77	0.51	1.23	4.00	0.56
Pre-tax operating profit	402.32	608.54	748.27	731.49	793.99
Net worth	306.60	697.56	1,224.75	1,734.26	2,619.70
Special Purpose Restated Standalone Financial Information					
Net tangible assets	303.79	686.91	1,213.59	1,701.32	2,587.33
Monetary assets	8.40	3.49	14.92	67.21	11.74
Monetary assets as a percentage of the net tangible assets (in %)	2.77	0.51	1.23	3.95	0.45
Pre-tax operating profit	402.32	608.54	748.27	733.09	792.44
Net worth	306.60	697.56	1,224.75	1,735.30	2,619.75

**Source: Special Purpose Restated Financial Information*

Notes:

(i) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by the ICAI.

(ii) Monetary assets comprise of cash and cash equivalents, including other bank balances and bank deposits (net of bank deposits having restrictive use).

(iii) 'Pre-tax operating profit' is defined as the restated profit before tax but after adjusting other income, loss on sale of investment, lease rentals written off, interest income written off and finance costs.

(iv) 'Net worth' means the aggregate of equity share capital and other equity.

Our Company's average pre-tax operating profit based on the three most profitable years out of the five immediately preceding Financial Years in terms of our Special Purpose Restated Financial Statements was ₹757.93 million and ₹757.92 million on a standalone and consolidated basis, respectively. Financial Year 2016, Financial Year 2017 and Financial Year 2018 are the three most profitable years out of the five immediately preceding Financial Years in terms of our Special Purpose Restated Financial Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company and the Promoter Group Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded in accordance with the timelines specified under applicable law. In case of delay, if any, in refund within such timelines as prescribed under applicable law, our Company and the Promoter Group Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable law.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE PROMOTER GROUP SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER GROUP SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER,

PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE PROMOTER GROUP SELLING SHAREHOLDERS, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI, TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – <u>NOT APPLICABLE</u>

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – <u>COMPLIED WITH</u>**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE PROMOTER GROUP SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – <u>NOTED FOR COMPLIANCE</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. WE ENCLOSE A STATEMENT ON PRICE INFORMATION OF 'PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER THE FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN THE FINANCIAL STATEMENT OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY THE STATUTORY AUDITOR OF THE COMPANY, M/S. JESWANI & RATHORE, CHARTERED ACCOUNTANTS, PURSUANT TO A CERTIFICATE DATED SEPTEMBER 24, 2018</u>

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE) – <u>NOT APPLICABLE</u>

The filing of this Draft Red Herring Prospectus does not, however, absolve any person that authorizes the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. The SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32 and 33 of the Companies Act, 2013.

Price Information of Past Issues Handled by the BRLMs

1. Axis Capital Limited

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	57.43%, [+1.17%]	-	-
2.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%, [+4.96%]	+15.41%,[+4.36%]	-
3.	Hindustan Aeronautics Limited	41,131.33	1,215.00!	March 28, 2018	1,152.00	-6.96%, [4.98%]	-25.84%, [+6.41%]	-25.45%, [+10.18%]
4.	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81%, [3.79%]	+42.53%, [+5.68%]	+51.89%, [+9.42%]
5.	Aster DM Healthcare Limited	9801.00	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-8.16%, [+9.21%]
6.	Khadim India Limited	5,430.57	750.00	November 14, 2017	730.00	-10.40%,[+0.06	-6.47%, [+3.47%]	+10.21%, [+6.09%]

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
						%]		
7.	The New India Assurance Company Limited	18,933.96	800$	November 13, 2017	750.00	-27.91%,[+0.15%]	-7.81%, [+3.08%]	-13.06%, [+5.69%]
8.	Mahindra Logistics Limited	8,288.84	429^	November 10, 2017	429.00	+2.49%,[0.00%]	+9.48%,[+1.50%]	+21.00%, [+3.84%]
9.	Reliance Nippon Life Asset Management Limited	15,422.40	252	November 6, 2017	295.90	+3.61%[-3.19%]	+8.12%,[+2.05%]	-4.21, [+1.59%]
10.	General Insurance Corporation of India	111,758.43	912@	October 25, 2017	850.00	-12.92%,[+0.52%]	-13.95%,[+6.52%]	-22.02%, [2.81%]

Source: www.nseindia.com
@Offer Price was ₹855.00 per equity share to Retail Individual Bidders and Eligible Employees
^Offer Price was ₹387.00 per equity share to Eligible Employees
$Offer Price was ₹770.00 per equity share to Retail Individual Bidders and Eligible Employees
! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees

Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY is considered as the Benchmark Index.*
3. *Price on NSE is considered for all of the above calculations.*
4. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
5. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-2017	10	111,252.85	-	-	1	4	2	3	-	-	-	7	1	2
2017-2018	18	492,662.22	-	1	9	1	3	4	-	2	7	4	2	3
2018-2019	2	33,128.11	-	-	-	1	-	1	-	-	-	-	-	-

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Edelweiss Financial Services Limited

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
1.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	Not Applicable	Not Applicable
2.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	Not Applicable
3.	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
4.	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	10.68% [2.44%]
5.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
6.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51% [4.93%]
7.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
8.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
9.	Prataap Snacks Limited	4,815.98	938.00^^	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
10.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]

Source: www.nseindia.com

^^^ Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share

^^Prataap Snacks Limited - employee discount of ₹ 90 per equity share to the issue price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the issue price of ₹ 938 per equity share

Notes:

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the benchmark index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-2017	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1
2017-2018	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3
2018-2019*	2	40,802.85	-	1	-	-	-	1	-	-	-	-	-	-

**For the financial year 2018-19 – 2 issues have been completed.1 issue has completed 30 days. 1 issue has completed 90 days.*

Notes:

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

Track Record of Past Issues Handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular (No. CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as disclosed in the table below.

S. No.	Name of the BRLM	Website
1.	Axis Capital Limited	http://www.axiscapital.co.in
2.	Edelweiss Financial Services Limited	www.edelweissfin.com

Caution - Disclaimer from our Company, the Directors, the Promoter Group Selling Shareholders and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each of the Promoter Group Selling Shareholders (including the Promoters) accepts no responsibility for any statements made other than those specifically made by the respective Promoter Group Selling Shareholder (including the Promoters) in relation to themselves and their respective portion of the Offered Shares in the Offer. Anyone placing reliance on any other source of information, including our Company's website, www.flairworld.in, or any website of the Subsidiary, the Promoter Group Selling Shareholders (including the Promoters), the other members of the Promoter Group, the Group Companies, or any of their respective affiliates, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

Information in relation to the Offer shall be made available by our Company, the Promoter Group Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Promoter Group Selling Shareholders and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None of our Company, the Directors, the Promoter Group Selling Shareholders or any Member of the Syndicate shall be liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Group Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Promoter Group Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Group Selling Shareholders, the other members of the Promoter Group and the Group Companies, and their respective affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company, the Promoter Group Selling Shareholders, the other members of the Promoter Group and the Group Companies, and their respective affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, bodies corporate and societies registered under applicable law in India and authorized to invest in the Equity Shares, Mutual Funds, scheduled commercial banks, trusts who are eligible to invest in the Equity Shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and Systemically Important NBFCs) and to Eligible FPIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions. Any person into whose possession this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus comes is required to inform herself, himself or itself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate courts in Mumbai, Maharashtra, India only.

The sale of Equity Shares in the Offer shall not, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiary, the Promoter Group Selling Shareholders (including the Promoters), the other members of the Promoter Group or the Group Companies since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S.

Each purchaser of the Equity Shares in the Offer in India shall be deemed to:

- Represent and warrant to our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Company, the Promoter Group Selling Shareholders, the BRLMs, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to registration with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to registration with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at the Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Further, the BRLMs have also made an online filing of this Draft Red Herring Prospectus through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be registered under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, Mumbai (Maharashtra) at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Promoter Group Selling Shareholders will forthwith repay all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law.

Our Company and the Promoter Group Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time period as may be specified under applicable law. If our Company and the Promoter Group Selling Shareholders do not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, our Company and the Promoter Group Selling Shareholders shall repay without interest all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the prescribed rate for the delayed period, in accordance with applicable law. The Promoter Group Selling Shareholders confirm that they shall reimburse our Company for any interest payments made by our Company on behalf of the Promoter Group Selling Shareholders in this regard.

Consents

Consents in writing of the Promoter Group Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, the legal advisors, the Bankers to our Company, the BRLMs, the Registrar to the Offer, CRISIL, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Monitoring Agency, to act in their respective capacities, have been obtained/will be obtained prior to registration of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013. Consent from the Statutory Auditors has been obtained as specified below.

Experts

Our Company has received written consent from the Statutory Auditors to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, 2013 in respect of their reports on the Restated Consolidated Financial Information, the Restated Standalone Financial Information, the Special Purpose Restated Consolidated Financial Information and the Special Purpose Restated Standalone Financial Information, each dated August 27, 2018, and the statement of tax benefits dated September 24, 2018 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from C.D. Mehta and Associates, Chartered Engineers, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated August 27, 2018 in connection with our manufacturing plants and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, to include his name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated August 25, 2018 in connection with the objects of the Offer and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer Expenses

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees. For further details, see "*Objects of the Offer – Offer-related Expenses*" on page 99.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expenses) will be in accordance with the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For details, see "*Objects of the Offer – Offer-related Expenses*" on page 99.

Commission Payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer – Offer-related Expenses*" on page 99.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for, *inter alia*, processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as specified in the Registrar Agreement, a copy of which will be available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post/under certificate of posting.

For details of Offer expenses, see "*Objects of the Offer – Offer Related Expenses*" on page 99.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the incorporation of our Company.

Particulars regarding Public or Rights Issues by Our Company during the Last Five Years

Except as disclosed in "*Capital Structure – Notes to Capital Structure – Share Capital History of Our Company*" on page 82, our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous Issues of Equity Shares Otherwise than for Cash

Except as disclosed in "*Capital Structure – Notes to Capital Structure - Issue of Equity Shares for consideration other than cash or out of revaluation reserves*" on page 83, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues during the Previous Three Years by our Company and/or Listed Subsidiary and Group Companies

Except as disclosed in "*Capital Structure – Notes to Capital Structure – Share Capital History of Our Company*" on page 82, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. None of the Subsidiary or Group Companies is listed on any stock exchange.

Performance vis-à-vis Objects – Public/Rights Issues by our Company and/or Listed Subsidiary and Group Companies in the Last 10 Years

Our Company has not undertaken any previous public issue. Except as disclosed in "*Capital Structure – Notes to Capital Structure – Share Capital History of Our Company*" on page 82, our Company has not made any rights issues. None of the Subsidiary or the Group Companies is listed on any stock exchange.

Outstanding Debentures or Bonds or Preference Shares or Other Instruments

Our Company does not have any outstanding debentures or bonds or preference shares or other instruments as on the date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of Allotment, dematerialized credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of Bid cum Application Form and the name and address of the Designated Intermediary with whom the Bid cum Application Form was submitted. Bidders are also required to enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All Offer-related grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Group Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of the SEBI circular (number SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of Equity

Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate prescribed under applicable law for any delay beyond this period of 15 days.

None of the companies under the same management as our Company or the Group Companies is listed on any stock exchange.

Disposal of Investor Grievances by Our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising Mr. Punit Saxena, Mr. Rajesh Khubilal Rathod and Mr. Sumitkumar Vimalchand Rathod as members. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 167.

Our Company is not listed and accordingly, as on the date of this Draft Red Herring Prospectus, there are no pending investor complaints against our Company and our Company has not received any investor complaint in the past three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed Mr. Vishal Chanda as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Mr. Vishal Chanda
63 B/C, Government Industrial Estate
Charkop, Kandivali West
Mumbai 400 067
Maharashtra, India
Tel: +91 22 4203 0405
Fax: +91 22 2868 9318
E-mail: investors@flairpens.com

None of the companies under the same management as our Company or the Group Companies is listed on any stock exchange.

Changes in Statutory Auditors

There has been no change in the auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus, except as disclosed in "*Capital Structure*" on page 82.

Revaluation of Assets

Our Company has not revalued its assets in the five years immediately preceding the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association and the Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Promoter Group Selling Shareholders. Other than the listing fees, which shall be paid by our Company, all other costs, fees and expenses with respect to the Offer shall be shared among our Company and the Promoter Group Selling Shareholders, as mutually agreed and in proportion to the number of Equity Shares issued under the Fresh Issue and transferred under the Offer for Sale, respectively, in accordance with applicable law.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 645.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association, the provisions of the SEBI Listing Regulations and other applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 182 and 645, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 each and the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs and advertised in the [●] edition of the English national daily newspaper, [●], the [●] edition of the Hindi national daily newspaper, [●] and the [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Rights of Shareholders

Subject to applicable law, rules, regulations and guidelines and the Articles of Association, the Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law including any rules and regulations prescribed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 645.

Option to Receive Securities in Dematerialized Form

Allotment of Equity Shares will only be in dematerialized form. The Equity Shares will be traded on the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated July 9, 2018 among our Company, NSDL and the Registrar to the Offer; and

- tripartite agreement dated July 3, 2018 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 633.

Joint Holders

Subject to the provisions contained in the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 and the relevant rules made thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank(s) to release the Bid Amounts of the Anchor Investors and any other investors, as applicable, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If the Offer is withdrawn after the Designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

If our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENS ON	[●]*
BID/OFFER CLOSES ON	[●]**

* *Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

** *Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]

Event	Indicative Date
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation on our Company, the Promoter Group Selling Shareholders or the BRLMs.

While our Company and the Promoter Group Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Submission of Bids (Other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 3.00 p.m. IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Promoter Group Selling Shareholders or the Members of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, *i.e.*, the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also indicating the change on the websites of the BRLMs and the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale. If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum Allotment specified under terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Promoter Group Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Promoter Group Selling Shareholders shall pay interest prescribed under applicable law.

In case of undersubscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company and the Promoter Group Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations.

Arrangement for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialized form only and the market lot for the Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, the minimum Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 82 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" on page 645.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating to up to ₹4,500 million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,300 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹1,200 million by the Promoter Group Selling Shareholders, comprising an offer for sale of (i) up to [●] Equity Shares by Mr. Khubilal Jugraj Rathod aggregating up to ₹240 million, (ii) up to [●] Equity Shares by Mr. Vimalchand Jugraj Rathod aggregating up to ₹180 million, (iii) up to [●] Equity Shares by Mrs. Nirmala Khubilal Rathod aggregating up to ₹120 million, (iv) up to [●] Equity Shares by Mrs. Manjula Vimalchand Rathod aggregating up to ₹120 million, (v) up to [●] Equity Shares by Mr. Rajesh Khubilal Rathod aggregating up to ₹120 million, (vi) up to [●] Equity Shares by Mr. Mohit Khubilal Rathod aggregating up to ₹120 million, (vii) up to [●] Equity Shares by Mr. Sumitkumar Vimalchand Rathod aggregating up to ₹120 million, (viii) up to [●] Equity Shares by Mrs. Sangita Rajesh Rathod aggregating up to ₹60 million, (ix) up to [●] Equity Shares by Mrs. Shalini Mohit Rathod aggregating up to ₹60 million and (x) up to [●] Equity Shares by Mrs. Sonal Sumitkumar Rathod aggregating up to ₹60 million. The Offer will constitute [●]% of the fully-diluted post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider undertaking the Pre-IPO Placement at its discretion prior to registering the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	**QIBs**[(1)]	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for Allotment/allocation[(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion)	Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors, or the Offer less allocation to QIBs and Retail Individual Investors	Not less than 35% of the Offer shall be available for allocation to Retail Individual Investors, or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	Proportionate	Allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. For details, see "*Offer Procedure – Part B*

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
	(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors		– *Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 634
Mode of Bidding	ASBA only[3]	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter; the Bid Amount should not exceed ₹200,000
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Mode of Allotment	Compulsorily in dematerialized form		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs (other than Category III FPIs), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, bodies corporate, societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the ASBA Account specified in the ASBA Form at the time of submission of the ASBA Form[5]		

** Assuming full subscription in the Offer*

(1) Our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB

Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 600.

(2) The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Offer Price and the Anchor Investor Allocation Price, shall be payable by the Anchor Investors within two Working Days of the Bid/Offer Closing Date.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. For further details, see "*Offer Procedure*" on page 600. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Group Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under applicable law to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI and updated circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by the SEBI (the "**General Information Document**") included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Promoter Group Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable law and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Group Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only on the dematerialized segment of the Stock Exchanges. Investors should note that Equity Shares will be Allotted to all successful Bidders only in dematerialized form. Bidders shall not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and at the Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account specified has sufficient credit balance equivalent to the full Bid Amount as required to be blocked by the SCBS at the time of submitting the Bid.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

Category	Color of Bid cum Application*
Resident Indians (including resident QIBs and Non Institutional Investors) and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White**

* *Excluding electronic Bid cum Application Form*

***Anchor Investor Application Forms will be made available at the offices of the Book Running Lead Managers at least one day prior to the Anchor Investor Bidding Date*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the Designated Branches of the SCSBs, for blocking of ASBA Accounts, details of which shall be provided by Bidders the ASBA Forms, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

Participation by the Promoters, the Promoter Group, the BRLMs, the Syndicate Members and Persons related to the Promoters/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to subscribe to or purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription or purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), the Promoters, members of the Promoter Group or any persons related to the Promoters or members of the Promoter Group can apply in the Offer under the Anchor Investor Portion.

The Promoters and the members of the Promoter Group will not participate in the Offer except to the extent of the Offered Shares offered by the Promoter Group Selling Shareholders in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSBs to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on a non-repatriation basis are advised to use the Bid cum Application Form for residents (white in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in color).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors of a company followed by a special resolution passed by the shareholders of a company and subject to prior intimation to the RBI.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The categorization and manner of holding of Equity Shares by FPIs is also subject to the FEMA Regulations.

The existing individual and aggregate investment limits for an FPI in our Company are less than 10% and not exceeding 24% of the total paid-up Equity Share capital of our Company, respectively. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, or unlisted debt securities or securitised debt instruments as its underlying) directly or indirectly, only in the event:

(i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority;

(ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and

(iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or non-resident Indians or to entities that are beneficially owned by resident Indians or non-resident Indians.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the conditions prescribed by the SEBI from time to time, including:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(a) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, the SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. The holding by any individual VCF in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Our Company, the Promoter Group Selling Shareholders and the Syndicate will not be responsible for losses, if any, incurred by a Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law. The investment limit for banking companies in non-financial services companies is as per the Banking Regulation Act, 1949, as amended, and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from the statutory auditors of the Systemically Important NBFC, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Systemically Important NBFCs participating in the Offer are required to comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney including by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor, subject to applicable law.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

In accordance with existing regulations, OCBs are not permitted to participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members are not liable for any amendments or modification or changes in applicable law or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below:

1. Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

2. The Bids must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

5. Our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

(a) a maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

(b) a minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10. The BRLMs, our Promoters members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion.
11. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.

12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

General Instructions

Do's:

A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

F. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

G. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

H. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

I. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

J. Ensure that you request for and receive a stamped Acknowledgment Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

K. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

L. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

M. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

N. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

O. Ensure that in case of Bids under power of attorney by limited companies, corporates, trusts, etc., the relevant documents are submitted;

P. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

Q. Since Allotment will be in dematerialized form only, ensure that your depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

R. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

S. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

C. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);

D. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

E. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

F. Do not send Bid cum Application Forms by post; instead submit Bid cum Application Forms to Designated Intermediaries only; do not submit Bid cum Application Forms to any non-SCSB bank or a branch which is not a Designated Branch or our Company;

G. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

H. Do not submit the Bid for an amount more than funds available in your ASBA account;

I. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

J. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms;

K. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

L. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

M. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

N. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable law or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

O. Do not submit more than five Bid cum Application Forms per ASBA account; and

P. Anchor Investors should not bid through the ASBA process.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Group Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations, in: (i) [●] editions of the [●] edition of the English national daily newspaper, [●], the [●] edition of the Hindi national daily newspaper, [●] and the [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Promoter Group Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below.

"***Any person who:***

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹2 million or both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or any other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the modes disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- intimation of the credit of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- other than pursuant to the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, undersubscription, etc.

Undertakings by the Promoter Group Selling Shareholders

The Promoter Group Selling Shareholders, severally and not jointly, undertake the following:

- their respective Offered Shares are free and clear of any encumbrances and shall be transferred to successful Bidders within the time specified under applicable law;

- they shall deposit their respective Offered Shares in an escrow account opened with the Share Escrow Agent, prior to registering the Red Herring Prospectus with the RoC;

- they have authorized our Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of their respective Offered Shares;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or any other period as may be prescribed;

- they have authorized the Compliance Officer and the Registrar to the Offer to redress complaints, if any, in relation its respective Offered Shares and shall extend reasonable cooperation to our Company and the BRLMs in this regard;

- the funds required for making refunds (to the extent applicable) as per the modes disclosed shall be made available to the Registrar to the Offer by the Promoter Group Selling Shareholders;

- they shall not have any recourse to the proceeds from the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;

- in the event any Offered Shares are not sold in the Offer for Sale, such unsold Equity Shares shall be subject to lock-in in accordance with the SEBI ICDR Regulations; and

- they shall comply with all applicable law, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI, each in relation to their respective Offered Shares and themselves.

Utilization of Offer Proceeds

The Board of Directors of our Company and the Promoter Group Selling Shareholders declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The Board of Directors also certify that: (i) the details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed until the time any part of the proceeds of the Fresh Issue remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and (ii) the details of all unutilized monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Part B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an offer for sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

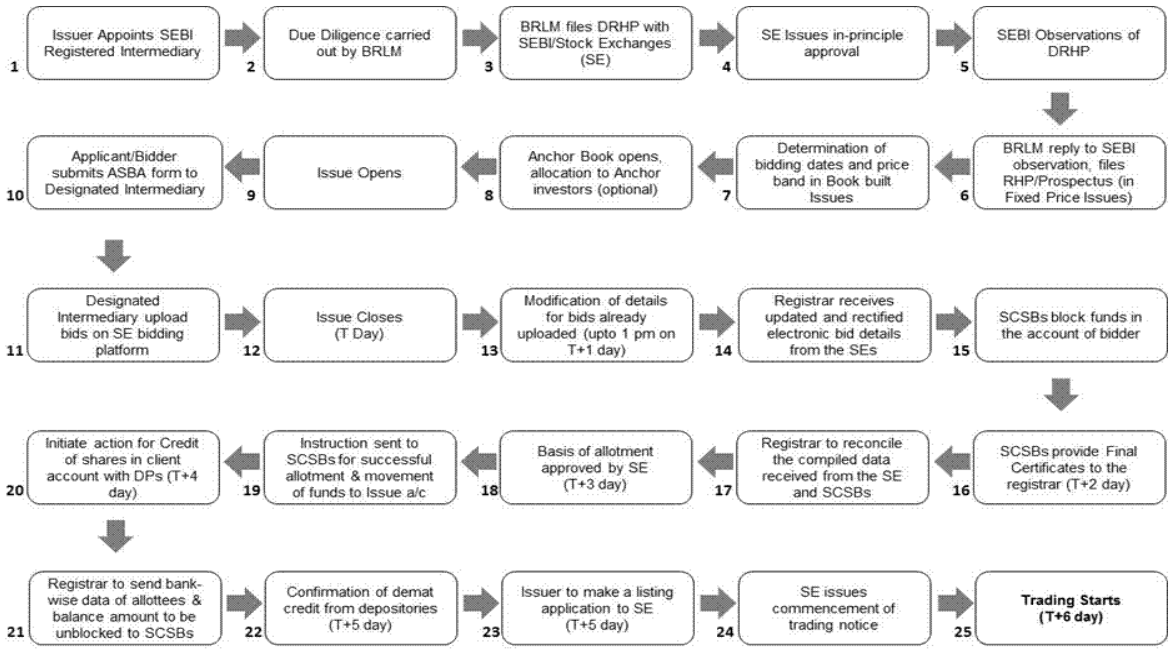
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
    - i. Step 7: Determination of Issue Date and Price
    - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centers and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category, if any	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants are reproduced below:

Application Form – For Residents

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - M F
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

* HUF should apply only through *Karta* (*Application by HUF would be treated on par with Individual*)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form – For Non – Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________

Bank & Branch ________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹2 million or both.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders/Applicants may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/Applicants may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ₹ 200,000 and does not exceed ₹ 500,000 in case of Employees.

(b) In case the Bid Amount exceeds ₹ 200,000 (₹ 500,000 in case of Employees) due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i Bids by Reserved Categories (if any) Bidding in their respective Reservation Portion (if any) as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS**

(a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the

Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicant should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/Applicant. In case of Bidders/Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques or demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit, NACH or NEFT.

(c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders/Applicants:**

(a) Bidders/Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Brokers at the Broker Centers, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹ 0.2 million (₹ 0.5 million in case of Employees), the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

(c) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

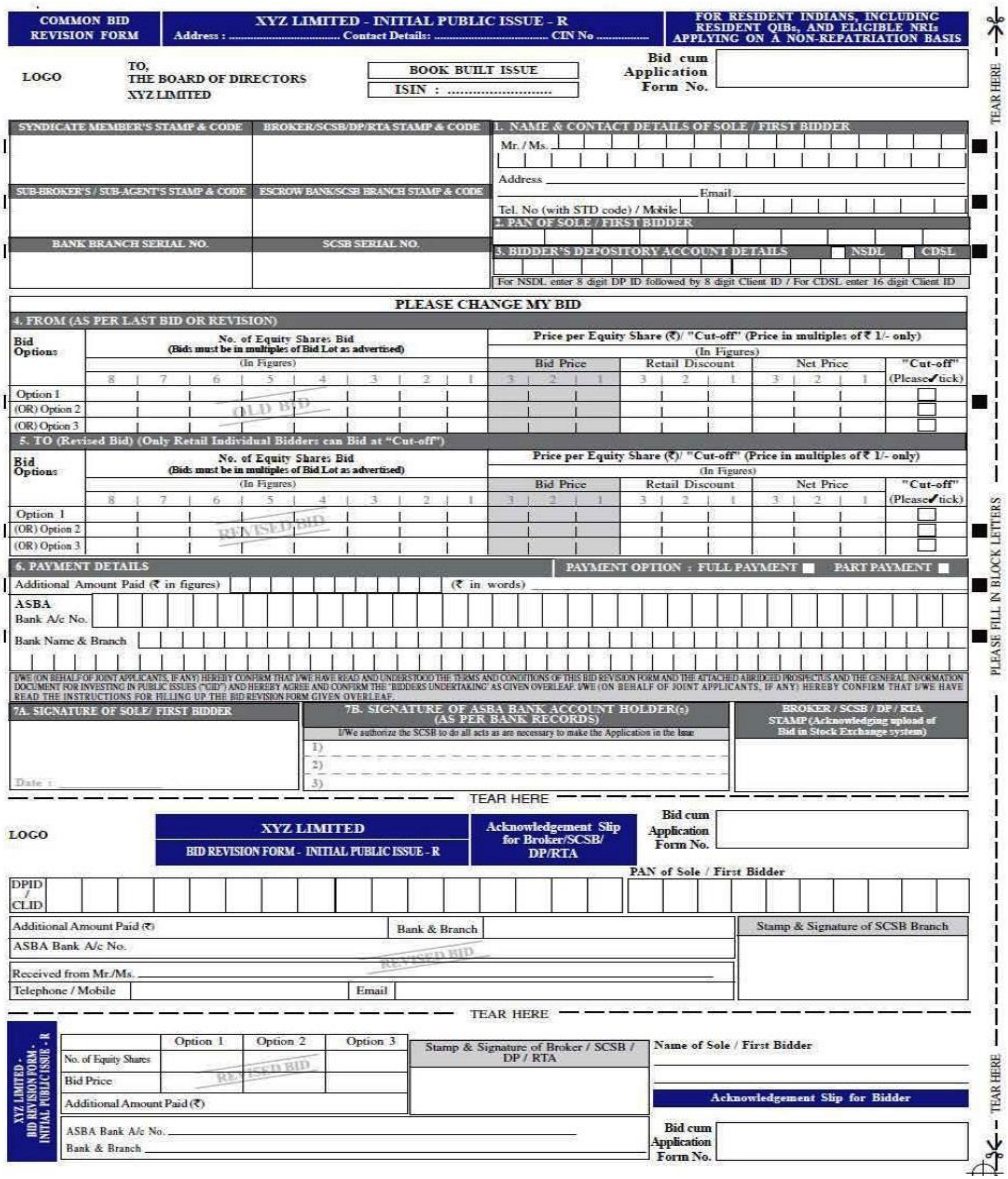
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids, Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 in case of Bids by RIIs and Retail Individual Shareholders and does not exceed ₹ 500,000 in case of Bids by Employees. In case the Bid Amount exceeds ₹ 200,000 for RIIs and Retail Individual Shareholders or exceeds ₹ 500,000 for Employees, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000 in case of RIIs and Retail Individual Shareholders and ₹ 500,000 in case of Employees, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion (if any), who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000 (₹ 500,000 in case of Employees), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and application by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories (if any) in their respective reservation portion (if any) as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RIIs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, cheque or demand draft, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM

4.4.1 Bidders may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centers or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centers during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);

b. Bids by OCBs;

c. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

d. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

e. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

f. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

g. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

h. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

i. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

j. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

k. Bids at Cut-off Price by NIIs and QIBs;

l. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

m. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

n. Submission of more than five ASBA Forms as through a single ASBA Account;

o. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

p. Multiple Bids as defined in this GID and the RHP/Prospectus;

q. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

r. Where no confirmation is received from SCSB for blocking of funds;

s. Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;

t. Bids submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

u. Bids not uploaded on the terminals of the Stock Exchanges;

v. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form; and

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under-subscription in the Issue, spill-over to the extent of such undersubscription may be permitted from the Reserved Portion (if any) to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) A Bid by an Employee in the employee Reservation portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the employee Reservation portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000. For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(e) Illustration of the Book Building and Price Discovery Process

Bidders/Applicants should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders/Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(f) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities). However, in case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTORS (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Selling Shareholders and the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/Applicants may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder/Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 0.5 million but which may extend to ₹ 5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 0.3 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable. In case of under-subscription in the issue involving a fresh issue and the offer for sale, the Equity Shares in the fresh issue will be issued prior to the sale of equity shares in the offer for sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders or transmit refund by way of electronic mode for all amounts payable to unsuccessful Anchor Investors and also any excess amount paid on bidding.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH—**Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including the MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors

Term	Description
Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidders'/Applicants' address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on the website of the SEBI at www.sebi.gov.in
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which our Board may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the offer for sale
Designated Intermediaries	Members of the Syndicate, sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer

Term	Description
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the offer for sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Locations	Bidding centers where the syndicate shall accept ASBA Forms from Bidders/Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion (if any)
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/ Registrar	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion (if any)
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 (if any)

Term	Description
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on the website of the SEBI at www.sebi.gov.in
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association are detailed below. Capitalized terms used in this section shall have the meaning given to such terms in the Articles of Association. Each provision is numbered according to the corresponding article number in the Articles of Association.

SHARE CAPITAL

2. Amount of Capital

The Authorised Share Capital of the company shall be the capital as specified in Clause II of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.

3. Increase of Capital by the Company and how carried in to effect

The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to Dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force

4. New Capital part of the existing Capital

Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

5. Issue of redeemable preference shares

Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference shares may be issued from time to time, on the terms that they are redeemable within 20 years (except for infrastructure projects) on such terms and in such manner as the Company by the terms of the issue of the said shares may determine.

6. Provision applicable on the issue of redeemable preference shares

On the issue of redeemable preference shares under the provisions of Article 5 hereof, the following provisions shall take effect:

1. No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
2. No such shares shall be redeemed unless they are fully paid. Such shares shall be redeemed as per their terms.

3. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before such shares are redeemed.
4. Where any such shares are redeemed our of profits of the Company, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, excepts as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company

7. Provisions applicable to any other Securities

The Board shall be entitled to issue, from time to time, subject to the provisions of the Act, any other Securities, including Share Warrants, Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

8. Reduction of Capital

The Company may (subject to the Provisions of Section 52, 55, 66, of the Act or any other applicable provisions of law for the time being in force) from time to time by way of Special Resolution reduce its Share Capital, any Capital Redemption Reserve Account or Share premium account in any manner for the time being authorized by law.

Sub-division Consolidation and Cancellation of shares

9. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is sub- divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, Capital or otherwise over or as compared with the other.

   Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

Variation of rights

10. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of the class or by means of a Special Resolution passed at a separate Meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

    Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three- fourths of such other class of shareholders shall also be obtained.

Further Issue of Capital

11. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation,

whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further shares, such shares shall be offered to persons, who on the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.
b. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in 12(a) hereof shall contain a statement of this right.
c. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.

12. Notwithstanding anything contained in the Article no. 11 the further shares aforesaid may be offered in any manner whatsoever, to:

i. employees under a scheme of employees' stock option scheme, subject to special resolution passed by the Company and subject to other conditions prescribed under the Act and rules made thereunder.
ii. to any persons in any manner whatsoever, whether or not those persons include the persons referred to Article no. 11 or 12(i), either for cash or for a consideration other than cash, if so decided by a Special Resolution, subject to conditions prescribed under the Act and rules made thereunder and other Applicable Laws;

13. Nothing in Article no. 11 and 12 shall be deemed;
  i. To extend the time within which the offer should be accepted; or
  ii. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

14. Nothing contained in the Articles 11 to 13 shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued or loan raised by the Company to convert such Debentures or loans into shares in the Company (or) to subscribe for shares in the Company;

Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

Shares at the disposal of the board

15. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the Securities of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to section 53 of the Act) and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to issue shares outside India

16. Pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "Appropriate Authorities") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

Acceptance of shares

17. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

Deposit and call to be a debt payable immediately

18. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of members

19. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Shares not to be held in trust

20. Except as required by Applicable Law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by Applicable Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder, but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

The first named joint holder deemed to be sole holder

21. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of Dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share

shall, severally as well as jointly be liable for the payment of all installments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

Register of members and index

22. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.

    The Company may also keep a foreign register in accordance with Section 88 of the Act and rules made thereunder, containing the names and particulars of the Members, Debenture- holders, other Security holders or Beneficial Owners residing outside India;

23. A Member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.

24. Such person, as referred to in Article 24 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

SHARE CERTIFICATES

Share certificate to be numbered progressively and no Share to be subdivided

25. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub- divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Limitation of time for issue of certificates

26. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be under the Seal of the Company, if any, which shall be affixed as prescribed in the Applicable Law and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board or Committee thereof may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders. For any further issue of certificate to such joint allottees, the Board or Committee thereof shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Issue of new certificate in place of one defaced, lost or destroyed

27. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

    Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or Committee thereof and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50 for each certificate or such fee as may be prescribed under Applicable Law) as the Board shall prescribe.

    Provided that notwithstanding what is stated above the Board or Committee thereof shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act, or rules applicable thereof in this behalf; provided further, that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.

28. All books and documents relating to the issue of Share certificates including the blank forms of Share certificates shall be kept in safe custody and to be properly maintained and preserved in accordance with the manner laid down in Applicable Law.

29. The provision of Article 26, 27, 28 and 29 shall mutatis mutandis apply to issue of certificates of Debentures of the Company or to any other securities issued by the Company.

BUY BACK OF SECURITIES BY THE COMPANY

30. Subject to Sections 67, 68, 69 and 70 and other applicable provisions of the Act and other Applicable Law, the Company may purchase Shares or its own Securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

UNDERWRITING AND BROKERAGE

Commission may be paid

31. Subject to the provisions of Section 40(6) of the Act and rules made thereunder, and subject to Applicable Law and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, Debentures or of the Company but so that the commission shall not exceed the permissible rates under the provisions of the Act and the rules made thereunder and Applicable Law. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.

Brokerage

32. The Company may also on any issue of Shares or Debentures pay such brokerage as may be lawful.

CALLS ON SHARES

Board of Directors may make calls

33. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments.

34. The option or right to make calls on Shares shall not be given to any person except with the sanction of the Company in general meetings.

Notice of calls

35. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

36. A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

37. A call shall be deemed to have been made at the time when the resolution authorising such call was passed as provided herein and may be required to be paid by installments.

Board may extend time

38. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.

Liability of joint holders

39. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Calls to carry interest

40. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at a rate, as the Board may determine and as permissible under the Applicable law. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.

41. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

42. Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of

these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on Shares

43. At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

44. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Power of Company to accept unpaid share Capital, although not called up

45. The Company may accept from any Member the whole or a part of the amount remaining unpaid on any Shares held by him, although no part of that amount has been called up, pursuant to and in accordance with the applicable provisions of the Act.

Payment in anticipation of call may carry interest

46. The Board may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

47. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures or other Securities of the Company.

LIEN

Company to have lien on Shares/Debentures

48. The Company shall have a first and paramount lien upon all the Shares/ Debentures/Securities (other than fully paid-up Shares/Debentures/Securities) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures/Securities and no equitable interest in any shares shall be created except upon the footing, and upon the condition that this Article will

have full effect and any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares/Debentures/Securities. Unless otherwise agreed, the registration of a transfer of Shares/Debentures/Securities shall operate as a waiver of the Company's lien, if any, on such Shares/ Debentures/ Securities.

49. The Board may at any time declare any Shares/ Debentures/Securities wholly or in part to be exempt from the provision of this Article. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.

As to enforcing lien by sale

50. For the purpose of enforcing such lien, the Board may sell the Shares/ Debentures/Securities subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares/ Debentures/Securities and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred shares shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares/ Debentures/Securities be affected by any irregularity or invalidity in the proceedings in reference to the sale.

51. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of thirty days after a notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for thirty days after such notice.

Application of proceeds of sale

52. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARE OR DEBENTURES

If call or installment not paid notice to be given to Member

53. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice

54. The notice aforesaid shall:
    i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made.
    ii. shall detail the amount which is due and payable on the shares and shall state that in the event of non- payment at or before the time appointed the shares will be liable to be forfeited.

If notice not complied with Shares may be forfeited

55. If the requisitions of any such notice as aforesaid be not complied with, any Shares or Debentures in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that

effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Shares or Debenture and not actually paid before the forfeiture.

Notice of forfeiture to a Member or Debenture holder

56. When any Shares or Debentures shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited Share to become property of the Company

57. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as it thinks fit.

Power to cancel forfeiture

58. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

Liability on forfeiture

59. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

Effect of forfeiture

60. The forfeiture of a Share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share and all other rights, incidental to the Share except only such of those rights as by these Articles are expressly saved.

Evidence of forfeiture

61. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

Validity of Sale

62. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares or Debentures sold and may cause the purchaser’s name to be entered in the Register of Members in respect of the Shares sold or the Register of Debenture holders in respect of Debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares or in the Register of Debenture holders in respect of such Debentures, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

Cancellation of Share certificate in respect of forfeited shares

63. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein –
    i. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
    ii. The transferee shall thereupon be registered as the holder of the Share; and
    iii. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

These Articles to apply in case of any non-payment

64. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CAPITALISATION OF PROFITS

65. The Company in general meeting may, upon the recommendation of the Board, resolve—
    i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
    ii. that such sum be accordingly set free for distribution in the manner specified in 1 above amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

66. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards—
    i. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    ii. A securities premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
    iii. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
        (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
        (b) generally do all acts and things required to give effect thereto.

67. The Board shall have power—
    i. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions;
    ii. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

68. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. The Register of Transfers shall not be available for inspection or making of extracts by the Members of the Company or any other Persons.

Instruments of transfer

69. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and rules made thereunder shall be duly complied with in respect of all transfers of shares/debentures/other Securities and registration thereof. The Company shall use a common form of transfer.

To be executed by transferor and transferee

70. The instrument of transfer complete with all details, duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by the share certificate(s) or such evidence as the Board may require to prove the transferor's right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the share certificate(s) must be delivered to the Company. The Board shall not issue or register a transfer of any Share in favour of a minor (unless acting through a legal guardian and except in cases when they are fully paid up).

71. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor, no registration shall, in the case of the partly paid Share, be affected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

Transfer books when closed

72. The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty- five days in each year, as it may deem expedient.

Board may refuse to register transfer

73. Subject to the provisions of Sections 56, 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, whether in pursuance of power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company.

74. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the

ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Death of one or more joint holders of Shares

75. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

No transfer to more than three joint holders

76. No share shall in any circumstances be transferred to more than three joint holders.

Board to recognize Beneficial Owners of securities

77. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.

78. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.

79. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

Nomination

80. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.

81. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

82. Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

83. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

Persons entitled to share by Transmission

84. The executors or administrators or holders of a succession certificate or the legal representative of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in India, provided that in case where the Board in their absolute discretion think fit, may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary, register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.

Transmission in the name of nominee

85. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) and subject as hereinafter provided, elect, either:
   i. to be registered himself as holder of the shares or Debentures, as the case may be; or
   ii. to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made.

   Provided nevertheless that it shall be lawful for the Board in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Board may deem fit.

   Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

86. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.

87. If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.

88. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

89. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

90. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.

91. A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

92. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all Dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

No transfer to minor, insolvent etc.

93. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

Person entitled may receive Dividend without being registered as a Member

94. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such Dividends or money as hereinafter provided, be entitled to receive and may give discharge for any Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Transfer to be presented with evidence of title

95. Every instrument of transfer shall be presented to the Company for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

Conditions of registration of transfer

96. For the purpose of the registration of a transfer, the certificate or certificates of the Share or shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly executed instrument of transfer.

No fee on transfer or transmission

97. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Company not liable for disregard of a notice in prohibiting registration of transfer

98. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless

be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors or any Committee thereof shall so think fit.

DEMATERIALISATION OF SECURITIES

99. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

100. The Board or any Committee thereof shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.

Options for investors

101. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

102. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

Securities in depositories to be in fungible form

103. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

Rights of Depositories and Beneficial Owners

104. i. Notwithstanding anything to the contrary contained in these, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.

ii. Save as otherwise provided in sub-clause above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

iii. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

Service of Documents

105. Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

Transfer of securities

106. Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository

107. Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

Distinctive number of securities held in a Depository

108. Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

Register and index of Beneficial Owners

109. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Copies of Memorandum and Articles to be sent to Members

110. Copies of the Memorandum and Articles of Association of the Company shall be sent by the Board to every Member at his request within fifteen days of the request on payment of Re. 1/- for each copy.

BORROWING POWERS AND DEBENTURES

Power to borrow

111. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company, its free reserves and securities premium.

Conditions on which money may be borrowed

112. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.

Terms of issue of Debentures

113. Any Debentures, Debenture stock, bonds or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at a General Meeting, appointment of directors and on such terms and conditions as the Board may think fit. Provided that Debentures with a right to allotment or conversion into shares shall be issued only with the consent of the Company in a general meeting by a special resolution in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

Instrument of transfer

114. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

Delivery of certificates

115. Deliver by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.

Register of charge, etc.

116. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

Register and index of Debenture holders

117. The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-stock, resident in that State or Country.

GENERAL MEETINGS

Annual General Meeting

118. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.

119. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.

120. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
    i. the consideration of financial statements and the reports of the Board of Directors and the Auditors;
    ii. the declaration of any Dividend;
    iii. the appointment of Directors in place of those retiring;
    iv. the appointment of, and the fixing of the remuneration of the Auditors

Extra-Ordinary General Meeting

121. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.

122. In case of meeting other than Annual General Meeting, all business shall be deemed special.

123. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Voting by electronic mode

124. A member may exercise his vote at a General Meeting by electronic mode in accordance with Section 108 of the Companies Act 2013 and rules made thereunder and Applicable Law.

Calling of general meeting on requisition

125. The Board may, call an Extraordinary General Meeting upon receipt of a written requisition from any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

126. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Notice of General Meetings

127. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company. Any accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.

128. Subject to Section 101 of the Act, a General Meeting may be called at a shorter notice if consented to in writing or by any Electronic Mode, (a) in case of an annual general meeting, by not less than 95% of the Members entitled to vote at such meeting and (b) in the case of any other general meeting, by Members of the Company holding majority in number of members entitled to vote and who represent not less than 95% of the such part of the paid-up Share Capital of the Company as gives a right to vote at such general meeting. For the purposes of this article, where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a general meeting and not on the others, those Members shall be taken into account in respect of the former resolution or resolutions and not in respect of the latter.

Omission to give notice not to invalidate resolution passed

129. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt of any notice by any Member/eligible person thereof shall not invalidate the proceedings and resolution passed at such meeting.

Meeting not to transact business not mentioned in notice

130. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum at General Meeting

131. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

132. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act

133. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

134. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, quorum is not present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a National holiday, until the next succeeding day which is not a National holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called. Provided, however, that no separate notice to members of such an adjourned meeting would be necessary if such meeting is held on the same day in the next week at the same time or place in accordance with these articles.

Chairperson at General Meetings

135. The Chairman (if any) of the Board of Directors, or in his absence, the Vice Chairman or in the absence of both, the Managing Director of the Company shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary.

136. If there is no such Chairperson of the Board or Vice Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the meeting.

137. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of themselves to be Chairperson of the meeting.

138. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

Business confined to election of Chairman whilst chair vacant

139. No business shall be discussed at any General meeting except the election of a Chairman, whilst the Chair is vacant.

Adjournment of Meeting

140. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

141. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

142. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

143. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

144. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

145. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

i. on a show of hands, every member present in person shall have one vote; and

ii. on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.
iii. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

146. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

147. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

148. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

149. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

150. A poll may be demanded by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth of the total voting power, in respect of the resolution, or on which an aggregate sum of not less than Rs. 5,00,000/- has been paid up.

151. If a poll is demanded as aforesaid, the same shall, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or person who made the demand. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

152. Where a poll is to be taken, the Chairman of the meeting shall appoint at his discretion one or more scrutinisers who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutiniser from office and fill vacancies in the office of scrutiniser arising from such removal or from any other cause.

153. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Chairman's casting vote

154. In the case of an equality of votes, the Chairperson shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Proxy

155. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the

rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

156. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

157. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the Common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.

158. A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.

159. The proxy so appointed shall not have any right to speak at the meeting.

160. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Passing of resolution by Postal ballot

161. Where permitted or required by the Act, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture-holders, seek their assent by Postal ballot. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.

162. Where permitted/required by Applicable Law, Board may provide Members/Members of a class/Debenture-holders right to vote through e-voting, complying with Applicable Law.

163. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and rules made thereunder.

164. In case of resolutions to be passed by Postal ballot, no meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.

Maintenance of records and Inspection of minutes of General Meeting by Members

165. Where permitted/required by the Act, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and rules made thereunder. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term ‘records’ would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.

166. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

167. Any such minutes shall be evidence of the proceedings recorded therein and shall contain a fair and correct summary of the proceedings thereat.

168. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or non availability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

169. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

170. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the 'Chairman of the meeting:
   (a) is or could reasonably be regarded, as, defamatory of any person or
   (b) is irrelevant or immaterial to the proceeding, or
   (c) is detrimental to the interest of the Company.

   The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

171. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.

172. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (rupees ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

BOARD OF DIRECTORS

173. The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (Fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution.

   The following shall be the first directors of the company:-
   1) **KHUBILAL JUGRAJ RATHOD**
   2) **VIMALCHAND JUGRAJ RATHOD**
   3) **RAJESH KHUBILAL RATHOD**
   4) **MOHIT KHUBILAL RATHOD**
   5) **SUMITKUMAR VIMALCHAND RATHOD**

   The composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Law. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

Absolute powers of Board in certain cases

252. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and the last preceding Article and so as not in any way to limit or restrict those powers, and

without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power:

i. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

ii. To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act.

iii. To act jointly and severally in all on any of the powers conferred on them.

iv. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

v. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

vi. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

vii. Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

viii. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;

ix. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;

x. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

xi. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).

xii. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.

xiii. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

xiv. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.

xv. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;

xvi. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;

xvii. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

xviii. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

xix. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

xx. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, Dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;

xxi. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

xxii. To provide for the welfare of Directors or ex- Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;

xxiii. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

xxiv. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special Dividends or for equalized Dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding sub-clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments(other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

xxv. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

xxvi. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary of expedient of comply with;

xxvii. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.

xxviii. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.

xxix. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

xxx. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub- delegate all or any of the powers, authorities and discretions for the time being vested in them;

xxxi. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

xxxii. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

xxxiii. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

xxxiv. To take insurance on behalf of its managing Director, executive Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

DIVIDENDS AND RESERVE

Division of profits

266. The profits of the Company, subject to any special rights as to Dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively.

The Company in general meeting may declare a Dividend

267. The Company in general meeting may declare Dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

Dividend only to be paid out of profits

268. The Dividend can be declared and paid only out of the following profits;

i. Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws; or
ii. Accumulated profits of the earlier years, after providing for depreciation under Section 123(2) read with Schedule II and Applicable Laws; or
iii. Both (i) and (ii); or
iv. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123(2) of the Act or Applicable Law, or against both.

Transfer to reserve

269. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

270. Such reserve, being free reserve, may also be used to declare Dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Interim Dividend

271. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim Dividends as appear to it to be justified by the profits of the Company.

Dividend out of reserves

272. Where, owing to inadequacy or absence of profits in any year, the Company proposes to declare Dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the free reserves, such declaration of Dividend shall not be made except in accordance with such rules as prescribed by the Central Government in this behalf.

Calls in advance not to carry rights to participate in profits

273. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

Payment of pro rata Dividend

274. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

Deduction of money owed to the Company

275. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Rights to Dividend where shares transferred

276. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

Dividend to be kept in abeyance

277. The Board may retain the Dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain Dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

Notice of Dividend

278. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

Manner of paying Dividend

279. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

280. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

Receipts for Dividends

281. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

Non-forfeiture of unclaimed Dividend

282. Where the Company has declared a Dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Flair Writing Industries Limited Unpaid Final/Interim Dividend Account FY ___" or such other name as may be decided by the Board of Directors from time to time. The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer to the Fund established under sub-section (1) of Section 125 of the Act, *i.e.*, "Investors Education and Protection Fund". No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid Dividends.

283. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. IST on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer agreement dated September 24, 2018 entered into among our Company, the Promoter Group Selling Shareholders and the BRLMs.

2. Registrar agreement dated September 21, 2018 entered into among our Company, the Promoter Group Selling Shareholders and the Registrar to the Offer.

3. Escrow agreement dated [●] entered into among our Company, the Promoter Group Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and the Registrar to the Offer.

4. Syndicate agreement dated [●] entered into among our Company, the Promoter Group Selling Shareholders, the BRLMs and the Syndicate Members.

5. Underwriting agreement dated [●] entered into among our Company, the Promoter Group Selling Shareholders and the Underwriters.

6. Share escrow agreements dated [●] entered into among our Company, the Promoter Group Selling Shareholders and the Share Escrow Agent.

7. Monitoring agency agreement dated [●] entered into between our Company and the Monitoring Agency.

B. Material Documents

1. Deed of partnership dated January 6, 1986 of M/s. Flair Writing Instruments, as amended and supplemented from time to time.

2. Certificate of incorporation dated August 12, 2016 issued by the RoC pursuant to conversion of the partnership firm and incorporation of our Company as a private limited company.

3. Fresh certificate of incorporation dated May 30, 2018 pursuant to conversion to a public limited company issued by the RoC.

4. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

5. Resolution of the Board dated August 16, 2018 and the special resolution of the Shareholders dated August 24, 2018, in relation to the Offer and other related matters.

6. Consent letters each dated August 24, 2018 issued by the Promoter Group Selling Shareholders in relation to their participation in the Offer.

7. Annual reports of our Company as of and for (i) the period from August 12, 2016 to March 31, 2017 and (ii) the Financial Year ended March 31, 2018.

8. The examination reports of the Statutory Auditors, each dated August 27, 2018, on the Restated Financial Information included in this Draft Red Herring Prospectus, together with the Restated Financial Information.

9. The examination reports of the Statutory Auditors, each dated August 27, 2018, on the Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus, together with the Special Purpose Restated Financial Information.

10. The statement of tax benefits dated September 24, 2018 issued by the Statutory Auditors.

11. Scheme of amalgamation under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, among the Transferor Companies and our Company as approved by the NCLT, Mumbai Bench pursuant to an order dated March 15, 2018.

12. Appointment letters of our Executive Directors (in case of Mr. Khubilal Jugraj Rathod, Mr. Mohit Khubilal Rathod and Mr. Sumitkumar Vimalchand Rathod, each dated April 1, 2017, as amended on May 26, 2018 and in case of Mr. Vimalchand Jugraj Rathod and Mr. Rajesh Khubilal Rathod, each dated September 4, 2017, as amended on May 26, 2018).

13. Deed of Assignment of "Pierre Cardin" trademarks dated July 10, 2018 between Flair Pens Limited and our Company.

14. Consents of the Directors, the BRLMs, the legal advisors, the Registrar to the Offer, the Bankers to our Company, the Company Secretary and Compliance Officer, the Syndicate Members and the Bankers to the Offer in their respective capacities.

15. Consent of the Statutory Auditors dated September 24, 2018, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination reports dated August 27, 2018 of the Statutory Auditors on the Restated Financial Information, the examination reports dated August 27, 2018 on the Special Purpose Restated Financial Information and the statement of tax benefits dated September 24, 2018.

16. Consent of C.D. Mehta and Associates, Chartered Engineers, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificate dated August 27, 2018 in connection with our manufacturing plants.

17. Consent of Mr. Jayshil Patel, a registered Architect at Krishna Consultancy, to include his name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificate dated August 25, 2018, in connection with the objects of the Offer.

18. Consent dated September 14, 2018 from CRISIL together with report dated June 2018 titled "*Assessment of Indian writing instruments industry*".

19. Tripartite Agreement dated July 9, 2018 among our Company, NSDL and the Registrar to the Offer.

20. Tripartite Agreement dated July 3, 2018 among our Company, CDSL and the Registrar to the Offer.

21. Due Diligence Certificate dated September 24, 2018 addressed to the SEBI from the BRLMs.

22. Observation letter number [●] dated [●] addressed to the BRLMs from the SEBI.

23. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government and the rules, regulations or guidelines or circulars issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made or the guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Khubilal Jugraj Rathod *(Chairman)*	**Mr. Vimalchand Jugraj Rathod** *(Managing Director)*
Mr. Rajesh Khubilal Rathod *(Executive Director)*	**Mr. Mohit Khubilal Rathod** *(Executive Director)*
Mr. Sumitkumar Vimalchand Rathod *(Executive Director)*	**Mr. Bishan Singh Rawat** *(Independent and Non-executive Director)*
Mr. Punit Saxena *(Independent and Non-executive Director)*	**Mr. Rajneesh Bhandari** *(Independent and Non-executive Director)*
Mr. Ratanchand Jivraj Oswal *(Independent and Non-executive Director)*	**Mrs. Sangeeta Sethi** *(Independent and Non-executive Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Mayur Gala *(Chief Financial Officer)*

Date: September 24, 2018
Place: Mumbai

DECLARATION

I, Khubilal Jugraj Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Khubilal Jugraj Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Vimalchand Jugraj Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Vimalchand Jugraj Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Nirmala Khubilal Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Nirmala Khubilal Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Manjula Vimalchand Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

____

Name: **Manjula Vimalchand Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Rajesh Khubilal Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

____

Name: **Rajesh Khubilal Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Mohit Khubilal Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Mohit Khubilal Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Sumitkumar Vimalchand Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Sumitkumar Vimalchand Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Sangita Rajesh Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Sangita Rajesh Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Shalini Mohit Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Shalini Mohit Rathod**

Date: September 24, 2018

Place: Mumbai

DECLARATION

I, Sonal Sumitkumar Rathod, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer in this Draft Red Herring Prospectus are true and correct.

Name: **Sonal Sumitkumar Rathod**

Date: September 24, 2018

Place: Mumbai