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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 222 of the Red Herring Prospectus dated November 16, 2023 ("RHP") filed with the RoC.

Registered Office: 63 B/C, Government Industrial Estate, Charkop, Kandivali West, Mumbai - 400 067, Maharashtra, India. Contact Person: Mr. Vishal Kishor Chanda, Company Secretary and Compliance Officer; Telephone: +91 22 4203 0405; E-mail: investors@flairpens.com; Website: www.flairworld.in; Corporate Identity Number: U51100MH2016PLC284727



(Please scan this QR code to view the Red Herring Prospectus and the abridged prospectus)

OUR PROMOTERS: MR. KHUBILAL JUGRAJ RATHOD, MR. VIMALCHAND JUGRAJ RATHOD, MR. RAJESH KHUBILAL RATHOD, MR. MOHIT KHUBILAL RATHOD AND MR. SUMIT RATHOD

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF FLAIR WRITING INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹5,930.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH BY OUR COMPANY AGGREGATING UP TO ₹2,920.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹3,010.00 MILLION (THE "OFFER FOR SALE")*

* Our Company, in consultation with the Book Running Lead Managers, has undertaken a Pre-IPO Placement of 2,401,315 Equity Shares at an issue price of ₹304.00 per Equity Share (including a premium of ₹299.00 per Equity Share) for a cash consideration aggregating to ₹730.00 million, on November 10, 2023. The size of the Fresh Issue has been reduced by ₹730.00 million and accordingly, the size of the Fresh Issue is up to ₹2,920.00 million.

DETAILS OF THE OFFER FOR SALE BY SELLING SHAREHOLDERS AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Mr. Khubilal Jugraj Rathod	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹514.00 million	4.59
Mr. Vimalchand Jugraj Rathod	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹396.50 million	4.59
Mr. Rajesh Khubilal Rathod	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹323.00 million	4.59
Mr. Mohit Khubilal Rathod	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹323.00 million	4.59
Mr. Sumit Rathod	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹323.00 million	4.59
Mrs. Nirmala Khubilal Rathod	Promoter Group Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹323.00 million	4.59
Mrs. Manjula Vimalchand Rathod	Promoter Group Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹323.00 million	4.59
Mrs. Sangita Rajesh Rathod	Promoter Group Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹161.50 million	4.59
Mrs. Shalini Mohit Rathod	Promoter Group Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹161.50 million	4.59
Mrs. Sonal Sumit Rathod	Promoter Group Selling Shareholder	Up to [●] equity shares of face value ₹5 each aggregating up to ₹161.50 million	4.59

*As certified by Jeswani & Rathore, the Statutory Auditors pursuant to their certificate dated November 16, 2023.

Our Company manufactures and distributes writing instruments including pens, stationery products and calculators and have also diversified into manufacturing houseware products and steel bottles.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹288 TO ₹304 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH.

THE FLOOR PRICE IS 57.60 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 60.80 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 24.01 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 22.75 TIMES. BIDS CAN BE MADE FOR A MINIMUM OF 49 EQUITY SHARES AND IN MULTIPLES OF 49 EQUITY SHARES THEREAFTER.

DETAILS OF PRE-IPO PLACEMENT

Our Company has undertaken a preferential issue of 2,401,315 Equity Shares to Volrado Venture Partners Fund III - Beta at an issue price of ₹304.00 per Equity Share (including a premium of ₹299.00 per Equity Share) for an amount aggregating to ₹730.00 million, on November 10, 2023. (the "Pre-IPO Placement"). Accordingly, pursuant to the Pre-IPO Placement, the size of the Fresh Issue has now been reduced to such number of Equity Shares aggregating up to ₹2,920.00 million from ₹3,650.00 million.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated November 16, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on pages 136 to 145 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

- Business risk:** A significant revenue derived from "Flair", "Hauser" and "Pierre Cardin" brand constituting 52.17%, 25.57% and 4.38% of our revenue from operations in the three-month period ended June 30, 2023; 50.06%, 23.03% and 5.92% of our revenue from operations in the FY2023; 43.51%, 14.91% and 6.51% of our revenue from operations in the FY2022; and 42.72%, 12.53% and 5.10% of our revenue from operations in the FY2021 and any harm to such brands or reputation may adversely affect our business. Further, our inability to successfully implement our business plan and growth strategy or effectively manage our growth could lead to a decline in the demand of our products and have a material adverse effect on our business.
- Raw materials dependency risk:** Our cost of materials consumed (as a % of revenue from operations) is 49.50%, 53.97%, 53.38% and 55.85% for three-month period ended June 30, 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021 respectively. An increase in the cost of or a shortfall in the availability of raw materials and any delay could have a material adverse effect on our business. Further, We do not have long term contracts with our suppliers and we depend on a limited number of suppliers for certain raw materials.
- We have significant working capital requirement for our business. The total working capital requirements of our Company as of March 31, 2023, 2022 and 2021, was ₹3,207.85 million, ₹2,671.49 million and ₹2,145.63 million, respectively. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.
- Competition risk:** We operate in a competitive business environment and we face competition from unorganized and organized players in the Indian writing and creative instruments industry. Our inability to compete effectively could have a material adverse effect on our business.
- Foreign exchange risk:** Our total exports as a % of total revenue and raw materials imported as a % of total raw material in Financial Year 2023 was 19.59% and 28.57% respectively. Accordingly, we face foreign exchange risks that could materially and adversely affect our business.
- Non-ownership of property risk:** 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.
- Capacity expansion risk:** Our inability to successfully implement any future capacity expansion plans and an inability to effectively utilize our expanded manufacturing capacities or any under-utilization of our manufacturing capacities could have an adverse effect on our business.
- Regulatory risk:** If we fail to obtain, maintain or renew the statutory and regulatory licenses, permits and approvals required for our business and operations, our business may be materially and adversely affected. In addition, certain of our statutory and regulatory approvals are not registered in our name. Further We have made certain delayed or inaccurate statutory form filings with the RoC in the past and are delayed in filing of other statutory forms with the RoC and certain other statutory authorities and some of the agreements entered into by us may not be adequately stamped or may not have been registered.
- Dependency on Promoters, our Directors, our Promoter Group and our Group Companies related risk:** We are dependent on such parties for certain aspects of our business and operations. Certain of our Directors, Group Companies and Promoter Group entities are engaged in business activities similar to our own, which could lead to a conflict of interest. As of June 30, 2023, the outstanding unsecured loans extended by them to our Company was ₹283.87 million.
- Customer payment risk:** 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.
- Concentration risk:** The writing instruments industry is highly

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concentrated in the mass-market sub-segment and an inability to increase prices of our products or any failure to achieve high retail penetration may cause us to lose market share, which could have a material adverse effect on our business.

12. **Trademark risk:** Certain of our trademarks are not registered in the name of our Company. 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 may be materially and adversely affected.
13. **Dependency on third party risk:** 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 for any reasons could have a material adverse effect on our business. We do not have contractual arrangements with such third party vendors.
14. The Offer comprises Fresh issue by the Company and an Offer for Sale by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale portion.
15. **Market risk:** The Offer Price of our Equity Shares, our market capitalisation to Total Income and our Price to Earning ratio at Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Particulars	Ratio vis-à-vis Floor Price (₹288)	Ratio vis-à-vis Cap Price (₹ 304)
Market capitalization to total income	3.20	3.36
Price to Earning (Diluted)	22.75	24.01

16. The Weighted Average Cost of acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the RHP:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹) ⁽¹⁾	Upper end of the Price Band is 'X' times the WACA	Lower end of the Price Band is 'X' times the WACA	Range of acquisition price: Lowest Price – Highest Price (in ₹) ⁽¹⁾
Last three years	304.00*	1.00	0.95	304.00-304.00
Last 18 months	304.00*	1.00	0.95	304.00-304.00
Last one year	304.00*	1.00	0.95	304.00-304.00

⁽¹⁾ As certified by the Statutory Auditors, pursuant to the certificate dated November 16, 2023
* The pre-ipo placement also happened at 304.00 for 2,401,315 shares on November 10, 2023

17. **Weighted average cost of acquisition compared to Floor Price and Cap Price:** Since there were no primary issuances or secondary transactions during the 18 months preceding the date of filing of the RHP, which is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company, the information has been disclosed for price per share of our Company based on the last five primary issuances (Pre-IPO placement) or secondary transactions where our Promoters, our Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s), are a party to the transaction, not older than three years prior to the date of filing of the RHP irrespective of the size of the transaction.

Type of Transaction	WACA	Floor Price (₹ 288)	Cap Price (₹ 304)
Based on primary issuances	304.00	0.95 times	1.00 times

18. The Price/Earnings ratio based on diluted EPS for Financial Year 2023 for our Company at upper end of the price band is 24.01 times and Price/Earnings ratio of the average industry peer group as of the date of the RHP is 45.16 times.
19. **Weighted Average Return on Net Worth for Financial Years 2023, 2022 and 2021 is 21.94%.**
20. The average cost of acquisition of Equity Shares by the Promoters Selling Shareholders and Promoter Group Selling Shareholders may be less than the Offer Price.
21. The two BRLMs associated with the Offer have handled 60 public issues in the past three Financial Years, out of which 20 issues closed below the Offer Price on the listing date.

Name of the BRLMs	Total public issues	Issues closed below price on listing date
Nuvama Wealth Management Limited*	16	4
Axis Capital Limited*	38	14
Common issues of above BRLMs	6	2
Total	60	20

*Issues handled where there were no common BRLMs

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE : TUESDAY, NOVEMBER 21, 2023*

BID/OFFER OPENS ON : WEDNESDAY, NOVEMBER 22, 2023

BID/OFFER CLOSES ON : FRIDAY, NOVEMBER 24, 2023⁽¹⁾

* Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.
⁽¹⁾UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below and justified in view of the relevant parameters. The face value of the Equity Shares is ₹5 each and the Floor Price is 57.60 times the face value of the Equity Shares and the Cap Price is 60.80 times the face value of the Equity Shares. Investors should also refer to "Risk Factors", "Our Business", "Financial Information", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 30, 180, 262, 344 and 350, of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative factors: Some of the qualitative factors which form the basis for computing the Offer Price are: • Diversified range of products across various price points catering to a wide spectrum of consumers; • Largest pan-India distributor/dealer network and wholesale/retailer network in the writing instruments industry and strong presence in targeted markets abroad; • Ability to partner with international brands in the writing instruments industry; • High quality manufacturing at a large scale coupled with innovation capabilities; • Experienced Promoters supported by professional senior management team; and • Historical track-record of strong financial performance with industry-leading profitability. For further details, see "Risk Factors" and "Our Business" on pages 30 and 180, of the RHP, respectively.

Quantitative factors : The information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For further details, see "Restated Consolidated Financial Information" on page 262 of the RHP.

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

1. Basic and diluted Earnings per Share ("EPS") at face value of ₹5 each:

Derived from Restated Consolidated Financial Information:

Financial Year	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2021	0.11	0.11	1
2022	5.91	5.91	2
2023	12.66	12.66	3
Weighted Average	8.32	8.32	
June 30, 2023*	3.44	3.44	

* Not annualized

Notes:

⁽¹⁾ EPS has been calculated in accordance with the Indian Accounting Standard (Ind AS) 33 (earnings per share) issued by the ICAI. The face value of Equity Shares of our Company is ₹5.

⁽²⁾ Basic EPS = net profit after tax, as restated, attributable to equity shareholders for the year/Weighted average number of equity shares outstanding during the year.

⁽³⁾ Weighted average aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x Weight) for each year total of weights.

⁽⁴⁾ Diluted EPS = net profit after tax, as restated, attributable to equity shareholders for the year/Weighted average number of diluted equity shares and potential additional equity shares outstanding during the year.

⁽⁵⁾ Basic and diluted earnings/(loss) per equity share: Basic and diluted earnings/(loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015, as amended. For our Company, sub-division of Equity Shares are retrospectively considered for the computation of EPS for all years presented.

⁽⁶⁾ The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Information as appearing in the Restated Consolidated Financial Information.

2. Price/Earnings Ratio in relation to Price Band of ₹288 to ₹304 per Equity Share: Derived from Restated Consolidated Financial Information:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
P/E ratio based on basic EPS for Financial Year 2023	22.75	24.01
P/E ratio based on diluted EPS for Financial Year 2023	22.75	24.01

3. Industry Peer Group Price / Earnings P/E ratio

Industry P/E ratio

Particulars	P/E ratio
Highest	56.82
Lowest	33.50
Average	45.16

Source: Based on peer set provided below.

⁽¹⁾ The industry high and low has been considered from the industry peer set. The industry average has been calculated as the arithmetic average P/E of the industry peer set.

⁽²⁾ P/E figures for the peer are computed based on closing market price as on October 18, 2023 at BSE, divided by diluted EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2023.

4. Return on Net Worth ("RoNW")

Derived from Restated Consolidated Financial Information:

Financial Year	RoNW (%)	Weight
2021	0.37	1
2022	18.87	2
2023	31.17	3
Weighted Average	21.94	
June 30, 2023	7.08	

Notes:

⁽¹⁾ RoNW (%) is calculated as restated consolidated profit after tax for the year as a percentage of average of closing net worth during that year and the previous year.

⁽²⁾ Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year total of weights.

⁽³⁾ Net Worth includes Equity Share capital + other equity (including securities premium, other comprehensive income and retained earnings).

5. Net Asset Value ("NAV") per Equity Share (face value of ₹5 each)

Derived from Restated Consolidated Financial Information:

NAV per Equity Share	(in ₹)
As of June 30, 2023	50.34
As of March 31, 2023	46.90
After the completion of the Offer*	
- At the Floor Price	78.84
- At the Cap Price	79.24
Offer Price	[•]

Notes:

⁽¹⁾ Offer Price per equity share will be determined on conclusion of the Book Building Process.

⁽²⁾ NAV per equity share is calculated as Net Worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net Worth represents aggregate value of equity share capital, instruments entirely equity in nature and other equity.

⁽³⁾ Stock split of shares are retrospectively considered for the computation of NAV per share for all years presented.

* This includes Equity Shares issued by our Company pursuant to the Pre-IPO Placement.

6. Comparison of Accounting Ratios with listed industry peers (as of or for the period ended March 31, 2023, as applicable)

Name of Company	Revenue from operations (in ₹ million)	Face value (₹ per share)	Closing price on October 18, 2023 (₹)	EPS (₹)		NAV (per share) (₹)	P/E	RoNW (%)
				Basic	Diluted			
Flair Writing Industries Limited ⁽¹⁾	9,426.60	5.00	N.A.	12.66	12.66	46.90	N.A.	31.17
Listed peers⁽²⁾								
Linc Pen & Plastics Limited ⁽³⁾	4,867.60	10.00	842.60	25.15	25.15	119.17	33.50	23.37%
Kokuyo Camlin Limited ⁽⁴⁾	7,749.43	1.00	138.65	2.44	2.44	26.18	56.82	9.74%
Cello World Limited ⁽⁵⁾	17,966.95	5.00	N.A.	13.65	13.17	56.84	N.A.	23.17

⁽¹⁾ Financial information of our Company is derived from the Restated Consolidated Financial Information as of and for the Financial Year 2023.

⁽²⁾ Sourced from Annual report of the peer companies i.e. Linc Pen & Plastics Limited and Kokuyo Camlin Limited for the Financial Year 2023 submitted to stock exchanges.

⁽³⁾ Data has been sourced from the price band advertisement of Cello World Limited dated October 23, 2023

* Cello World Limited got listed on November 6, 2023

Notes:

⁽¹⁾ All the financial information for listed industry peer mentioned above is on a consolidated basis.

⁽²⁾ P/E ratio is calculated as closing share price as on October 18, 2023, divided by the diluted EPS for year ended March 31, 2023.

⁽³⁾ Diluted EPS refers to the diluted EPS sourced from the financial statements of the respective peer group companies for the Financial Year ended March 31, 2023.

⁽⁴⁾ NAV per Equity Share represents total equity attributable to the equity shareholders as of the end of the Financial Year divided by the number of Equity Shares outstanding at the end of the year. Sub-division of Equity Shares are retrospectively considered for the computation of NAV per share for all periods presented.

⁽⁵⁾ RoNW is computed as consolidated profit after tax for the year as a percentage of average of closing Net Worth during that year and the previous year.

7. Key Performance Indicators

We use certain financial and operational performance indicators or key performance indicators ("KPI") as supplemental measures to review and analyze our financial and operating performance from period to period, and to evaluate our business. In addition to our management, such measures may also be frequently used by securities analysts, investors and others within the writing instruments industry to evaluate financial performance. Some of these KPI are not defined under Ind AS and are not presented in accordance with Ind AS. These KPI have limitations as analytical tools.

As a result, presentation of these KPI, 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 Consolidated Financial Information set out in the Red Herring Prospectus. These measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these KPI should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, liquidity or profitability. Also see "Risk Factor-We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operating and financial performance in the Red Herring Prospectus that are subject to inherent challenges in measurement. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies" on page 65 of the RHP.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (b) complete utilisation of the proceeds of the Fresh Issue as disclosed in "Objects of the Offer" on page 111 of the RHP, or for such other duration as may be required under the SEBI ICDR Regulations.

For a description of the historic use of KPI by our Company to analyze, track or monitor the operational and/or financial performance of our Company and comparisons of Key Performance Indicators over time based on additions or dispositions to the business, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Discussion of our Key Performance Indicators" on page 357 of the RHP.

The table below sets forth the details of our KPI which our Company considers have a bearing for arriving at the basis for Offer Price, based on our Restated Consolidated Financial Information.

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S. No.	Metric	As of and for the period ended			
		June 30, 2023*	March 31, 2023	March 31, 2022	March 31, 2021
1.	Number of pens sold (cumulative for the Financial Year) (in million)	344.32	1,303.60	964.30	628.38
2.	Number of distributors/dealers	7,754	7,754	7,307	5,638
3.	Number of wholesalers/retailers	315,000	315,000	235,000	180,000
4.	Revenue from Operations (in ₹ million) ⁽¹⁾	2,446.98	9,426.60	5,773.98	2,979.88
5.	Revenue from Domestic Operations (in ₹ million) ⁽²⁾	2,067.66	7,499.86	4,368.07	1,836.93
6.	Revenue from Export Operations (in ₹ million) ⁽³⁾	399.32	1,926.74	1,405.91	1,142.95
7.	Gross Material Margin (in ₹ million) ⁽⁴⁾	1,245.92	4,338.90	2,692.05	1,315.65
8.	EBITDA (in ₹ million) ⁽⁵⁾	523.35	1,835.12	975.68	229.97
9.	EBITDA Margin (%) ⁽⁶⁾	21.21	19.47	16.90	7.72
10.	PAT (in ₹ million) ⁽⁷⁾	321.38	1,181.00	551.51	9.89
11.	PAT Margin (%) ⁽⁸⁾	13.03	12.53	9.55	0.33
12.	Gross Material Margin (%) ⁽⁹⁾	50.50	46.03	46.62	44.15
13.	Return on Capital Employed Ratio (%) ⁽¹⁰⁾	7.64*	31.24	17.41	0.14
14.	Return on Equity Ratio (%) ⁽¹¹⁾	7.08*	31.17	18.87	0.37
15.	Trade Receivable Days ⁽¹²⁾	68	61	83	180
16.	Inventory Days ⁽¹³⁾	165	143	187	309
17.	Trade Payable Days ⁽¹⁴⁾	49	41	54	125
18.	Working Capital Cycle (Days) ⁽¹⁵⁾	184	163	216	364
19.	Debt to Equity Ratio ⁽¹⁶⁾	0.27	0.26	0.39	0.49
20.	Net Debt/EBITDA ⁽¹⁷⁾	2.42*	0.63	1.29	4.93
21.	Sales and Marketing Expenditure Ratio (%) ⁽¹⁸⁾	2.10	1.48	0.89	0.75
22.	EPS (in ₹) ⁽¹⁹⁾	3.44*	12.66	5.91	0.11

* Not annualized

Notes:

- ⁽¹⁾ Calculated as revenue from sale of our products and other operating revenue of our Company as set out in the Restated Consolidated Financial Information
- ⁽²⁾ Calculated as revenue from sale of our products and other operating revenue of our Company in India as set out in the Restated Consolidated Financial Information
- ⁽³⁾ Calculated as revenue from sale of our products and other operating revenue of our Company outside India as set out in the Restated Consolidated Financial Information
- ⁽⁴⁾ Calculated as the difference between revenue from operations less cost of finished goods produced (i.e. sum of: (i) cost of raw material and components consumed; (ii) purchase of stock-in-trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade)
- ⁽⁵⁾ Calculated as profit or loss for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items less other income
- ⁽⁶⁾ Calculated as EBITDA divided by revenue from operations
- ⁽⁷⁾ Profit after tax for the year as appearing in the Restated Consolidated Financial Information
- ⁽⁸⁾ Calculated as restated profit after tax divided by revenue from operations
- ⁽⁹⁾ Calculated as Gross Material Margin and divided by restated total revenue from operations
- ⁽¹⁰⁾ Calculated as EBIT (i.e. calculated as profit or loss for the year plus tax expenses, finance costs less other income) divided by capital employed (i.e. sum of: (i) Net Worth; (ii) long-term borrowings; (iii) short-term borrowings; (iv) current maturities of long-term debt)
- ⁽¹¹⁾ Calculated by dividing EBIT by average Net Worth
- ⁽¹²⁾ Calculated as average trade receivables divided by revenue from operations multiplied by 365 for each financial year
- ⁽¹³⁾ Calculated as average of inventory divided by cost of goods sold (cost of goods comprises cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods, semi finished goods and stock in trade) multiplied by 365 for each financial year
- ⁽¹⁴⁾ Calculated as average trade payables divided by operational expenses multiplied by 365 for each financial year
- ⁽¹⁵⁾ Calculated as the sum of Trade Receivable Days and Inventory Days less Trade Payable Days
- ⁽¹⁶⁾ Calculated by dividing total debt (including both long term and short term borrowings) by Net Worth of our Company
- ⁽¹⁷⁾ Calculated by dividing the difference between total debt less cash marketable securities by our EBITDA
- ⁽¹⁸⁾ Calculated as advertising expenses, sales promotion and marketing expenses, and commission and brokerage divided by revenue generated from operations (as appearing in the Restated Consolidated Financial Information)
- ⁽¹⁹⁾ Calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year

Explanation for the key operational and financial metrics:

Sr. no.	Name of Metric	Description
1	Number of pens sold (cumulative for the Financial Year)	This metric is used to track the overall sales operations for our pen products, during a particular period
2	Number of distributors/dealers	This metric is used to track the overall number of our distributors and dealers during a particular period
3	Number of wholesalers/retailers	This metric is used to track the overall number of wholesalers and retailers during a particular period
4	Revenue from operations	This metric is used by the management to track revenue generated from our business and to overall revenue growth over multiple periods
5	Revenue from domestic operations	This metric is used by the management to track revenue generated from our business and to overall revenue growth over multiple periods, in India
6	Revenue from export operations	This metric is used by the management to track revenue generated from our business and to overall revenue growth over multiple periods, outside India
7	Gross Material Margin	This metric is used by the management to track material profitability and cost of goods sold
8	EBITDA	We believe that tracking EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods
9	EBITDA Margin	This metric tracks the margin profile of our business and in understanding areas of our business operations which have scope for improvement
10	PAT	This metric provides information regarding the overall profitability of the business
11	PAT Margin (%)	This metric is an indicator of overall profitability of our business and provides the financial benchmarking against peers as well as to compare against the historical performance of our business.
12	Gross Profit Margin (%)	This metric is an indicator of the profitability of our Company after deducting the capital employed in the production and operation of our business.
13	Return on Capital Employed Ratio (%)	This ratio helps our Company in measuring the operating returns generated from total capital employed in the business.
14	Return on Equity Ratio (%)	This metric is profit for the year, divided by the average total equity (sum of opening and closing divided by two) during that year, and expressed as a percentage. RoE is an indicator of our Company's efficiency as it measures our Company's profitability. RoE is indicative of the profit generation by the Company against the equity contribution.
15	Trade Receivable Days	This metric represents the amount of time it takes a company to collect on its outstanding invoices
16	Inventory Days	This metric is an efficiency ratio that measures the average number of days our Company holds its inventory before selling it
17	Trade Payable Days	This metric is an efficiency ratio that measures the average number of days our Company takes to pay invoices of our suppliers
18	Working Capital Cycle (Days)	This metric indicates how many days it takes for our Company to convert its working capital into revenue
19	Debt to Equity Ratio	This metric compares shareholder's equity to company debt to assess our Company's amount of leverage and financial stability
20	Net Debt/EBITDA	This metric is a measurement of leverage to show the number of years it would take for our Company to pay back its debt if net debt and EBITDA are held constant
21	Sales and Marketing Expenditure Ratio (%)	This metric indicates the cost incurred by our Company to market our products to consumers. This expense is incurred in order to boost sales and revenue through marketing or promotion of the products.
22	EPS (in ₹)	This metric represents the net profit generated per equity share and can be used to compare our performance against peers or to assess the value of our shares.

For details of our other KPI disclosed elsewhere in the Red Herring Prospectus see "Our Business—Key Performance Indicators" on page 202 of the RHP. The members of the Audit Committee have, by way of a resolution dated October 25, 2023, confirmed that no other key performance indicators pertaining to the Company have been disclosed to earlier investors of our Company at any point of time during the three year period preceding the date of the Red Herring Prospectus and that verified and audited details for all KPI pertaining to our Company that have been disclosed to earlier investors at any point of time during the three year period prior to the date of the Red Herring Prospectus have been disclosed.

8. Comparison of our key performance indicators with listed industry peers

The following tables provide a comparison of our KPI with our listed peers for each of the three preceding Financial Years and the three month period ended June 30, 2023, which has been determined on the basis of companies listed on the Indian stock exchanges of comparable size to our Company, operating in the same industry as our Company and whose business model is similar to our business model.

Three-month period ended June 30, 2023

Sr No.	Name of Metric	As of and for the three-month period ended June 30, 2023		
		Flair Writing Industries ⁽¹⁾	Linc Limited	Kokuyo Camlin Limited
1.	Number of pens sold (cumulative for the Financial Year)	344.32	Not available	Not available
2.	Number of distributors/dealers	7,754	Not available	Not available
3.	Number of wholesalers/retailers	315,000	Not available	Not available
4.	Revenue from Operations	2,446.98	1,118.79	2,357.94
5.	Revenue from Domestic Operations	2,067.66	Not available	Not available
6.	Revenue from Export Operations	399.32	Not available	Not available
7.	Gross Material Margin	1,245.92	463.85	881.89
8.	EBITDA	523.35	131.49	242.18
9.	EBITDA Margin	21.21	11.75	10.27
10.	PAT	321.38	73.85	183.68
11.	PAT Margin (%)	13.03	6.60	7.79
12.	Gross Material Margin (%)	50.50	41.46	37.40
13.	Return on Capital Employed Ratio (%)	7.64	Not available	Not available
14.	Return on Equity Ratio (%)	7.08	4.08	Not available
15.	Trade Receivable Days	68	Not available	Not available
16.	Inventory Days	165	Not available	Not available
17.	Trade Payable Days	49	Not available	Not available
18.	Working Capital Cycle (Days)	184	Not available	Not available
19.	Debt to Equity Ratio	0.27	Not available	Not available
20.	Net Debt/EBITDA	2.42*	Not available	Not available
21.	Sales and Marketing Expenditure Ratio (%)	2.10	Not available	Not available
22.	EPS (in ₹)	3.44*	4.97	1.83

* Not annualized

⁽¹⁾ As certified by the Statutory Auditors, pursuant to a certificate dated October 27, 2023.

⁽²⁾ Based on Restated Consolidated Financial Information

Financial Year ended March 31, 2023

Sr No.	Name of Metric	As of and for the Financial Year 2023		
		Flair Writing Industries	Linc Limited	Kokuyo Camlin Limited
(in ₹ million, unless otherwise specified)				
1.	Number of pens sold (cumulative for the Financial Year)	1,303.60	760.10	Not available
2.	Number of distributors/dealers	7,754	2,650	1,500
3.	Number of wholesalers/retailers	315,000	240,000	3,00,000
4.	Revenue from Operations	9,426.60	4,867.55	7,749.43
5.	Revenue from Domestic Operations	7,499.86	Not available	Not available
6.	Revenue from Export Operations	1,926.74	Not available	Not available
7.	Gross Material Margin	4,338.90	1,921.65	2,867.10
8.	EBITDA	1,835.12	613.59	543.68
9.	EBITDA Margin	19.47	12.61	7.02
10.	PAT	1,181.00	373.97	244.47
11.	PAT Margin (%)	12.53	7.68	3.15
12.	Gross Material Margin (%)	46.03	39.48	37.00
13.	Return on Capital Employed Ratio (%)	31.24	29.12	11.94
14.	Return on Equity Ratio (%)	31.17	23.37	9.74
15.	Trade Receivable Days	61	27	31
16.	Inventory Days	143	89	107
17.	Trade Payable Days	41	49	45
18.	Working Capital Cycle (Days)	163	67	93
19.	Debt to Equity Ratio	0.26	0.01	0.21
20.	Net Debt/EBITDA	0.63	(0.19)	0.87
21.	Sales and Marketing Expenditure Ratio (%)	1.48	Not available	Not available
22.	EPS (in ₹)	12.66	25.15	2.44

Financial Year ended March 31, 2022

Sr No.	Name of Metric	As of and for the Financial Year 2022		
		Flair Writing Industries	Linc Limited	Kokuyo Camlin Limited
(in ₹ million, unless otherwise specified)				
1.	Number of pens sold (cumulative for the Financial Year)	964.30	Not available	Not available
2.	Number of distributors/dealers	7,307	Not available	Not available
3.	Number of wholesalers/retailers	235,000	Not available	Not available
4.	Revenue from Operations	5,773.98	3,549.57	5,084.72
5.	Revenue from Domestic Operations	4,368.07	2,793.61	Not available
6.	Revenue from Export Operations	1,405.91	755.96	Not available
7.	Gross Material Margin	2,692.05	1,174.74	1,960.05
8.	EBITDA	975.68	215.28	165.08
9.	EBITDA Margin	16.90	6.06	3.25
10.	PAT	551.51	81.30	(47.29)
11.	PAT Margin (%)	9.55	2.29	(0.93)
12.	Gross Material Margin (%)	46.62	33.10	38.55
13.	Return on Capital Employed Ratio (%)	17.41	6.00	(0.38)
14.	Return on Equity Ratio (%)	18.87	5.86	(1.96)
15.	Trade Receivable Days	83	36	134
16.	Inventory Days	187	86	218
17.	Trade Payable Days	54	53	124
18.	Working Capital Cycle (Days)	216	69	229
19.	Debt to Equity Ratio	0.39	0.02	0.29
20.	Net Debt/EBITDA	1.29	0.15	3.83
21.	Sales and Marketing Expenditure Ratio (%)	0.89	Not available	Not available
22.	EPS (in ₹)	5.91	5.47	(0.47)

Financial Year ended March 31, 2021

Sr No.	Name of Metric	As of and for the Financial Year 2021		
		Flair Writing Industries	Linc Limited	Kokuyo Camlin Limited
(in ₹ million, unless otherwise specified)				
1.	Number of pens sold (cumulative for the Financial Year)	628.38	Not available	Not available
2.	Number of distributors/dealers	5,638	Not available	Not available
3.	Number of wholesalers/retailers	1,80,000	Not available	Not available
4.	Revenue from Operations	2,979.88	2,566.61	4,031.24
5.	Revenue from Domestic Operations	1,836.93	2,080.74	Not available
6.	Revenue from Export Operations	1,142.95	485.87	Not available
7.	Gross Material Margin	1,315.65	839.38	1,668.11
8.	EBITDA	229.97	101.70	88.43
9.	EBITDA Margin	7.72	3.96	2.19
10.	PAT	9.89	0.40	(146.18)
11.	PAT Margin (%)	0.33	0.02	(3.63)
12.	Gross Material Margin (%)	44.15	32.70	41.38
13.	Return on Capital Employed Ratio (%)	0.14	(1.55)	(2.81)
14.	Return on Equity Ratio (%)	0.37	0.03	(5.93)
15.	Trade Receivable Days	180	57	188
16.	Inventory Days	309	191	330
17.	Trade Payable Days	125	105	177
18.	Working Capital Cycle (Days)	364	143	341
19.	Debt to Equity Ratio	0.49	0.07	0.29
20.	Net Debt/EBITDA	4.93	0.88	7.18
21.	Sales and Marketing Expenditure Ratio (%)	0.75	Not available	Not available
22.	EPS (in ₹)	0.11	0.03	(1.46)

9. Weighted average cost of acquisition

A. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

Our Company has not issued any Equity Shares or convertible securities issued (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issue").

B. The price per share of our Company based on secondary sale/acquisitions of shares (equity/ convertible securities)

No Equity Shares or convertible securities have been transacted (excluding by way of gifts) by the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) on our Board, during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transaction").

C. Since there are no such transactions to report to under (A) and (B), set out below are the details based on the last five Primary Issue or Secondary Transactions, not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions:

Primary transactions:

Date of allotment of equity shares	Details of allottees and number of equity shares allotted	Face value per equity share	Issue price per equity share	Reason for/ Nature of allotment	Nature of consideration	Total Consideration
						(in ₹ million)
November 10, 2023	Allotment of 2,401,315 Equity Shares to Volroad Venture Partners Fund III - Beta	5	304.00	Preferential issue	Cash	730.00
WACA						304.00

For further details in relation to the share capital history of our Company, see "Capital Structure" on page 94 of the Red Herring Prospectus.

Secondary transactions:

There have been no secondary transactions in the three years preceding the date of the Red Herring Prospectus.

D. Weighted average cost of acquisition, floor price and cap price

Type of Transaction	WACA (₹)	Floor Price (₹ 288)	Cap Price (₹ 304)
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/ convertible securities) (excluding Equity Shares issued under any employee stock option plan/ scheme and issuance of bonus shares), during the 18 months preceding the date of the certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares (equity/convertible securities), where our Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Since there were no Primary Issuances or Secondary Transactions during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five Primary Issuances or Secondary Transactions where our Promoters, the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s), are a party to the transaction, not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction.			
Based on Primary Issuances	304.00	1.00	0.95
Based on Secondary Transactions	N.A.	N.A.	N.A.

As certified by the Statutory Auditors, pursuant to a certificate dated November 10, 2023.

E. Justification for Basis of Offer Price

1. The following provides a detailed explanation for the Cap Price being 1.00 times of weighted average cost of acquisition of Equity Shares that were issued by our Company and acquired or sold by our Promoters, the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of the Red Herring Prospectus compared to (a) our Company's KPIs and financial ratios for the Financial Years 2023, 2022 and 2021 and (b) in the view of external factors which may have influence on pricing of the Offer.

- a. We are among the top three players in the overall writing and creative instruments industry with a revenue of ₹9,155.5 million in Financial Year 2023 and occupy a market share of approximately 9% in the overall writing and creative instruments industry in India, as of March 31, 2023, according to CRISIL.
- b. We are also among the top two organized players which have seen faster growth in revenue as compared to overall writing and creative instrument industry growth rate, i.e., while the industry grew at a compounded annual growth rate of 5.5% between Financial Year 2017 and 2023, we grew at a compounded annual growth rate of approximately 14% during the same period, according to CRISIL. Our revenue from operations for three-month period ended June 30, 2023, Financial year 2023, 2022 and 2021 is ₹2,466.98 million, ₹9,426.60 million, ₹5,773.98 million and ₹2,979.88 million respectively.
- c. We reported the highest operating and net income margins of 17.8% and 9.6%, respectively, in Financial Year 2022 among other key writing instruments players, according to CRISIL. Our EBITDA margin for three-month period ended June 30, 2023, Financial year 2023, 2022 and 2021 is 21.21%, 19.47%, 16.90% and 7.72% respectively.
- d. Our flagship brand "Flair" has enjoyed a market presence of over 45 years.
- e. During the three-month period ended June 30, 2023, we sold 344.32 million units of pens, of which 279.21 million units or 81.09% was sold domestically, and 65.11 million units or 18.91% was exported globally, and in Financial Year 2023, we sold 1,303.60 million units of pens, of which 975.30 million units or 74.82% was sold domestically, and 328.

...continued from previous page.

ASBA# Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 427 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. RIBs Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and HDFC Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2016 as amended. For offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, 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 public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, the "QIB Portion", provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("Net QIB Portion"). Further, 5% of the Net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilize the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" on page 427 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) 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 Offer, 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 giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. 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. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 222 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled "Material Contracts and Documents for Inspection" on page 461 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹550,000,000 divided into 110,000,000 Equity Shares of ₹5 each. The issued, subscribed and paid-up share capital of the Company is ₹478,950,575 divided into 95,790,115 Equity Shares of ₹5 each. For details, please see the section entitled "Capital Structure" on page 94 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are along with their allotment are: Allotment of 40,000 equity shares to Mr. Khubalal Jugraj Rathod; 30,000 equity shares to Mr. Vimalchand Jugraj Rathod; 20,000 equity shares to Mrs. Nirmala Khubalal Rathod; 20,000 equity shares to Mrs. Manjula Vimalchand Rathod; 20,000 equity shares to Mr. Rajesh Khubalal Rathod; 20,000 equity shares to Mr. Mohit Khubalal Rathod; 20,000 equity shares to Mr. Sumit Rathod; 10,000 equity shares to Mrs. Sangita Rajesh Rathod; 10,000 equity shares to Mrs. Shalini Mohit Rathod; and 10,000 equity shares to Mrs. Sonal Sumit Rathod. For details of the share capital history and capital structure of our Company, please see the section entitled "Capital Structure" on page 94 of the RHP.

Listing: The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an in-principle approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to their letters each dated September 22, 2023. For the purpose of the Offer, the NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been filed with the RoC in accordance with Section 32 of the Companies Act, 2013 and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of 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 up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 461 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 395 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 399 of the RHP for the full text of the disclaimer clause of NSE.

Disclaimer Clause of BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 398 of the RHP for the full text of the disclaimer clause of BSE.

General Risk: Investment 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 SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" on page 30 of the RHP.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
			Mr. Vishal Kishor Chanda 63 B/C, Government Industrial Estate, Charkop, Kandivali West Mumbai - 400 067, Maharashtra, India Telephone: +91 22 4203 0405 E-mail: investors@flairpens.com Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.
Nuvama Wealth Management Limited <i>(formerly known as Edelweiss Securities Limited)</i> 801 - 804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India Telephone: +91 22 4009 4400 E-mail: flair ipo2023@nuvama.com Website: www.nuvama.com Investor grievance e-mail: customerservice.mb@nuvama.com Contact person: Mr. Manish Tejwani SEBI registration no.: INM00013004	Axis Capital Limited 1 st Floor, Axis House, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India Telephone: +91 22 4325 2183 E-mail: fwl.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact person: Mr. Pratik Pednekar SEBI registration no.: INM00012029	Link Intime India Private Limited C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli West Mumbai - 400 083, Maharashtra, India Telephone: +91 810 811 4949 E-mail: flairwriting.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: flairwriting.ipo@linkintime.co.in Contact person: Ms. Shanti Copalkrishnan SEBI registration no.: INR000004058	

¹¹ Pursuant to the order dated April 27, 2023 passed by the National Company Law Tribunal, Mumbai Bench, the merchant banking business of Edelweiss Financial Services Limited has demerged and now transferred to Nuvama and therefore, the said merchant banking business is part of Nuvama.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" on page 30 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and the website of the Company at www.flairworld.in and is available on the websites of the BRLMs, i.e. Nuvama Wealth Management Limited, (formerly known as Edelweiss Securities Limited) and Axis Capital Limited at www.nuvama.com and www.axiscapital.co.in, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of FLAIR WRITING INDUSTRIES LIMITED, Telephone: +91 22 4203 0405; BRLMs: Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Telephone: +91 22 4009 4400 and Axis Capital Limited, Telephone: +91 22 4325 2183; Syndicate Member: Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Telephone: +91 22 4009 4400 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Anand Rathi Share & Stock Brokers Ltd., Almondz Global Securities Limited, Anand Rathi Share & Stock Brokers Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, ANS Pvt Ltd, Ashwani Dandia & Co, Axis Securities Limited, Centrum Broking Limited, Firwazard Technology Pvt. Ltd., G Raj & Co. (Consultants) Limited, HDFC Securities Limited, ICICI Securities Limited, IDBI Capital, IFCI Financial Services Ltd., IIFL Securities Ltd., Jhaveri Securities, JM Financial Services Limited, Kalpataru Multiplier Limited, KJMC Capital Market Services Limited, Kotak Securities Limited, Lakshmi Invest & Securities Pvt Limited, LKP Securities Limited, Manwadi Shares & Finance, Motilal Oswal Securities Limited, Nirmal Bang Securities Pvt Limited, Patel Wealth Advisors Pvt Limited, Prabhudas Lilladher Pvt Limited, Pravin Ratilal Share & Stock Brokers Limited, Religare Securities Ltd., RR Equity Brokers Pvt. Limited, SBICAP Securities Limited, SMC Global Securities Limited, YES Securities (India) Limited

Escrow Collection Bank and Refund Bank: Axis Bank Limited

Public Offer Account Bank: HDFC Bank Limited

Sponsor Banks: Axis Bank Limited and HDFC Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Mumbai, Maharashtra
Date: November 16, 2023

For FLAIR WRITING INDUSTRIES LIMITED
On behalf of the Board of Directors
Sd/-
Mr. Vishal Kishor Chanda
Company Secretary and Compliance Officer

FLAIR WRITING INDUSTRIES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP dated November 16, 2023 with RoC. The RHP is available on the website of SEBI at www.sebi.gov.in, website of the BSE Limited at www.bseindia.com, the website of NSE at <https://www.nseindia.com/>, website of the Company at www.flairworld.in and the websites of the BRLMs, i.e. Nuvama Wealth Management Limited, (formerly known as Edelweiss Securities Limited) and Axis Capital Limited at www.nuvama.com and www.axiscapital.co.in, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section entitled "Risk Factors" on page 30 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision instead shall rely on RHP.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements. However, no offering of securities is being made in the United States.